

EKŌ AND AFFILIATE

Consolidated Financial Statements
with Independent Auditor's Report

December 31, 2023 and 2022

**GALLEROS ROBINSON
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

EKŌ AND AFFILIATE

DECEMBER 31, 2023 AND 2022

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5
Consolidated Statements of Functional Expenses	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8-18



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
EKÖ and Affiliate

Opinion

We have audited the accompanying consolidated financial statements of EKÖ and Affiliate (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022 and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt about the Organization's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 12 to the consolidated financial statements, as of December 31, 2023, the Organization did not have sufficient available financial assets to meet cash needs for general expenditures within one year, had a net deficit without donor restrictions of \$1,319,820, and the Organization had an excess of expenses over support and revenues amounting to \$1,536,897 and negative cash flow from operating activities of \$1,280,350 for the year ended December 31, 2023.

Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note 12. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 generally accepted auditing standards 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

**To the Board of Directors of
EKÖ and Affiliate
Page 3**

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.

Galleras Robinson CPAs, LLP

New York, New York
November 12, 2024

EKŌ AND AFFILIATE**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 563,215	\$ 907,229
Grants and contributions receivable	20,662	266,326
Investments	169,809	1,060,188
Prepaid expenses	53,926	19,937
Property and equipment, net	32,991	36,232
Other assets	<u>26,672</u>	<u>31,308</u>
 Total Assets	 <u>\$ 867,275</u>	 <u>\$ 2,321,220</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ <u>541,494</u>	\$ <u>458,542</u>
Total Liabilities	<u>541,494</u>	<u>458,542</u>
Net Assets		
Without donor restrictions	(1,319,820)	459,769
With donor restrictions	<u>1,645,601</u>	<u>1,402,909</u>
Total Net Assets	<u>325,781</u>	<u>1,862,678</u>
 Total Liabilities and Net Assets	 <u>\$ 867,275</u>	 <u>\$ 2,321,220</u>

EKÖ AND AFFILIATE

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES						
Grants and contributions	\$ 5,819,818	\$ 2,473,600	\$ 8,293,418	\$ 7,136,845	\$ 2,786,308	\$ 9,923,153
Program revenue	400,000	-	400,000	250,000	-	250,000
Investment income (loss)	79,921	-	79,921	(47,124)	-	(47,124)
Other revenue	2,645	-	2,645	40,349	-	40,349
Net assets released from restrictions	<u>2,230,908</u>	<u>(2,230,908)</u>	<u>-</u>	<u>1,947,018</u>	<u>(1,947,018)</u>	<u>-</u>
Total Support and Revenues	<u>8,533,292</u>	<u>242,692</u>	<u>8,775,984</u>	<u>9,327,088</u>	<u>839,290</u>	<u>10,166,378</u>
EXPENSES						
Program services	6,912,714	-	6,912,714	8,742,419	-	8,742,419
Management and general	2,129,724	-	2,129,724	1,555,806	-	1,555,806
Fundraising and development	<u>1,270,443</u>	<u>-</u>	<u>1,270,443</u>	<u>752,289</u>	<u>-</u>	<u>752,289</u>
Total Expenses	<u>10,312,881</u>	<u>-</u>	<u>10,312,881</u>	<u>11,050,514</u>	<u>-</u>	<u>11,050,514</u>
CHANGE IN NET ASSETS	(1,779,589)	242,692	(1,536,897)	(1,723,426)	839,290	(884,136)
NET ASSETS, BEGINNING OF YEAR	<u>459,769</u>	<u>1,402,909</u>	<u>1,862,678</u>	<u>2,183,195</u>	<u>563,619</u>	<u>2,746,814</u>
NET ASSETS, END OF YEAR	<u>\$ (1,319,820)</u>	<u>\$ 1,645,601</u>	<u>\$ 325,781</u>	<u>\$ 459,769</u>	<u>\$ 1,402,909</u>	<u>\$ 1,862,678</u>

EKÖ AND AFFILIATE

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023				2022			
	Program Services	Management and General	Fundraising and Development	Total	Program Services	Management and General	Fundraising and Development	Total
Salaries	\$ 2,475,045	\$ 896,951	\$ 501,519	\$ 3,873,515	\$ 2,637,814	\$ 697,849	\$ 229,090	\$ 3,564,753
Payroll taxes and fringe benefits	891,309	323,008	180,606	1,394,923	686,531	158,143	51,727	896,401
Total salaries and related costs	3,366,354	1,219,959	682,125	5,268,438	3,324,345	855,992	280,817	4,461,154
Grants expense	360,124	-	-	360,124	1,565,226	-	-	1,565,226
Consulting and contracted services	1,289,294	230,427	204,524	1,724,245	1,313,465	135,786	54,210	1,503,461
Campaign costs and media	1,152,686	-	-	1,152,686	1,302,044	-	-	1,302,044
Processing and bank fees	108,227	-	381,957	490,184	274,779	-	398,241	673,020
Information technology	382,533	92,719	-	475,252	396,503	160,604	-	557,107
Campaign related conferences	312	-	-	312	400,837	-	-	400,837
Professional fees	-	407,811	-	407,811	-	165,012	-	165,012
Office supplies and general expenses	4,842	45,547	-	50,389	12,353	84,488	-	96,841
Occupancy costs	52,137	13,368	1,337	66,842	60,322	15,467	1,547	77,336
Staff development	25,637	-	-	25,637	65,442	-	-	65,442
Recruitment	-	15,977	-	15,977	-	53,645	-	53,645
Travel and related expenses	170,568	8,887	-	179,455	27,103	17,351	4,523	48,977
Telecommunications	-	44,745	-	44,745	-	40,660	-	40,660
Insurance	-	26,894	-	26,894	-	15,532	-	15,532
Fundraising expenses	-	-	-	-	-	-	12,951	12,951
Depreciation	-	18,386	-	18,386	-	10,399	-	10,399
Amortization	-	5,004	-	5,004	-	834	-	834
Bad debts	-	-	500	500	-	-	-	-
Miscellaneous	-	-	-	-	-	36	-	36
Total Expenses	\$ 6,912,714	\$ 2,129,724	\$ 1,270,443	\$ 10,312,881	\$ 8,742,419	\$ 1,555,806	\$ 752,289	\$ 11,050,514

EKŌ AND AFFILIATE**CONSOLIDATED STATEMENTS OF CASH FLOWS****YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,536,897)	\$ (884,136)
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Unrealized (gains) losses on investments	(61,066)	59,394
Gain on sale of equipment	(36)	-
Depreciation	18,386	10,399
Amortization	5,004	834
Changes in operating assets and liabilities:		
Decrease (increase) in assets:		
Grants and contributions receivable	245,664	(237,079)
Prepaid expenses	(33,989)	(15,411)
Other assets	(368)	(30,329)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	<u>82,952</u>	<u>(116,816)</u>
Net cash used for operating activities	<u>(1,280,350)</u>	<u>(1,213,144)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(18,873)	(12,270)
Proceeds from sale of investments	970,318	-
Purchases of equipment	(16,853)	(44,195)
Proceeds from disposal of equipment	<u>1,744</u>	<u>-</u>
Net cash from (used for) investing activities	<u>936,336</u>	<u>(56,465)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(344,014)	(1,269,609)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>907,229</u>	<u>\$ 2,176,838</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 563,215</u>	<u>\$ 907,229</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

No taxes or interest were paid during the years ended December 31, 2023 and 2022, respectively.

EKŌ AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

1. ORGANIZATION AND NATURE OF ACTIVITIES

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

EKŌ is a global movement of over 23 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. EKŌ is supported by contributions from people all over the world.

The Organization was incorporated under the name “SumOfUs” in Washington, DC on June 11, 2011 and is exempt from taxation under section 501(c)(4) of the Internal Revenue Code. On March 23, 2023, the District of Columbia issued a Certificate of Amendment to the Organization that changed its name to EKŌ.

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. On July 27, 2023, the Society’s name was officially changed to EKO Movement Canada Society.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which require 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 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, whereby the donor has stipulated the funds be maintained in perpetuity.

EKŌ AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Accounting and Presentation - 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 consolidated statements of activities.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Consolidation

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

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less 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 Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). All interest, dividends, and realized and unrealized gains and losses are reported in the consolidated statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

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.

EKÖ AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value Measurements - Continued

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.

Grants and Contributions Revenue

Grants and 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:

<u>Nature of the Gift</u>	<u>Value Recognized</u>
<i>Conditional gifts and grants, with or without restrictions</i>	
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
<i>Unconditional gifts and grants, with or without restrictions</i>	
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.

EKŌ AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Grants and Contributions Revenue - Continued

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 consolidated statements 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.

Program Revenue

Program revenue is recorded in the period in which the Organization satisfies the performance obligations under the 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.

Grants and Contributions Receivable

Contributions are recognized when the donor makes a gift to the Organization that is, in substance, unconditional. Grants and contributions receivable due in one year are recorded at their net realizable value. Grants and contributions receivable due in more than one year are recorded at the present value of their net realizable value, using risk-free interest rates to discount the amounts applicable to the years in which the contributions are received.

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, 2023 and 2022, based on management's evaluations of the creditworthiness of contributors, as well as past history.

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized as revenue or an offset to bad debt expense in the year of recovery, in accordance with the Organization's accounting policy election. In 2023, the Organization wrote off grants and contributions receivable amounting to \$500.

EKÖ AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of the computers and equipment of 5 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 consolidated 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, campaign costs and media, campaign related conferences, and staff development 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.

Accounting for Uncertainty in Income Taxes

The Organization applies the provisions pertaining to 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 2020. Currently, there are no audits in progress.

Accounting for Leases

In 2022, the Organization adopted FASB Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842), which requires 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.

EKŌ AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Subsequent Events

Management has evaluated subsequent events through November 12, 2024, which is the date the consolidated financial statements were available to be issued.

On February 1, 2024, Ekō Education Fund, Inc., a 501(c)(3) organization and an affiliate of the Organization was incorporated in Delaware.

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 Corporation ("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, 2023 and 2022 are \$214,675 and \$220,421, 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. The Organization has not recorded a discount on grants and contributions receivable as it has deemed the discount to not be material.

Management believes that all outstanding receivables are collectible in full, therefore, no allowance for doubtful accounts has been provided.

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Organization measures its investments at fair value. Fair value is an exit price, representing the amount that would be received on the sale of an asset or that would be paid to transfer a liability in an orderly transaction between market participants. As a basis for considering such assumptions, a three-tier fair value hierarchy is used which prioritizes the inputs in the valuation methodologies in measuring fair value.

Items Measured at Fair Value on a Recurring Basis

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

EKÖ AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS - CONTINUED

Items Measured at Fair Value on a Recurring Basis - Continued

	2023		2022	
	Level 1	Total	Level 1	Total
Assets				
Investments				
Money market	\$ 22,278	\$ 22,278	\$ 973,724	\$ 973,724
Equities	147,531	147,531	86,464	86,464
	<u>\$ 169,809</u>	<u>\$ 169,809</u>	<u>\$ 1,060,188</u>	<u>\$ 1,060,188</u>

Net investment income (loss) consists of the following for the years ended December 31:

	2023	2022
Interest and dividends	\$ 18,855	\$ 12,570
Unrealized gains (losses) on investments	61,066	(59,394)
Investment fees	-	(300)
Net investment income (loss)	<u>\$ 79,921</u>	<u>\$ (47,124)</u>

Fair Value Hierarchy

Investments categorized as Level 1 in the table above are valued using quoted prices for identical assets in active markets.

6. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following as of December 31:

	2023	2022
Computers and equipment	\$ 66,270	\$ 152,757
Less: Accumulated depreciation	<u>(33,279)</u>	<u>(116,525)</u>
	<u>\$ 32,991</u>	<u>\$ 36,232</u>

On March 20, 2023, the Organization entered into a buyback agreement for a laptop equipment amounting to \$1,744. The cost and accumulated depreciation of the equipment at the date of buyback was \$2,277 and \$569, respectively. The Organization recognized a gain on the disposal amounting to \$36, which is included in other revenue in the consolidated statements of activities.

Depreciation expense amounted to \$18,386 and \$10,399 for the years ended December 31, 2023 and 2022, respectively. In 2023, the Organization wrote off fully depreciated computers no longer in use amounting to \$101,063.

EKÖ AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

7. OTHER ASSETS

Other assets consist of the following as of December 31:

	2023	2022
Website development	\$ 82,480	\$ 82,480
Less: Accumulated amortization	<u>(63,299)</u>	<u>(58,295)</u>
	19,181	24,185
Security deposit	<u>7,491</u>	<u>7,123</u>
	<u>\$ 26,672</u>	<u>\$ 31,308</u>

8. COMMITMENTS AND CONTINGENCIES

The Organization leases facilities in various locations to conduct its programs on a month-to-month or temporary basis. The leases qualify as short-term leases under ASC 842. Occupancy costs amounted to \$66,842 and \$77,336 for the years ended December 31, 2023 and 2022, respectively.

9. NET ASSETS WITH DONOR RESTRICTIONS

Activity for net assets with donor restrictions during the years ended December 31, 2023 and 2022 are as follows:

Year Ended December 31, 2023					
Restriction	Restricted Purpose	Beginning Balance	Support and Revenue	Released from Restrictions	Ending Balance
Purpose	Promote sustainable palm oil in Europe, United States, and Indonesia	\$ 219,930	\$ -	\$ (190,355)	\$ 29,575
Purpose	Leveraging people power to tackle water scarcity	-	70,000	(24,873)	45,127
Purpose	To educate the public about corporate malfeasance and irresponsibility	-	43,600	-	43,600
Purpose	Ensure access to affordable and clean water	35,000	-	(35,000)	-
Purpose	Campaign activities in the areas of human and workers' rights, digital rights and technology sector accountability, and economic, racial, and climate justice	808	-	(808)	-
Purpose	Various	-	75,000	(75,000)	-
Time and purpose	Corporate bonds to fossil fuel developers	248,731	660,000	(289,981)	618,750
Time and purpose	Right to object case in Europe	-	450,000	(37,500)	412,500
Time and purpose	Artificial intelligence	-	500,000	(250,000)	250,000

EKŌ AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

9. NET ASSETS WITH DONOR RESTRICTIONS - CONTINUED

Year Ended December 31, 2023					
Restriction	Restricted Purpose	Beginning Balance	Support and Revenue	Released from Restrictions	Ending Balance
Time and purpose	Campaigning for loss and damage payments to be a viable replacement for carbon offset options offered to customers at checkout when purchasing airline tickets	\$ -	\$ 250,000	\$ (118,001)	\$ 131,999
Time and purpose	Climate action	104,166	275,000	(265,116)	114,050
Time and purpose	Support the Organization to mobilise movements to demand hundreds of peoples' rights be enforced under General Data Protection Regulation ("GDPR")	669,000	-	(669,000)	-
Time and purpose	Partnership Project's End of ICE Campaign	125,274	-	(125,274)	-
Time and purpose	Support efforts on combatting disinformation	-	150,000	(150,000)	-
Total		<u>\$ 1,402,909</u>	<u>\$ 2,473,600</u>	<u>\$ (2,230,908)</u>	<u>\$ 1,645,601</u>

Year Ended December 31, 2022					
Restriction	Restricted Purpose	Beginning Balance	Support and Revenue	Released from Restrictions	Ending Balance
Purpose	Promote sustainable palm oil in Europe, United States, and Indonesia	\$ -	\$ 400,000	\$ (180,070)	\$ 219,930
Purpose	Ensure access to affordable and clean water	28,281	70,000	(63,281)	35,000
Purpose	Campaign activities in the areas of human and workers' rights, digital rights and technology sector accountability, and economic, racial, and climate justice	-	126,308	(125,500)	808
Purpose	Protecting the natural environment from pollution and over-exploitation	410,167	-	(410,167)	-
Purpose	Education fund	-	250,000	(250,000)	-
Time and purpose	Support the Organization to mobilise movements to demand hundreds of peoples' rights be enforced under General Data Protection Regulation ("GDPR")	-	950,000	(281,000)	669,000
Time and purpose	Corporate bonds to fossil fuel developers	-	400,000	(151,269)	248,731
Time and purpose	Partnership Project's End of ICE Campaign	-	215,000	(89,726)	125,274
Time and purpose	Climate action	-	225,000	(120,834)	104,166

EKÖ AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

9. NET ASSETS WITH DONOR RESTRICTIONS - CONTINUED

Year Ended December 31, 2022					
Restriction	Restricted Purpose	Beginning Balance	Support and Revenue	Released from Restrictions	Ending Balance
Time and purpose	International energy	\$ -	\$ 150,000	\$ (150,000)	\$ -
Time and purpose	Campaign activities in the areas of human and workers' rights, digital rights and technology sector accountability, and economic, racial, and climate justice	125,171	-	(125,171)	-
Total		<u>\$ 563,619</u>	<u>\$ 2,786,308</u>	<u>\$ (1,947,018)</u>	<u>\$ 1,402,909</u>

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 ("Local 70"). In November 2019, the Organization and Local 70 signed a new collective bargaining agreement ("CBA"), which covers the period from April 2019 through November 2022.

In November 2023, the Organization and Local 70 signed a new CBA, which covers the period from November 2022 through December 31, 2023. In March 2024, the Organization and Local 70 signed a new CBA, which covers the period from February 1, 2024 through April 30, 2027.

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 \$289,261 and \$116,381, for the years ended December 31, 2023 and 2022, respectively.

12. LIQUIDITY AND DEFICIT

As of December 31, 2023 and 2022, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses and purchases of property and equipment, are as follows:

EKŌ AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

12. LIQUIDITY AND DEFICIT - CONTINUED

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 563,215	\$ 907,229
Grants and contributions receivable	20,662	266,326
Investments	<u>169,809</u>	<u>1,060,188</u>
Total financial assets	753,686	2,233,743
Less: Net assets with donor restrictions	<u>(1,645,601)</u>	<u>(1,402,909)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ (891,915)</u>	<u>\$ 830,834</u>

As of December 31, 2023, the Organization did not have sufficient available financial assets to meet cash needs for general expenditures within one year and had a net deficit without donor restrictions of \$1,319,820. In addition, during the year ended December 31, 2023, the Organization had an excess of expenses over support and revenue amounting to \$1,536,897 and negative cash flow from operating activities of \$1,280,350.

Whether and when the Organization can attain an increase in fund balances and positive cash flows from operating activities is uncertain. These factors create an uncertainty about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements were available to be issued. If for any reason the Organization is unable to continue as a going concern, it could have an impact on the Organization's ability to realize assets at their recognized values and to extinguish liabilities in the normal course of operations at the amounts stated in the consolidated financial statements.

Management acknowledges that uncertainty remains over the ability of the Organization to refinance or repay its obligations as they fall due. Management has already undertaken substantial cost-cutting and restructuring measures that will realign the use of the restricted funds within one year. Any restrictions on major institutional grants have consistently been adhered to and properly accounted for. In light of political realities, the Organization has been leaning into impact and increasing its spending to match the urgent need for strategic campaigning to preserve democracy and human rights around the world. Management will be shifting into a resource acquisition orientation for the next twelve months to account for this necessary period of mission-serving campaigning.