

ACCESS NOW AND ACCESS NOW EUROPE
COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019

ACCESS NOW AND ACCESS NOW EUROPE

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Access Now and Access Now Europe

Report on the Financial Statements

We have audited the accompanying combined financial statements of Access Now (a U.S. nonprofit organization) and Access Now Europe (a Belgium nonprofit association), which comprise the combined statement of financial position at December 31, 2019, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

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

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

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Access Now and Access Now Europe as of December 31, 2019, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplemental combining schedules of financial position, activities, and functional expenses are presented for the purpose of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Emphasis of Matters

As discussed in Note 2 to the combined financial statements, Access Now and Access Now Europe adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2018-08. Our opinion is not modified with respect to this matter.

As discussed in Note 11 to the combined financial statements, the December 31, 2018 combined financial statements were restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Grassi & Co., CPAs, P.C.

GRASSI & CO., CPAs, P.C.

White Plains, New York
November 5, 2020

ACCESS NOW AND ACCESS NOW EUROPE
COMBINED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS

Cash and cash equivalents	\$ 2,900,943
Grants and contributions receivable	889,151
Prepaid expenses	40,377
Property, equipment and intangibles, net	65,448
Security deposits	<u>64,768</u>
 Total Assets	 <u>\$ 3,960,687</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	\$ 365,308
Grants payable	55,480
Deferred revenue	<u>1,138,859</u>
 Total Liabilities	 <u>1,559,647</u>
 Commitments	
Net Assets:	
Without donor restrictions	1,112,544
With donor restrictions	<u>1,288,496</u>
 Total Net Assets	 <u>2,401,040</u>
 Total Liabilities and Net Assets	 <u>\$ 3,960,687</u>

The accompanying notes are an integral part of these combined financial statements.

ACCESS NOW AND ACCESS NOW EUROPE
 COMBINED STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gains, Losses and Other Support:			
Contributions	\$ 1,003,578	\$ 1,022,043	\$ 2,025,621
Government grants	3,289,801	-	3,289,801
Program event sponsorship	1,146,734	-	1,146,734
In-kind contributions	198,229	-	198,229
Loss on foreign currency translation	(156,850)	-	(156,850)
Interest and other income	3,579	-	3,579
Net assets released from restrictions	<u>2,082,502</u>	<u>(2,082,502)</u>	<u>-</u>
Total Revenues, Gains, Losses and Other Support	<u>7,567,573</u>	<u>(1,060,459)</u>	<u>6,507,114</u>
Expenses:			
Program services	6,125,218	-	6,125,218
Supporting services			
Management and general	1,453,349	-	1,453,349
Fundraising	<u>320,385</u>	<u>-</u>	<u>320,385</u>
Total Expenses	<u>7,898,952</u>	<u>-</u>	<u>7,898,952</u>
Change in Net Assets	<u>(331,379)</u>	<u>(1,060,459)</u>	<u>(1,391,838)</u>
Net Assets, Beginning of Year, as Previously Reported	1,443,923	2,793,355	4,237,278
Restatement (Note 11)	<u>-</u>	<u>(444,400)</u>	<u>(444,400)</u>
Net Assets, Beginning of Year, as Restated	<u>1,443,923</u>	<u>2,348,955</u>	<u>3,792,878</u>
Net Assets, End of Year	<u>\$ 1,112,544</u>	<u>\$ 1,288,496</u>	<u>\$ 2,401,040</u>

The accompanying notes are an integral part of these combined financial statements.

ACCESS NOW AND ACCESS NOW EUROPE
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Supporting Services			Total	
	Program Services	Management and General	Fundraising		Total Supporting Services
Personnel Costs:					
Salaries	\$ 1,996,150	\$ 748,904	\$ 235,401	\$ 984,305	\$ 2,980,455
Payroll taxes	200,883	75,609	21,272	96,881	297,764
Employee benefits and pension	181,601	69,715	24,032	93,747	275,348
	<u>2,378,634</u>	<u>894,228</u>	<u>280,705</u>	<u>1,174,933</u>	<u>3,553,567</u>
Direct Expenses:					
Bank and other fees	7,302	26,162	88	26,250	33,552
Consultants and contractors	1,194,319	115,215	-	115,215	1,309,534
Depreciation and amortization	14,826	5,608	1,666	7,274	22,100
Equipment	20,697	27,644	44	27,688	48,385
Event costs	833,860	3,356	253	3,609	837,469
Grants to other organizations	788,078	-	-	-	788,078
Insurance	41	7,592	-	7,592	7,633
Office supplies and expenses	28,441	67,017	5,568	72,585	101,026
Professional fees	158,877	174,942	-	174,942	333,819
Promotion	-	3,785	-	3,785	3,785
Rent and utilities	149,430	46,824	13,564	60,388	209,818
Staff development	43,526	17,337	-	17,337	60,863
Telephone and communications	17,064	12,857	-	12,857	29,921
Travel and meetings	332,389	41,841	18,440	60,281	392,670
Web development and maintenance	157,734	8,941	57	8,998	166,732
	<u>6,125,218</u>	<u>1,453,349</u>	<u>320,385</u>	<u>1,773,734</u>	<u>7,898,952</u>
Total Expenses	\$ 6,125,218	\$ 1,453,349	\$ 320,385	\$ 1,773,734	\$ 7,898,952

The accompanying notes are an integral part of these combined financial statements.

ACCESS NOW AND ACCESS NOW EUROPE
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (1,391,838)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	22,100
Changes in assets decrease (increase):	
Grants and contributions receivable	773,963
Prepaid expenses	8,764
Security deposits	(11,456)
Changes in liabilities increase:	
Accounts payable and accrued expenses	50,652
Grants payable	55,480
Deferred revenue	<u>1,024,319</u>
Net Cash Provided By Operating Activities	<u>531,984</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Property and equipment acquisitions	<u>(8,651)</u>
Net Cash Used in Investing Activities	<u>(8,651)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	523,333
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,377,610</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,900,943</u>

The accompanying notes are an integral part of these combined financial statements.

ACCESS NOW AND ACCESS NOW EUROPE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019

Note 1 - Nature of Organization

Access Now is a nonprofit corporation incorporated in the State of California in July 2009. Access Now was formed to defend and extend the digital rights of users around the world by combining direct technical support, comprehensive policy engagement, global advocacy and grassroots grant making to effectuate long-term systemic change. Access Now Europe is an international nonprofit association recognized by the Association International Sans But Lucratif (“A.I.S.B.L.”). The entity is registered in Brussels, Belgium and is governed by Belgium law.

Access Now and Access Now Europe (referred to as “AN” and “ANE,” respectively, or “the Organization,” collectively) share the same primary purpose and mission. The Organization’s focal programmatic areas of activity include the following:

- Digital Security
Working to ensure that online activities are private, safe, and secure;
- Privacy
Defending the right to privacy, the cornerstone for human rights in the digital age;
- Business and Human Rights
Urging companies to make their practices more transparent, accountable, and rights-respecting;
- Freedom of Expression
Fighting for the right to speak freely, which is critical for demonstrating dissent, guaranteeing a free press, and defending human rights; and
- Net Discrimination
Fighting for a free and open internet, advocating for the Net Neutrality principle that internet access should be offered to everyone on a nondiscriminatory basis, without favoring certain websites, applications, or services.

Access Now is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. Access Now Europe is exempt from income taxes as a registered international nonprofit association (A.I.S.B.L.) in Brussels, Belgium.

ACCESS NOW AND ACCESS NOW EUROPE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019

Note 2 - Summary of Significant Accounting Policies

Adoption of FASB ASU No. 2018-08

Effective January 1, 2019, Access Now adopted the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08") on a modified prospective basis. This ASU provides for guidance to assist the Organization in evaluating the transfer of assets and the nature of the related transactions. The Organization considers whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. The presence of both indicates that the recipient is not entitled to the transferred assets or a future transfer of assets until it has overcome any barriers in the agreement.

The adoption of this ASU resulted in changes in the recognition of government grants on a modified prospective basis whereby periods prior to January 1, 2019 will not be adjusted and have been accounted for as revenue with donor restrictions. After January 1, 2019, similar transactions are now recorded as deferred revenue.

Principles of Combination

The combined financial statements include the financial position, changes in net assets, functional expenses and cash flows of AN and ANE. All intercompany transactions and balances have been eliminated in the combined financial statements.

Basis of Accounting

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

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

Cash and Cash Equivalents

Cash equivalents include highly liquid investments with initial maturities when acquired of three months or less.

ACCESS NOW AND ACCESS NOW EUROPE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Fair Value of Financial Instruments

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

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

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

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

At December 31, 2019, the cost basis of the Organization's financial instruments, including cash and cash equivalents, grants and contributions receivable, accounts payable and accrued expenses, and deferred revenue, approximated fair value due to the short maturity of these instruments.

At December 31, 2019, the Organization does not have assets or liabilities required to be measured at fair value in accordance with FASB Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurement*.

Grants and Contributions Receivable

Grants and contributions receivable, which consist of unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is recorded as additional contribution revenue in accordance with donor stipulated restrictions, if any. Conditional promises to give are not included as support until the conditions are substantially met.

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 there is no need for an allowance for doubtful accounts at December 31, 2019.

ACCESS NOW AND ACCESS NOW EUROPE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the related assets. 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 two years or more and a cost of \$3,000 or more.

Net Assets

Net assets without donor restrictions include funds having no restrictions as to use or purpose imposed by donors. Net assets with donor restrictions include purpose restricted net assets whose use has been restricted by donors to a specific time period or purpose.

Contributions

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

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restrictions</i>	
Gifts that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor-imposed barrier is met
<i>Unconditional gifts, 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
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

ACCESS NOW AND ACCESS NOW EUROPE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contributions (cont'd.)

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

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

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

Program Event Sponsorship

Program event sponsorship, including promises to give cash and other assets, are reported at fair value at the date the sponsorship is received and are recognized on the date of the program. Included in program event sponsorship are amounts paid to attend the event, some of which entitle those attending to consideration in exchange for attending the event.

Government Grants

Support funded by grants is recognized as the Organization meets the conditions prescribed by the grant agreement, performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. As the conditions are met, the Organization simultaneously releases the government grants and they are reflected as without donor restrictions. To the extent amounts received exceed amounts spent, the Organization recognizes deferred revenue. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

In-Kind Contributions

In-kind contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of services are recognized if the services create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. In-kind contributions of \$198,229 recognized in the accompanying combined statement of activities for the year ended December 31, 2019 consist of donated legal and software and licenses.

ACCESS NOW AND ACCESS NOW EUROPE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Functional Reporting

The breakdown of functional expenses into program services, management and general and fundraising is provided by management using the best estimates as to the appropriate allocation. Expenses attributable to more than one functional expense category are allocated using a cost allocation of time and effort.

Grant Expense

Grant expense is recognized in the period the grant is approved by management, provided the grant is not subject to significant future conditions. Unpaid grants at the end of the year are recorded as grants payable.

Operating Leases

Operating lease and rent expense has been recorded on the straight-line basis over the term of the lease.

Foreign Currency Translation

The assets and liabilities of ANE, which are recorded in European Union (EU) euro, are translated to U.S. Dollars (USD) using the exchange rate in effect at the date of the combined statement of financial position date. Revenues, expenses, gains and losses are translated using the average exchange rate for the year. Gains or losses on foreign currency translations are recognized in the accompanying combined financial statements. The exchange rate utilized within the combined statement of financial position at December 31, 2019 was EU 1.00/1.12 USD. The average exchange rate utilized to translate revenues, expenses, gains, and losses relating to the year ended December 31, 2019 was EU 1.00/1.13 USD.

Accounting for Uncertainty in Income Taxes

The Organization applies the provisions pertaining to uncertain tax provisions (FASB ASC Topic 740) and has determined there are no material uncertain tax positions that require recognition or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations prior to 2016.

ACCESS NOW AND ACCESS NOW EUROPE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019

Note 2 - Summary of Significant Accounting Policies (cont'd.)

New Accounting Pronouncements

ASU No. 2016-02

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU is the result of a joint project of the FASB and the International Accounting Standards Board ("IASB") to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements for U.S. GAAP and International Financial Reporting Standards ("IFRS"). The guidance in this ASU affects any entity that enters into a lease (as that term is defined in this ASU), with some specified scope exemptions. The guidance in this ASU will supersede FASB ASC Topic 840, Leases.

The ASU provides that lessees should recognize lease assets and lease liabilities on the balance sheet for leases previously classified as operating leases that exceed 12 months, including leases existing prior to the effective date of this ASU. It also calls for enhanced leasing arrangement disclosures.

For nonpublic entities, the amendments of ASU No. 2016-02 are effective for annual reporting periods beginning after December 15, 2021, and interim periods within annual periods beginning after December 15, 2022, based on the decision in ASU No. 2020-05 to defer the implementation dates. Early application is permitted for all entities.

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

Note 3 - Concentrations of Credit Risk

The Organization maintains cash balances in several financial institutions, which balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per institution. From time to time, the Organization's balances may exceed these limits.

For the year ended December 31, 2019, approximately 38% of the Organization's total support and revenue was received from one grantor.

Note 4 - Property, Equipment and Intangibles

Property, equipment and intangibles consist of the following as of December 31, 2019:

Equipment and software	\$ 48,264
Intangibles - website design	127,331
	<hr/> 175,595
Less: Accumulated depreciation and amortization	110,147
	<hr/>
Property, equipment and intangibles, net	\$ 65,448

ACCESS NOW AND ACCESS NOW EUROPE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019

Note 5 - Grants and Contributions Receivable

Grants and contributions receivable consist of the following as of December 31, 2019:

Unconditional promises to be collected in:

	Without Donor Restrictions	With Donor Restrictions	Total
Less than one year	\$ -	\$ 678,866	\$ 678,866
One to five years	-	210,285	210,285
Total	<u>\$ -</u>	<u>\$ 889,151</u>	<u>\$ 889,151</u>

Receivables in excess of one year have not been discounted to net present value as management deems such discounts to be immaterial to the financial statements.

Note 6 - Conditional Grants Receivable

The Organization receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the financial statements of the Organization are prepared on the accrual basis, all earned portions of the grants not yet received as of December 31, 2019 have been recorded as receivables. The following are the grant commitments that extend beyond December 31, 2019:

Grant	Term	Grant Amount	Earned as of December 31, 2019	Funding Available
<u>Denominated in Swedish Krona *</u>				
From the Swedish International Development Cooperation Agency				
Digital Security for Civil Society, Journalists, and Media At Risk Project ("DSP") (kr 23,500,000 at inception \$3,468,169)	1/1/18 - 12/31/22	\$ 3,468,169	\$ 910,013	\$ 2,558,156
Digital Age Initiative (DAI) (kr 100,000,000 at inception \$10,775,000)	1/1/19 - 12/31/22	\$ 10,775,000	\$ 2,504,054	\$ 8,270,946
<u>Denominated in US dollars</u>				
From the Dutch Ministry of Foreign Affairs				
Tomorrow's Internet: Open, Free and Safe	7/14/17 - 3/31/20	\$ 1,064,200	\$ 960,145	\$ 104,055

* Due to changes in foreign currency exchange rates, these amounts may be earned in future periods in different amounts.

ACCESS NOW AND ACCESS NOW EUROPE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019

Note 7 - Pension Plan Costs

The Organization sponsors a defined-contribution plan under Section 401(k) of the Internal Revenue Code. The plan allows for the Organization to make discretionary contributions based on the participant's salary. The Organization's contributions to the plan amounted to \$66,154 for the year ended December 31, 2019.

Note 8 - Commitments

The Organization leases real property under leases which expire at various dates through December 2027. Rental expense amounted to \$175,815 for the year ended December 31, 2019.

Future minimum annual rental commitments under noncancellable rental lease obligations are as follows:

Years Ending December 31:

2020	\$ 181,430
2021	108,528
2022	30,017
2023	30,017
2024	30,017
Thereafter	<u>70,624</u>
	<u>\$ 450,633</u>

Note 9 - Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

<u>Net Assets With Donor Restrictions</u>	<u>Purpose Restriction</u>	<u>Purpose and Time Restriction</u>	<u>Total</u>
24/7 Helpline	\$ -	\$ 198,064	\$ 198,064
Anti-Harrassment, Code of Conduct Work and Management Training	-	5,000	5,000
Core Support	-	200,000	200,000
Core Support + MENA Region Support	-	394,695	394,695
Data Protection Project	-	281,653	281,653
Emergency Fund	33,039	-	33,039
Digital Security Project	-	176,045	176,045
	<u>\$ 33,039</u>	<u>\$ 1,255,457</u>	<u>\$ 1,288,496</u>

ACCESS NOW AND ACCESS NOW EUROPE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019

Note 9 - Net Assets with Donor Restrictions (cont'd.)

Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the following:

<u>Net Assets Releases</u>	
#KeepItOn Project	\$ 81,777
24/7 Helpline	205,818
Anti-Harrassment, Code of Conduct Work Management Training	10,000
Core Support	500,000
Core Support + MENA Region Support	197,348
Data Protection Project	515,932
Emergency Fund	16,741
Digital Security Project	554,886
	<u>\$ 2,082,502</u>

Note 10 - Financial Assets and Liquidity Resources

The following reflects the Organization's financial assets as of December 31, 2019, reduced by amounts not available for general within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

Cash and cash equivalents	\$ 2,900,943
Grants and contributions receivable	<u>889,151</u>
Total financial assets	<u>3,790,094</u>
Less: Contractual or donor-imposed restrictions:	
Grants and contributions receivable due in more than one year	210,285
Donor restrictions	<u>1,288,496</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,291,313</u>

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. Management meets on a weekly basis to review cash flows as a 12-month rolling projection of expenditures and income to ensure adequate resources available to meet operational needs. The Organization's expenditures are not subject to significant seasonal fluctuations.

ACCESS NOW AND ACCESS NOW EUROPE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019

Note 11 - Restatement

In prior years, the Organization recorded a government grant (in total) as revenue with donor restrictions. It was later determined that the Organization should have recorded revenue equal to expenses incurred for the period. As such, the Organization has restated and reduced both its December 31, 2018 net assets with donor restrictions, and grants and contributions receivable by \$444,400. The impact to the previously reported change in net assets for the year ended December 31, 2018 would have been an increase of \$619,800.

Note 12 - Subsequent Events

Management has evaluated all events or transactions that occurred after December 31, 2019 through November 5, 2020, which is the date that the combined financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure, except as noted below:

COVID-19

As a result of the spread of the coronavirus ("COVID-19"), economic uncertainties have arisen which are likely to negatively impact contributions, government grants and program event sponsorships as well as the collection of receivables. Other financial impact could occur, though such potential impact is unknown at this time.

PPP Loan

In April 2020, the Organization entered into a \$425,845 loan agreement with a financial institution under the Paycheck Protection Program ("PPP"), established by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, administered by the Small Business Administration with support from the Department of the Treasury. In November 2020, equal monthly installments of principal and interest are scheduled to commence, which will include interest payable at the rate of 1% per annum. The loan is unsecured and matures in April 2022; however the PPP provides for the forgiveness of up to the entire amount of the loan (including interest) if certain conditions are met. The Organization intends to apply for this forgiveness; however, the determination of the ultimate amount of forgiveness is uncertain.

SUPPLEMENTARY INFORMATION

ACCESS NOW
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SUPPLEMENTARY INFORMATION
COMBINING SCHEDULE OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS

	Access Now	Access Now Europe	Eliminations	Total
Cash and cash equivalents	\$ 2,767,733	\$ 133,210	\$ -	\$ 2,900,943
Grants and contributions receivable	780,550	108,601	-	889,151
Prepaid expenses	36,172	4,205	-	40,377
Inter-organizational receivable	66,286	-	(66,286)	-
Property, equipment and intangibles, net	61,762	3,686	-	65,448
Security deposits	54,887	9,881	-	64,768
Total Assets	\$ 3,767,390	\$ 259,583	\$ (66,286)	\$ 3,960,687

LIABILITIES AND NET ASSETS

Liabilities:				
Accounts payable and accrued expenses	\$ 298,501	\$ 66,807	\$ -	\$ 365,308
Inter-organizational payable	-	66,286	(66,286)	-
Grants payable	55,480	-	-	55,480
Deferred revenue	1,085,560	53,299	-	1,138,859
Total Liabilities	1,439,541	186,392	(66,286)	1,559,647
Commitments				
Net Assets:				
Without donor restrictions	1,039,353	73,191	-	1,112,544
With donor restrictions	1,288,496	-	-	1,288,496
Total Net Assets	2,327,849	73,191	-	2,401,040
Total Liabilities and Net Assets	\$ 3,767,390	\$ 259,583	\$ (66,286)	\$ 3,960,687

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SUPPLEMENTARY INFORMATION
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Access Now			Access Now Europe	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Total
Revenues, Gains, Losses and Other Support:					
Contributions	\$ 858,943	\$ 1,022,043	\$ 1,880,986	\$ 144,635	\$ 2,025,621
Government grants	3,289,801	-	3,289,801	-	3,289,801
Inter-organizational transfers	(513,294)	-	(513,294)	513,294	-
Program event sponsorship	1,146,734	-	1,146,734	-	1,146,734
In-kind contributions	198,229	-	198,229	-	198,229
(Loss) gain on foreign currency translation	(157,698)	-	(157,698)	848	(156,850)
Interest and other income	3,579	-	3,579	-	3,579
Net assets released from restrictions	2,082,502	(2,082,502)	-	-	-
Total Revenues, Gains, Losses and Other Support	<u>6,908,796</u>	<u>(1,060,459)</u>	<u>5,848,337</u>	<u>658,777</u>	<u>6,507,114</u>
Expenses:					
Program services	5,691,519	-	5,691,519	433,699	6,125,218
Supporting services					
Management and general	1,295,170	-	1,295,170	158,179	1,453,349
Fundraising and development	320,385	-	320,385	-	320,385
Total Expenses	<u>7,307,074</u>	<u>-</u>	<u>7,307,074</u>	<u>591,878</u>	<u>7,898,952</u>
Change In Net Assets	<u>(398,278)</u>	<u>(1,060,459)</u>	<u>(1,458,737)</u>	<u>66,899</u>	<u>(1,391,838)</u>
Net Assets, Beginning of Year, As Previously Reported	1,437,631	2,793,355	4,230,986	6,292	4,237,278
Restatement	<u>-</u>	<u>(444,400)</u>	<u>(444,400)</u>	<u>-</u>	<u>(444,400)</u>
Net Assets, Beginning of Year, As Restated	<u>1,437,631</u>	<u>2,348,955</u>	<u>3,786,586</u>	<u>6,292</u>	<u>3,792,878</u>
Net Assets, End of Year	<u>\$ 1,039,353</u>	<u>\$ 1,288,496</u>	<u>\$ 2,327,849</u>	<u>\$ 73,191</u>	<u>\$ 2,401,040</u>

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SUPPLEMENTARY INFORMATION
COMBINING SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services			Supporting Services			Total	
	Access Now	Access Now Europe	Total Program	Access Now Management and General	Access Now Europe Management and General	Access Now Fundraising		Total Supporting Services
Personnel Costs:								
Salaries	\$ 1,709,076	\$ 287,074	\$ 1,996,150	\$ 649,486	\$ 99,418	\$ 235,401	\$ 984,305	\$ 2,980,455
Payroll taxes	152,029	48,854	200,883	58,690	16,919	21,272	96,881	297,764
Employee benefits and pension	171,758	9,843	181,601	66,306	3,409	24,032	93,747	275,348
	<u>2,032,863</u>	<u>345,771</u>	<u>2,378,634</u>	<u>774,482</u>	<u>119,746</u>	<u>280,705</u>	<u>1,174,933</u>	<u>3,553,567</u>
Direct Expenses:								
Bank and other fees	1,631	5,671	7,302	22,902	3,260	88	26,250	33,552
Consultants and contractors	1,187,662	6,657	1,194,319	115,215	-	-	115,215	1,309,534
Depreciation and amortization	11,908	2,918	14,826	4,597	1,011	1,666	7,274	22,100
Equipment	20,697	-	20,697	27,644	-	44	27,688	48,385
Event costs	832,457	1,403	833,860	3,356	-	253	3,609	837,469
Grants to other organizations	788,078	-	788,078	-	-	-	-	788,078
Insurance	41	-	41	7,518	74	-	7,592	7,633
Office supplies and expenses	26,551	1,890	28,441	61,213	5,804	5,568	72,585	101,026
Professional fees	158,877	-	158,877	166,243	8,699	-	174,942	333,819
Promotion	-	-	-	3,785	-	-	3,785	3,785
Rent and utilities	122,279	27,151	149,430	37,422	9,402	13,564	60,388	209,818
Staff development	34,468	9,058	43,526	14,105	3,232	-	17,337	60,863
Telephone and communications	15,965	1,099	17,064	11,000	1,857	-	12,857	29,921
Travel and meetings	300,675	31,714	332,389	37,108	4,733	18,440	60,281	392,670
Web development and maintenance	157,367	367	157,734	8,580	361	57	8,998	166,732
Total Expenses	<u>\$ 5,691,519</u>	<u>\$ 433,699</u>	<u>\$ 6,125,218</u>	<u>\$ 1,295,170</u>	<u>\$ 158,179</u>	<u>\$ 320,385</u>	<u>\$ 1,773,734</u>	<u>\$ 7,898,952</u>

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