ecoAmerica

Financial Statements
and Independent Auditor's Report

December 31, 2023 and 2022

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ecoAmerica

Index

Independent Auditor's Report

To the Board of Directors
ecoAmerica
Washington, DC

Opinion

We have audited the financial statements of ecoAmerica, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits 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 ecoAmerica 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.

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 ecoAmerica's ability to continue as a going concern for one year after the date that the 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 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.

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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 ecoAmerica'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 ecoAmerica'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 audits.

CohnReznick LLP

Bethesda, Maryland
August 2, 2024

ecoAmerica

Statements of Financial Position
December 31, 2023 and 2022

Assets

	2023	2022
Current assets		
Cash and cash equivalents	$ 1,496,519	$ 894,977
Accounts and sponsorship receivable, net	3,186	1,256
Pledges and grants receivable, current	1,646,323	1,300,242
Investments	25,348	-
Prepaid expenses	44,666	57,343
Total current assets	3,216,042	2,253,818
Property and equipment, net	37,386	37,227
Operating lease right-of-use asset	220,977	83,688
Pledges and grants receivable, net of current portion	1,247,925	1,027,048
Deposits	8,078	8,078
Intangible asset	250	250
	$ 4,730,658	$ 3,410,109

Liabilities and Net Assets

	2023	2022
Liabilities		
Accounts payable and accrued expenses	$ 171,906	$ 201,069
Operating lease liability, current	30,566	83,756
Notes payable	100,000	100,000
Total current liabilities	302,472	384,825
Operating lease liability, net of current portion	202,850	11,569
Total liabilities	505,322	396,394
Net assets		
Net (deficit) assets without donor restrictions	(179,970)	137,141
Net assets with donor restrictions	4,405,306	2,876,574
Total net assets	4,225,336	3,013,715
	$ 4,730,658	$ 3,410,109

See Notes to Financial Statements.

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Statements of Activities and Change in Net Assets
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 revenue						
Contributions and grants	$ 846,957	$ 3,774,141	$ 4,621,098	$ 730,123	$ 2,754,548	$ 3,484,671
Sponsorship revenue	-	-	-	51,000	-	51,000
Conference revenue	-	-	-	6,202	-	6,202
Investment income (loss)	10,099	-	10,099	(7,644)	-	(7,644)
Miscellaneous revenue	14,945	-	14,945	145	-	145
Contributions of nonfinancial assets	18,500	-	18,500	21,750	-	21,750
Forgiveness of Paycheck Protection Program loans and interest	-	-	-	305,166	-	305,166
Net assets released from restrictions - satisfaction of restrictions	2,245,409	(2,245,409)	-	1,701,713	(1,701,713)	-
Total support and revenue	3,135,910	1,528,732	4,664,642	2,808,455	1,052,835	3,861,290
Expenses						
Program services	2,464,498	-	2,464,498	1,977,516	-	1,977,516
Supporting services						
General and administration	412,453	-	412,453	367,530	-	367,530
Fundraising	576,070	-	576,070	494,212	-	494,212
Total supporting services	988,523	-	988,523	861,742	-	861,742
Total expenses	3,453,021	-	3,453,021	2,839,258	-	2,839,258
Change in net assets	(317,111)	1,528,732	1,211,621	(30,803)	1,052,835	1,022,032
Net assets, beginning of year	137,141	2,876,574	3,013,715	167,944	1,823,739	1,991,683
Net (deficit) assets, end of year	$ (179,970)	$ 4,405,306	$ 4,225,336	$ 137,141	$ 2,876,574	$ 3,013,715

See Notes to Financial Statements.

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Statement of Functional Expenses
Year Ended December 31, 2023

	Program services	Supporting services: General and administration	Supporting services: Fundraising	Supporting services: Subtotal	Total expenses
Salaries	$ 1,408,098	$ 257,116	$ 361,151	$ 618,267	$ 2,026,365
Research	31,793	-	-	-	31,793
Partner support	23,117	-	-	-	23,117
Professional fees	3,609	51,941	1,229	53,170	56,779
Travel, meals and entertainment	96,065	42,974	75,288	118,262	214,327
Awards	175,447	-	-	-	175,447
Marketing	37,121	-	-	-	37,121
Rent	-	81,675	-	81,675	81,675
Employee benefits	210,710	47,864	42,533	90,397	301,107
Printing	40,895	59	5,229	5,288	46,183
Payroll taxes	113,768	20,969	29,041	50,010	163,778
Miscellaneous program expenses	10,012	-	-	-	10,012
Office supplies	5,369	5,073	524	5,597	10,966
Utilities, telecommunications and data	68,262	34,703	3,902	38,605	106,867
Equipment rental	25,465	-	-	-	25,465
Miscellaneous	5,657	8,741	1,893	10,634	16,291
Postage and delivery	3,881	658	3,565	4,223	8,104
Depreciation and amortization	5,190	11,156	-	11,156	16,346
Insurance	-	20,564	-	20,564	20,564
Website maintenance	24,175	-	-	-	24,175
Dues and subscriptions	850	796	6,664	7,460	8,310
Interest	-	8,229	-	8,229	8,229
Bad debt	-	40,000	-	40,000	40,000
Overhead allocation	175,014	(220,065)	45,051	(175,014)	-
Total expenses	$ 2,464,498	$ 412,453	$ 576,070	$ 988,523	$ 3,453,021

See Notes to Financial Statements.

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Statement of Functional Expenses
Year Ended December 31, 2022

	Program services	Supporting services: General and administration	Supporting services: Fundraising	Supporting services: Subtotal	Total expenses
Salaries	$ 1,129,393	$ 258,986	$ 303,266	$ 562,252	$ 1,691,645
Research	18,784	-	-	-	18,784
Partner support	11,831	-	-	-	11,831
Professional fees	3,126	54,848	3,842	58,690	61,816
Travel, meals and entertainment	44,662	20,509	58,460	78,969	123,631
Awards	173,790	-	-	-	173,790
Marketing	5,676	-	-	-	5,676
Rent	-	84,178	-	84,178	84,178
Employee benefits	180,230	43,455	38,970	82,425	262,655
Printing	11,721	307	1,853	2,160	13,881
Payroll taxes	92,151	21,110	24,719	45,829	137,980
Miscellaneous program expenses	3,940	-	83	83	4,023
Office supplies	2,428	4,487	647	5,134	7,562
Utilities, telecommunications and data	66,849	32,059	7,496	39,555	106,404
Equipment rental	1,000	-	-	-	1,000
Miscellaneous	344	8,923	1,260	10,183	10,527
Postage and delivery	2,650	1,178	1,652	2,830	5,480
Depreciation and amortization	335	9,136	-	9,136	9,471
Insurance	-	21,796	-	21,796	21,796
Website maintenance	65,927	-	-	-	65,927
Dues and subscriptions	858	6,346	8,296	14,642	15,500
Interest	-	5,633	-	5,633	5,633
Bad debt	-	68	-	68	68
Overhead allocation	161,821	(205,489)	43,668	(161,821)	-
Total expenses	$ 1,977,516	$ 367,530	$ 494,212	$ 861,742	$ 2,839,258

See Notes to Financial Statements.

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Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	$ 1,211,621	$ 1,022,032
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Increase in allowance for doubtful accounts on pledges and grants receivable	40,000	-
Amortization of discount on pledges receivable	15,790	89,191
Depreciation and amortization	16,346	9,471
Donated investments	(25,156)	-
Unrealized gain on donated investments	(192)	-
Gain on disposal of property and equipment	-	(145)
Forgiveness of Paycheck Protection Program loan	-	(301,997)
Amortization of operating lease right-of-use asset	92,095	67,312
Changes in		
Accounts and sponsorship receivable	(1,930)	87,751
Pledges and grants receivable	(622,748)	(874,377)
Prepaid expenses	12,677	(5,084)
Deposits	-	90
Accounts payable and accrued expenses	(29,163)	34,469
Deferred revenue	-	(10,324)
Operating lease liability	(91,293)	(73,751)
Net cash provided by operating activities	618,047	44,638
Cash flows from investing activities		
Purchases of property and equipment	(16,505)	(18,368)
Proceeds from sale of property and equipment	-	145
Net cash used in investing activities	(16,505)	(18,223)
Net increase in cash and cash equivalents	601,542	26,415
Cash and cash equivalents, beginning of year	894,977	868,562
Cash and cash equivalents, end of year	$ 1,496,519	$ 894,977
Supplemental disclosures of cash flow information		
Forgiveness of Paycheck Protection Program loan	$ -	$ 301,997
Right-of-use asset in exchange for operating lease obligation	$ 229,384	$ 151,000

See Notes to Financial Statements.

Note 1 - Organization and summary of significant accounting policies

Organization and nature of activities

ecoAmerica is an environmental nonprofit organization. It operates one program that uses psychographic research, strategic partnerships, and engagement marketing to build a critical mass of institutional leadership, public support, and political resolve for climate solutions in the United States. ecoAmerica's program activities consist of the following five main components:

1. ecoAmerica engages trusted national leaders outside of typical environmental spheres from the faith, health, and local communities' sectors. These leaders convene quarterly, share ideas and learning, and guide and support ecoAmerica's programs.

2. The organization recruits and supports major national institutions in its target sectors and helps them make climate change a visible national priority for their organizations, engaging their millions of members to act and advocate for climate solutions.

3. It provides these institutions, leaders, and members with comprehensive, tailored guidance, resources, training, and other support to help them lead on climates solutions and inspire their stakeholders and others to do the same.

4. ecoAmerica organizes summits, forums, webinars, workshops, campaigns, annual awards, and other events designed to inspire action, share best practices, and build independent and collective action for climate solutions.

5. Finally, ecoAmerica conducts and shares values, communications and messaging research and polling to help its partners and the climate movement understand which Americans are ready to move on climate and how best to reach them and inspire action.

Basis of accounting

ecoAmerica prepares its financial statements on the accrual basis of accounting. Consequently, revenues are recognized when earned and expenses are recognized when the obligation is incurred.

Cash and cash equivalents

Cash and cash equivalents consist of cash in operating and money market bank accounts, cash on hand, and highly-liquid investments with original maturities of 90 days or less.

Cash consists of cash balances maintained on deposit at two banks, which, at times, may exceed federally insured limits. ecoAmerica had funds in excess of the Federal Deposit Insurance Corporation ("FDIC") insured limits of approximately $1,246,000 as of December 31, 2023.

Investments

Donated investments are reflected as contributions at their fair values at date of receipt. Money market funds held in investment accounts with investment institutions are classified as investments on the statements of financial position. It is reasonably possible that changes in interest rates and market risk in the near term could result in a change in fair value of investment balances, which could be material. ecoAmerica received donated investments with a fair value of $533,754 and $564,619 for the years ended December 31, 2023 and 2022, respectively, which were converted to cash nearly immediately. Donated securities converted to cash nearly immediately are reflected in the statements of cash flows as cash flows from operating activities. Any gain or loss from sale of donated investments are recognized as investment income in the statements of activities and change in net assets.

Accounts and sponsorship receivable
ecoAmerica records accounts and sponsorship receivable, net of an allowance for credit losses when necessary. The allowance is determined based on a review of the net amount expected to be collected as of the statement of financial position date based on the credit losses expected to arise over the life of the receivable. The allowance is determined based on a review of the net amount expected to be collected as of the statement of financial position date based on the credit losses expected to arise over the life of the receivable.

Pledges and grants receivable
Unconditional promises to give that are expected to be collected within one year are reflected as current pledges receivable and are recorded at their net realizable values in the period in which ecoAmerica is notified by the donor of his or her commitment to make a contribution. Unconditional promises to give that are expected to be collected in future years are reflected as long-term pledges receivable and are recorded at their net present value using a risk adjusted discount rate. Amortization of the discount on long-term pledges receivable are recognized as contributions and grants revenue. At December 31, 2023 and 2022, long-term pledges receivable are recorded at net realizable value which is not materially different than the discounted value of the pledges receivable.

Grants receivable represents amounts due to ecoAmerica for costs incurred under reimbursable grants, whether billed or unbilled.

Management evaluates the need for allowances based on a review of the estimated collectibility of the specific accounts, plus a general provision based on historical loss experience and existing economic conditions. Uncollectible amounts are charged off against the allowance for doubtful accounts once management determines an account, or a portion thereof, to be uncollectible. Bad debt expense was $40,000 and $0 for the years ended December 31, 2023 and 2022, respectively.

Property and equipment
Property and equipment is recorded at cost or, if donated, at fair value at the date of donation. ecoAmerica provides for depreciation and amortization on property and equipment using the straight-line method over the useful lives of the assets, ranging from three to five years. ecoAmerica capitalizes purchases of property and equipment with a cost of $1,000 or more with an estimated useful life of greater than one year.

ecoAmerica has capitalized certain website development costs incurred during the application development stage. Subsequent costs to maintain and operate the website are expensed as incurred. Capitalized website development costs are being amortized using the straight-line method over three years.

Intangible asset
The intangible asset consists of a donated website domain, which ecoAmerica estimated had a fair value of $4,000 when received. ecoAmerica applies the provisions of Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 350, *Intangibles - Goodwill and Other*, whereby intangible assets determined to have an indefinite useful life are not amortized, but instead tested for impairment at least annually in accordance with the provisions of FASB ASC Topic 350.

ecoAmerica periodically reviews the carrying value of the website domain to determine whether impairment exists. During 2020, management determined that the carrying value of the domain no longer reflected its fair market value and recorded a loss of $3,750. At December 31, 2023 and 2022, the balance was $250.

Leases

ecoAmerica accounts for leases in accordance with FASB ASC Topic 842, *Leases*. Under Topic 842, a lessee determines if an arrangement contains a lease at inception based on whether the lessee has the right to control the asset during the contract period and other facts and circumstances. ecoAmerica has determined that its signed agreement for office space fits the criteria under Topic 842. Under Topic 842, right-of-use assets and operating lease liabilities are recognized based on the present value of lease payments over the lease term, where the initial term of the lease exceeds twelve months, using an appropriate discount rate. As the rate implicit in the lease is generally not readily determinable, ecoAmerica estimates its incremental borrowing rate as the discount rate. ecoAmerica's incremental borrowing rate, which is determined at either lease commencement or when a lease liability is remeasured, is an estimate of the interest rate it would pay on a collateralized borrowing, for an amount equal to the amount and currency of denomination of the lease payments, over a period commensurate with the lease term and in a similar economic environment. The operating lease liability is reduced as cash payments are made under the terms of the leases. Interest is charged to rent expense for the difference. The operating lease right-of-use asset is amortized over the lease term and reflected as rent expense in the accompanying financial statements. Lease expense is recognized on a straight-line basis over the term of the leases. Unless ecoAmerica determines that it is reasonably certain that the term of a lease will be terminated early or extended through a renewal option, the term of a lease spans for the duration of the minimum noncancellable contractual term. There are no residual value guarantees.

Net assets

ecoAmerica is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net assets with donor restrictions are contributions with donor-imposed time and/or program-specific restrictions. These restrictions require that resources be used for specific purposes and/or in a certain period. Net assets with donor restrictions become net assets without donor restrictions when the time restrictions expire or the funds are used for their restricted purposes and are reported in the statements of activities and change in net assets as net assets released from restrictions. Net asset with donor restrictions related to pledges receivable become net assets without donor restrictions when the pledge payments become due and/or the funds are used for their restricted purposes.

Revenue recognition

ecoAmerica records contributions as revenue when they are unconditionally pledged by the donor or when received in cash if not pledged. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where ecoAmerica must overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if ecoAmerica fails to overcome the barrier. Any funding received prior to overcoming the barrier is recognized as a refundable advance. At December 31, 2023 and 2022, ecoAmerica had no refundable advances related to contributions.

Contributed professional services are recognized in the accompanying financial statements as a revenue and expense, at their estimated fair value. Contributed nonprofessional services are not recognized in the accompanying financial statements since the services provided do not meet the requirements for financial statement recognition.

Conference revenue is comprised of conference registrations. Revenue from these events is recognized upon the occurrence of the events. Conference revenue received in advance and not yet earned is deferred to the applicable period.

Sponsorship income, for which there are no conditions surrounding the sponsorship, is recorded as sponsorship revenue for the portion of the payment that represents the fair value of the benefits provided, which is usually upon the event being held. The remaining portion is recorded as revenue without donor restrictions or revenue with donor restrictions depending on when the event or meeting takes place and/or the existence of any other donor restrictions. When the event or meeting occurs, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and change in net assets as net assets released from restrictions.

Functional allocation of expenses
The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities and change in net assets. ecoAmerica allocates overhead expenses to all programs based on labor hours expended in the specific program areas.

Income taxes
ecoAmerica is exempt from federal tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying financial statements do not include a provision for federal and state income taxes. ecoAmerica did not have any unrelated business income for the years ended December 31, 2023 and 2022. ecoAmerica recognizes interest expense and penalties on income taxes related to uncertain tax positions in general and administration expenses on the statements of activities and change in net assets and accounts payable and accrued expenses on the statements of financial position. There is no provision in these financial statements for penalties and interest on income taxes related to uncertain tax positions for the years ended December 31, 2023 and 2022. Tax years prior to 2020 are no longer subject to examination by the IRS or the tax jurisdictions of California or the District of Columbia.

Use of estimates
Management uses estimates and assumptions in preparing these financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

Accounting pronouncements adopted
Effective January 1, 2023, ecoAmerica adopted FASB ASC Topic 326, *Credit Losses on Financial Instruments*, and its related amendments. The new standard changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments, including trade receivables, from an incurred loss model to an expected credit loss model and adds certain new required disclosures. Under the expected credit loss model, entities will recognize credit losses to be incurred over the entire contractual term of the instrument rather than delaying recognition of credit losses until it is probable the loss has been incurred. Adopting the new standard did not have a material effect on the financial statements.

Reclassifications
Certain reclassifications have been made to the 2022 amounts to conform to the 2023 presentation.

Subsequent events
Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of ecoAmerica through August 2, 2024 (the date the financial statements were available to be issued) and concluded other than the termination of the revolving demand note and termination and forgiveness of the note payable disclosed in Note 6 and the expiration of the California lease disclosed in Note 11, no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Note 2 - Liquidity and availability of resources

The following table reflects ecoAmerica's financial assets as of December 31, 2023 and 2022, reduced by amounts that are not available to meet general expenditures within one year of the statements of financial position. Amounts not available include net assets with donor-imposed restrictions:

	2023	2022
Financial assets		
Cash and cash equivalents	$ 1,496,519	$ 894,977
Accounts and sponsorship receivable, net	3,186	1,256
Pledges and grants receivable, net	2,894,248	2,327,290
Investments	25,348	-
	4,419,301	3,223,523
Less those unavailable for general expenditure within one year		
Net assets with donor restrictions	(4,405,306)	(2,876,574)
Add net assets with time restrictions to be met in less than a year	1,286,323	1,277,026
	(3,118,983)	(1,599,548)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,300,318	$ 1,623,975

As of December 31, 2023, ecoAmerica has a revolving demand note which ecoAmerica may draw upon, when necessary, to provide additional cash for general expenditures. See Note 6 for additional information.

Note 3 - Pledges and grants receivable

Pledges and grants receivable consist of the following:

	December 31, 2023	December 31, 2022
Receivables due in less than one year	$ 1,686,323	$ 1,300,242
Receivables due in one to five years	1,371,667	1,135,000
Allowance for doubtful accounts	(40,000)	-
Total pledges and grants receivable	3,017,990	2,435,242
Less unamortized discount (3.25 - 8.25 percent)	(123,742)	(107,952)
Net pledges and grants receivable	2,894,248	2,327,290
Less current portion	1,646,323	1,300,242
Pledges and grants receivable, net of current portion	$ 1,247,925	$ 1,027,048

Note 4 - Investments

Investments are stated at fair value and consist of the following:

	December 31, 2023	December 31, 2022
Equity securities	$ 25,348	$ -

Note 5 - Property and equipment

Property and equipment includes:

	December 31, 2023	December 31, 2022
Computers and equipment	$ 55,371	$ 55,150
Furniture	40,099	40,099
Website	651,496	638,970
Leasehold improvements	2,573	2,573
	749,539	736,792
Less accumulated depreciation and amortization	(712,153)	(699,565)
	$ 37,386	$ 37,227

Depreciation expense totaled $11,156 and $9,136 for the years ended December 31, 2023 and 2022, respectively. Total accumulated depreciation at December 31, 2023 and 2022 was $85,897 and $78,499, respectively. Amortization expense was $5,190 and $335 for the years ended December 31, 2023 and 2022, respectively. Total accumulated amortization at December 31, 2023 and 2022 was $626,256 and $621,066, respectively.

Note 6 - Notes payable

In 2018, ecoAmerica obtained an interest-bearing revolving demand note from ecoAmerica's President in the amount of $500,000. The revolving demand note does not have an expiration date. The balance of the revolving demand note is $0 at December 31, 2023 and 2022. Interest expense of $0 was reported in the accompanying statements of activities and change in net assets for each of the years ended December 31, 2023 and 2022. The note bears interest at the prime rate (8.5% and 7.5% at December 31, 2023 and 2022, respectively), plus two percent. Subsequent to year-end, the revolving demand note was terminated. No amounts were owed on the revolving demand note at the time of termination of the agreement.

In 2018, ecoAmerica obtained a noninterest-bearing note payable from a community foundation's donor-advised fund, for which the President serves as the fund's advisor in the amount of $200,000. The noninterest-bearing note does not have an expiration date. The balance of the noninterest-bearing note is $100,000 at December 31, 2023 and 2022 and is recorded as a current liability as of December 31, 2023 and 2022. Imputed interest expense of $8,229 and $5,021 was reported in the accompanying statements of activities and change in net assets for the years ended December 31, 2023 and 2022, respectively, and recorded as contribution revenue and interest expense using a rate of 8.5% and 7.5%, respectively. Subsequent to year-end, the note payable was terminated, and the $100,000 outstanding balance was forgiven.

On February 25, 2021, ecoAmerica obtained a promissory note of $301,997 pursuant to the second round of the Paycheck Protection Program (the "Second PPP Loan"), which was established under the Consolidated Appropriations Act, 2021 (the "Appropriations Act") and was administered by the SBA. The outstanding borrowing under the Second PPP Loan bore interest at a rate of 1 percent per year and had a maturity date of January 2026. Under the Appropriations Act, Second PPP Loan recipients meeting certain criteria set by the SBA may be eligible for full or partial forgiveness of such loans. On March 15, 2022, the PPP note payable was forgiven in its entirety. Accordingly, ecoAmerica derecognized $301,997 of the PPP note payable and recognized corresponding forgiveness of Paycheck Protection Program loan, including $3,169 of interest for the year ended December 31, 2022. ecoAmerica accrued $2,557 of the interest forgiven during the year ended December 31, 2021.

There is a six-year period during which the SBA can review ecoAmerica's forgiveness calculations.

Note 7 - Net assets

Net assets with donor restrictions consist of the following:

	December 31, 2023	December 31, 2022
Purpose restrictions	$ 1,925,380	$ 612,500
Time restrictions	2,479,926	2,264,074
	$ 4,405,306	$ 2,876,574

Net assets with purpose restrictions are restricted for the MomentUS program. Net assets with purpose restrictions may also have time restrictions.

Note 8 - Contributed nonfinancial assets

The estimated fair value of contributed professional services for the years ended December 31, 2023 and 2022 was $18,500 and $21,750, respectively. The contributed services are presented as professional fees on the accompanying statements of functional expenses. For the years ended December 31, 2023 and 2022, the contributions of nonfinancial assets were utilized by ecoAmerica's programs and support services, and there were no donor-imposed restrictions associated with the contributed professional services.

Note 9 - Retirement plan

ecoAmerica provides a 401(k) retirement plan available to any employee who meets certain eligibility requirements. ecoAmerica will contribute three percent of eligible compensation. ecoAmerica's matching contributions to the plan amounted to $61,635 and $45,673 for the years ended December 31, 2023 and 2022, respectively, and are presented as a component of employee benefits on the accompanying statements of functional expenses.

Note 10 - Concentration

Contributions and pledges received from two donors represent approximately 48 and 62 percent of total support and revenue in the statements of activities and change in net assets for the years ended December 31, 2023 and 2022, respectively, and 33 and 61 percent of total pledges receivable at December 31, 2023 and 2022, respectively.

Note 11 - Leases

ecoAmerica leases office space in Washington, DC and California. During 2022 and 2023, the California lease was month-to-month for the WeWork workspace. ecoAmerica has elected to treat the agreements as short-term leases and therefore is not required to implement the leases under Topic 842. The lease, which expires January 2024, was not renewed.

In June 2021, ecoAmerica signed a lease agreement for office space in Washington, DC. The lease, which expires February 2024, provides for annual increases in monthly rent expense, plus ecoAmerica's pro rata share of real estate taxes. As part of the lease agreement, the lessor provided ecoAmerica with three months of rent abatement. In October 2023, ecoAmerica extended the lease agreement through August 2027. As part of the lease amendment, the lessor provided ecoAmerica with six months of rent abatement.

Minimum future lease payments required under the terms of the Washington, DC lease are as follows:

Year ending December 31,		
2024	$	54,128
2025		84,161
2026		87,527
2027		60,284
		286,100
Less imputed interest		(52,684)
Present value of net minimum lease payments		233,416
Less current liability portion		(30,566)
Long-term liability portion	$	202,850

Other lease information:

Cash paid for amounts included in the measurement of lease obligation	$	69,430
Weighted-average annual discount rate operating lease		10.50%
Weighted-average remaining lease term (years)		3.6

Total rent expense for the leases was $81,675 and $84,178 for the years ended December 31, 2023 and 2022, respectively.

Note 12 - Fair value measurement

ecoAmerica has determined the fair value of certain assets through application of FASB ASC Topic 820, *Fair Value Measurement*. Fair values of assets measured on a recurring basis at December 31, 2023 and 2022 are as follows:

		Fair value measurements at reporting date using		
	Fair value	Quoted prices in active markets for identical assets/liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
December 31, 2023				
Assets				
Equity securities	$ 25,348	$ 25,348	$ -	$ -
Total investments	$ 25,348	$ 25,348	$ -	$ -

		Fair value measurements at reporting date using		
	Fair value	Quoted prices in active markets for identical assets/liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
December 31, 2022				
Assets				
Equity securities	$ -	$ -	$ -	$ -
Total investments	$ -	$ -	$ -	$ -

This FASB ASC topic establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and provide the highest quality inputs. Level 2 inputs are based primarily on quoted prices for identical assets in inactive markets or similar assets or liabilities in active or inactive markets or other significant market observable inputs. Level 3 inputs provide the lowest quality inputs because there are no significant observable inputs. ecoAmerica uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, ecoAmerica measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. There have been no changes in the valuation methodologies used during the current year. All assets have been valued using a market approach.

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