PROTECT OUR WINTERS

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

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YEARS ENDED DECEMBER 31, 2020 AND 2019

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Protect Our Winters
Boulder, Colorado

We have audited the accompanying financial statements of Protect Our Winters (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Board of Directors
Protect Our Winters

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Protect Our Winters as December 31, 2020 and 2019, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
May 19, 2022

PROTECT OUR WINTERS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Cash Equivalents	$ 3,864,665	$ 1,917,917
Investments	45,604	-
Accounts Receivable - Merchandise	34,102	18,809
Contributions Receivable, Net	3,856	550,743
Accounts Receivable - Due From POW Action Fund, Net	111,479	89,571
Prepaid Expenses and Other Assets	34,634	15,419
Capital Assets	64,362	100,055
Total Assets	$ 4,158,702	$ 2,692,514
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	$ 77,474	$ 101,245
Paycheck Protection Program Loan Payable	106,700	-
Accrued Vacation Liability	20,303	10,716
Total Liabilities	204,477	111,961
NET ASSETS		
Without Donor Restrictions	3,791,939	1,974,810
With Donor Restrictions	162,286	605,743
Total Net Assets	3,954,225	2,580,553
Total Liabilities and Net Assets	$ 4,158,702	$ 2,692,514

See accompanying Notes to Financial Statements.

PROTECT OUR WINTERS
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS						
Contributions and Grants	$ 4,670,752	$ 162,286	$ 4,833,038	$ 2,772,866	$ 605,743	$ 3,378,609
Merchandise Sales	141,890	-	141,890	164,252	-	164,252
Less: Cost of Goods Sold	(75,837)	-	(75,837)	(19,231)	-	(19,231)
Net Merchandise Sales	66,053	-	66,053	145,021	-	145,021
Gross Special Events Revenue	-	-	-	66,153	-	66,153
Less: Cost of Direct Benefits to Donors	-	-	-	(40,000)	-	(40,000)
Net Special Events Revenue	-	-	-	26,153	-	26,153
Investment Gain, Net	688	-	688	8,836	-	8,836
Net Assets Released from Restriction	605,743	(605,743)	-	-	-	-
Total Revenue, Support, and Gains	5,343,236	(443,457)	4,899,779	2,952,876	605,743	3,558,619
EXPENSES AND LOSSES						
Program Services Expense	2,884,995	-	2,884,995	1,853,324	-	1,853,324
Total Program Expenses	2,884,995	-	2,884,995	1,853,324	-	1,853,324
Supporting Services Expenses:						
Management and General	301,610	-	301,610	205,022	-	205,022
Fundraising and Development	339,502	-	339,502	231,609	-	231,609
Total Supporting Services Expenses	641,112	-	641,112	436,631	-	436,631
Total Expenses and Losses	3,526,107	-	3,526,107	2,289,955	-	2,289,955
CHANGE IN NET ASSETS	1,817,129	(443,457)	1,373,672	662,921	605,743	1,268,664
Net Assets - Beginning of Year	1,974,810	605,743	2,580,553	1,311,889	-	1,311,889
NET ASSETS - END OF YEAR	$ 3,791,939	$ 162,286	$ 3,954,225	$ 1,974,810	$ 605,743	$ 2,580,553

See accompanying Notes to Financial Statements.

PROTECT OUR WINTERS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services	Management and General	Fundraising and Development	Cost of Goods Sold	Total
Salaries and Wages	$ 724,170	$ 123,871	$ 104,814	$ -	$ 952,855
Employee Benefits	103,201	17,653	14,937	-	135,791
Payroll Taxes	61,564	10,531	8,911	-	81,006
Total Payroll Related Costs	888,935	152,055	128,662	-	1,169,652
Grants and Other Assistance	325,038	-	-	-	325,038
Advertising and Promotion	950,642	-	-	-	950,642
Professional Services	427,334	67,626	59,506	-	554,466
Events	36,224	-	28,462	-	64,686
Office Expenses	19,634	3,500	2,961	-	26,095
Merchandise Cost of Goods Sold	-	-	-	75,837	75,837
Information Technology	137,311	15,257	101,712	-	254,280
Occupancy	43,447	7,432	6,288	-	57,167
Travel	5,652	3,674	4,804	-	14,130
Conferences, Conventions, and Meetings	12,330	1,541	1,542	-	15,413
Depreciation	27,127	4,640	3,926	-	35,693
Insurance	2,454	420	355	-	3,229
Cost of Direct Benefits to Donors	-	-	-		-
Miscellaneous	8,867	45,465	1,284	-	55,616
Total Expenses by Function	2,884,995	301,610	339,502	75,837	3,601,944
Less: Expenses Included with Revenues on the Statement of Activities:					
Cost of Direct Benefits to Donors	-	-	-	-	-
Cost of Goods Sold	-	-	-	(75,837)	(75,837)
Total Expenses Included in the Expense Section on the Statement of Activities	$ 2,884,995	$ 301,610	$ 339,502	$ -	$ 3,526,107

See accompanying Notes to Financial Statements.

PROTECT OUR WINTERS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program Services	Management and General	Fundraising and Development	Cost of Goods Sold	Total
Salaries and Wages	$ 621,510	$ 104,478	$ 88,404	$ -	$ 814,392
Employee Benefits	92,998	15,908	13,460	-	122,366
Payroll Taxes	48,949	8,373	7,085	-	64,407
Total Payroll Related Costs	763,457	128,759	108,949	-	1,001,165
Grants and Other Assistance	100,044	-	-	-	100,044
Advertising and Promotion	591,560	-	-	-	591,560
Professional Services	59,017	10,095	8,542	-	77,654
Events	15,397	-	12,098	-	27,495
Office Expenses	31,311	5,350	4,527	-	41,188
Merchandise Cost of Goods Sold	-	-	-	19,231	19,231
Information Technology	51,859	5,762	38,414	-	96,035
Occupancy	48,613	8,315	7,036	-	63,964
Travel	25,572	16,622	21,736	-	63,930
Conferences, Conventions, and Meetings	107,412	13,426	13,426	-	134,264
Depreciation	4,262	474	3,157	-	7,893
Insurance	2,078	355	301	-	2,734
Cost of Direct Benefits to Donors	-	-	40,000	-	40,000
Miscellaneous	52,742	15,864	13,423	-	82,029
Total Expenses by Function	1,853,324	205,022	271,609	19,231	2,349,186
Less: Expenses Included with Revenues on the Statement of Activities:					
Cost of Direct Benefits to Donors	-	-	(40,000)	-	(40,000)
Cost of Goods Sold	-	-	-	(19,231)	(19,231)
Total Expenses Included in the Expense Section on the Statement of Activities	$ 1,853,324	$ 205,022	$ 231,609	$ -	$ 2,289,955

See accompanying Notes to Financial Statements.

PROTECT OUR WINTERS
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 1,373,672	$ 1,268,664
Adjustments to Reconcile Change in Net Assets to Net Cash		
Depreciation and Amortization	35,693	7,893
Unrealized Gain on Investments	-	(8,836)
Changes in Assets and Liabilities:		
Contributions Receivable, Net	546,887	(426,541)
Accounts Receivable, Net	(37,201)	(85,581)
Prepaid Expenses and Other Assets	(19,215)	(2,000)
Accounts Payable	(23,771)	46,870
Accrued Vacation Liability	9,587	10,716
Net Cash Provided by Operating Activities	1,885,652	811,185
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(45,604)	(19,465)
Proceeds from Sales of Investments	-	45,568
Purchase of Capital Assets	-	(93,098)
Net Cash Used by Investing Activities	(45,604)	(66,995)
CASH FLOWS FROM FINANCING ACTIVITIES		
Paycheck Protection Program Loan Proceeds	106,700	-
Net Cash Provided by Financing Activities	106,700	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,946,748	744,190
Cash and Cash Equivalents - Beginning of Year	1,917,917	1,173,727
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 3,864,665	$ 1,917,917

See accompanying Notes to Financial Statements.

NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Protect Our Winters (POW or the Organization) is a Colorado nonprofit, tax–exempt corporation formed in 2007. POW was established to turn passionate outdoor people into effective climate advocates. POW leads a community of athletes, thought pioneers and forward-thinking business leaders to affect systemic solutions to climate change.

Basis of Accounting

The Organization maintains its accounting records on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

Cash and highly liquid financial instruments with original maturities of three months or less, which are not a part of an investment portfolio, nor held or restricted by donors for long-term purposes, are considered cash and cash equivalents.

Accounts Receivable

Accounts receivable are stated at unpaid balances. Based on historical experience, management has determined that an allowance for doubtful accounts is not necessary.

Contributions Receivable

Unconditional contributions that are expected to be collected within one year are recorded at net realizable value. Unconditional contributions expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The allowance for uncollectible contributions receivable is based on a review of subsequent collections. Contributions receivable are written off when deemed uncollectible. At December 31, 2020 and 2019, the allowance was $-0- and $-0-, respectively.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return or loss is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital asset additions over $2,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 5 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

The Organization reviews the carrying values of capital assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There was no impairment loss recognized during the years ended December 31, 2020 and 2019.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization does not have any perpetually restricted net assets.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Contributions

Grants are accounted for either as exchange transactions or contributions based on the beneficiary of the agreement. Grants received that benefit the funder are considered exchange transactions and revenue is recognized as performance obligations are satisfied in connection with the agreement.

Grants and contributions received that benefit the general public are recorded as support with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Amounts are recognized at fair value when the donor or grantor promises a contribution to the Organization that is, in substance, unconditional. Conditional contributions and grants — that is, those with a measurable performance or other barrier and a right of return or release — are recorded when the conditions upon which they depend have been met. Until that time, they are reported on the statements of financial position as a refundable advance. For grants and contributions whose restrictions are met in the same period in which the corresponding revenue is recognized, the revenue is reported as support without donor restrictions.

Merchandise Revenue

Merchandise revenue is recognized at the point in time when the related goods are shipped to customers, which represents the moment that the Organization satisfies its performance obligation to provide merchandise goods to its customers.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Program activities are those that are conducted in accordance with the Organization’s nature of operations and certain necessary costs. Management and general activities are those that are not identifiable with a single program or fundraising activity, but that are indispensable to the conduct of those activities and to the Organization’s existence. Fundraising activities involve inducing potential donors to contribute money, securities, services, materials, facilities, other assets, or time. Costs that are directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. Certain other costs that benefit multiple functional areas have been allocated across program and supporting services based on time recorded and classified by employees, and management’s best estimate of the functions that benefit from the cost.

Income Taxes

Protect Our Winters is organized as a Colorado nonprofit corporation. It has also been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as an organization described in 501(c)(3). As a 501(c)(3) entity, the Organization qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(A)(viii), and the IRS has determined that the Organization is not a private foundation under IRC Sections 509(a)(2).

NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

The Organization is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS on an annual basis. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. Management has determined that the Organization is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Upcoming Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases.* The ASU is intended to improve financial reporting about leasing transactions. The ASU affects all companies and other organizations that lease assets. Lessor accounting remains largely consistent with existing U.S. GAAP. The new standard takes effect for calendar year 2022 for the Organization. Management is currently evaluating the potential impact of this ASU on the Organization’s financial statements.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompany financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously report net assets.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2020	2019
Cash and Cash Equivalents	$ 3,864,665	$ 1,917,917
Investments	45,604	-
Accounts Receivable - Merchandise	34,102	18,809
Contributions Receivable, Net	3,856	550,743
Accounts Receivable, Net	111,479	89,571
Financial Assets at Year-End	4,059,706	2,577,040
Less: Those Unavailable for General Expenditures Within One Year Due to:		
Net Assets With Donor Restrictions	(162,286)	(605,743)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 3,897,420	$ 1,971,297

As part of the Organization’s liquidity management plan, management forecasts cash needs for the future periods to ensure that the Organization has sufficient cash to meet operating requirements.

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the Organization develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to management's assessment of the quality, risk, or liquidity profile of the asset or liability.

All of the Organization's investment assets are classified within Level 1 because they comprise corporate equities with readily determinable fair values based on daily redemption values.

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost or by using net asset value (NAV) per share as a practical expedient as identified in the following, at December 31:

	2020			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Equities	$ 45,604	$ 45,604	$ -	$ -

	2019			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Equities	$ -	$ -	$ -	$ -

NOTE 4 CONTRIBUTIONS RECEIVABLE

Contributions receivable are estimated to be collected within one year. At December 31, 2020, two donors accounted for 45% of total contributions receivable. At December 31, 2019, two donors accounted for 65% of total contributions receivable.

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

The Organization receives contributions from various corporations, organizations, and individuals. Net assets are restricted for the following purposes or periods as of December 31:

	2020	2019
Subject to Expenditure for Specified Purpose:		
POW Europe	$ -	$ 25,000
Development Advisor	10,536	-
Senior Manager of Campaigns	150,000	-
Total	160,536	25,000
Subject to the Passage of Time:		
Grant Funds Restricted for Use During 2020	-	30,000
Contributions Receivable that are Not Restricted by Donors, but Which are Unavailable for Expenditure Unitl Due	1,750	550,743
Total	1,750	580,743
Total Net Assets with Donor Restrictions	$ 162,286	$ 605,743

NOTE 6 CAPITAL ASSETS

Capital assets consists of the following at December 31:

	2020	2019
Equipment	$ 2,176	$ 2,176
Website Costs	61,900	61,900
Internal-Use Software	43,871	43,871
Subtotal	107,947	107,947
Less: Accumulated Depreciation and Amortization	(43,585)	(7,892)
Total Capital Assets	$ 64,362	$ 100,055

Depreciation and amortization expense totaled $35,693 and $7,893 for the years ended December 31, 2020 and 2019, respectively.

NOTE 7 RETIREMENT PLAN

The Organization sponsors a retirement plan (the Plan) qualified under IRC Section 403(b) covering substantially all employees. The Plan provides that employees may voluntarily contribute up to 100% of their earnings to the Plan, up to the maximum contribution allowed by the IRS. Employer contributions are discretionary and are determined and authorized by the board of directors each Plan year. During the years ended December 31, 2020 and 2019, the Organization matched employee voluntary contributions up to 4%, resulting in contributions to the plan of $35,283 and $30,845, respectively.

NOTE 8 LEASES

The Organization leases office space under an operating lease expiring on September 30, 2023.

Future minimum lease payment under the lease is as follows:

Year Ending December 31,		Operating Leases
2021	$	40,440
2022		41,808
2023		31,356
Total Minimum Lease Payments	$	113,604

Rent expense for the years ended December 31, 2020 and 2019 totaled $57,167 and $63,964, respectively.

NOTE 9 RELATED PARTY

During 2018, a legally separate but related nonprofit organization called Protect Our Winters Action Fund (the Action Fund) was established and began operations. The Action Fund is related to POW as two of the five Action Fund board members are also board members of POW. As POW cannot appointment board members of the Action Fund and does not have an economic interest in the Action Fund’s net assets, the activity of the Action Fund is not consolidated nor included in the financial statements.

The Action Fund operates out of POW’s offices. In addition, the Action Fund does not have employees, but instead pays a portion of POW’s employees’ salaries for time spent on Action Fund activities. For the years ended December 31, 2020 and 2019, POW charged the Action Fund $65,100 and $35,219, respectively, for employees’ salaries and benefits for time spent on Action Fund activities and $48,484 and $31,554, respectively, for expenses paid by POW on behalf of the Action Fund.

During 2020 and 2019, the Action Fund reimbursed POW $89,571 and $-0-, respectively, for expenses paid by POW on behalf of the Action Fund. As of December 31, 2020 and 2019, POW has a receivable from the Action Fund for $111,479 and $89,571 for unreimbursed salaries cost and expenses paid by POW on behalf of the Action Fund.

During the years ended December 31, 2020 and 2019, POW incurred approximately $22,000 and $-0-, respectively, of expenses related to services provided by board members.

NOTE 10 PAYCHECK PROTECTION PROGRAM (PPP) LOAN

In 2020, the Organization received a loan in the amount of $106,700 to fund payroll, rent and utilities through the federal Paycheck Protection Program. This loan had stipulations that allowed the amounts owed to be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program administered by the U.S. Small Business Administration. The loan originated on April 23, 2020, at a 1% fixed interest rate. If terms for complete forgiveness are not met, payments are deferred for the first 12 months and then 48 monthly payments are required until paid in full on April 23, 2023. The amount outstanding of the loan as of December 31, 2020 was $106,700. See Note 11 for additional information regarding forgiveness.

NOTE 11 SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through May 19, 2022, which is the date the financial statements were available for issuance.

PPP Loan Forgiveness

On May 10, 2021, the SBA processed the Organization's PPP Loan forgiveness application and notified POW's lender that POW's PPP Loan qualified for full forgiveness, a total of $106,700. Loan proceeds were received by the bank from the SBA on this date. Therefore, POW was legally released from the debt related to its PPP Loan.