

COMBINED FINANCIAL STATEMENTS



**FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2019**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Access Now
Brooklyn, New York

We have audited the accompanying combined financial statements of Access Now and Access Now Europe (together, "Access Now"), which comprise the combined statement of financial position as of December 31, 2020, and the related combined statements of activities and change in net assets, 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.

Auditor's 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 combined financial position of Access Now as of December 31, 2020, and the combined change in its net assets and its combined functional expenses and combined cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Report on Summarized Comparative Information

The prior year summarized comparative information has been derived from Access Now's 2019 combined financial statements, which were audited by other auditors and, in their report dated November 5, 2020, they expressed an unmodified opinion on those statements.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Combining Schedule of Financial Position, Combining Schedule of Activities and Changes in Net Assets and the Combining Schedule of Functional Expenses on pages 15 - 17 are presented for purposes 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.



October 4, 2021

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**COMBINED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019**

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,696,549	\$ 2,900,943
Grants and contributions receivable	2,114,504	678,866
Prepaid expenses and other assets	<u>45,623</u>	<u>40,377</u>
Total current assets	<u>5,856,676</u>	<u>3,620,186</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	51,292	44,779
Website	130,816	130,816
Less: Accumulated depreciation and amortization	<u>(134,393)</u>	<u>(110,147)</u>
Net property and equipment	<u>47,715</u>	<u>65,448</u>
NONCURRENT ASSETS		
Grants and contributions receivable, net of current portion	75,000	210,285
Security deposits	<u>60,225</u>	<u>64,768</u>
Total noncurrent assets	<u>135,225</u>	<u>275,053</u>
TOTAL ASSETS	<u>\$ 6,039,616</u>	<u>\$ 3,960,687</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 385,131	\$ 365,308
Loan payable	425,845	-
Refundable advances	1,058,509	1,138,859
Subgrants payable	<u>283,728</u>	<u>55,480</u>
Total current liabilities	<u>2,153,213</u>	<u>1,559,647</u>
NET ASSETS		
Without donor restrictions	2,466,551	1,112,544
With donor restrictions	<u>1,419,852</u>	<u>1,288,496</u>
Total net assets	<u>3,886,403</u>	<u>2,401,040</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,039,616</u>	<u>\$ 3,960,687</u>

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**COMBINED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019**

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Contributions	\$ 1,811,276	\$ 2,165,000	\$ 3,976,276	\$ 3,172,346
Government grants	5,991,730	-	5,991,730	3,289,801
Interest income	13,375	-	13,375	3,579
Currency gain (loss)	47,096	-	47,096	(156,842)
Contributed services and materials	475,973	-	475,973	198,230
Net assets released from donor restrictions	<u>2,033,644</u>	<u>(2,033,644)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>10,373,094</u>	<u>131,356</u>	<u>10,504,450</u>	<u>6,507,114</u>
EXPENSES				
Program Services	<u>6,997,670</u>	<u>-</u>	<u>6,997,670</u>	<u>6,125,218</u>
Supporting Services:				
Management and General	1,618,271	-	1,618,271	1,453,349
Fundraising	<u>403,146</u>	<u>-</u>	<u>403,146</u>	<u>320,385</u>
Total supporting services	<u>2,021,417</u>	<u>-</u>	<u>2,021,417</u>	<u>1,773,734</u>
Total expenses	<u>9,019,087</u>	<u>-</u>	<u>9,019,087</u>	<u>7,898,952</u>
Change in net assets	1,354,007	131,356	1,485,363	(1,391,838)
Net assets at beginning of year	<u>1,112,544</u>	<u>1,288,496</u>	<u>2,401,040</u>	<u>3,792,878</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,466,551</u>	<u>\$ 1,419,852</u>	<u>\$ 3,886,403</u>	<u>\$ 2,401,040</u>

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**COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019**

	2020			2019		
	Supporting Services			Total Supporting Services	Total Expenses	Total Expenses
	Program Services	Management and General	Fundraising			
Personnel costs:						
Salaries	\$ 2,603,561	\$ 960,469	\$ 313,772	\$ 1,274,241	\$ 3,877,802	\$ 2,980,455
Payroll taxes	324,349	137,965	28,564	166,529	490,878	297,764
Employee benefits and pension	240,417	94,355	27,142	121,497	361,914	275,348
	3,168,327	1,192,789	369,478	1,562,267	4,730,594	3,553,567
Web development and maintenance	149,951	23,967	77	24,044	173,995	166,732
Consultants and contractors	1,391,586	85,889	-	85,889	1,477,475	1,309,534
Office supplies and expenses	9,650	43,987	181	44,168	53,818	101,026
Professional fees	490,174	91,088	-	91,088	581,262	333,819
Bank and other fees	8,892	26,009	4	26,013	34,905	33,552
Telephone and communications	16,212	12,627	50	12,677	28,889	29,921
Equipment	22,010	26,065	10,631	36,696	58,706	48,385
Travel and meetings	49,746	23,304	7,076	30,380	80,126	392,670
Event costs	314,237	-	-	-	314,237	837,469
Subgrants	1,175,776	-	-	-	1,175,776	788,078
Staff development	27,105	23,674	-	23,674	50,779	60,863
Rent and utilities	158,312	49,229	13,991	63,220	221,532	209,818
Insurance	22	13,724	-	13,724	13,746	7,633
Promotion	-	-	-	-	-	3,785
Depreciation	15,670	5,919	1,658	7,577	23,247	22,100
TOTAL	\$ 6,997,670	\$ 1,618,271	\$ 403,146	\$ 2,021,417	\$ 9,019,087	\$ 7,898,952

See accompanying notes to combined financial statements.

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**COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,485,363	\$ (1,391,838)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	23,247	22,100
(Increase) decrease in:		
Grants and contributions receivable	(1,300,353)	773,963
Prepaid expenses and other assets	(5,246)	8,764
Security deposits	4,543	(11,456)
Increase (decrease) in:		
Accounts payable and accrued expenses	19,823	50,652
Refundable advances	(80,350)	1,024,319
Subgrants payable	<u>228,248</u>	<u>55,480</u>
Net cash provided by operating activities	<u>375,275</u>	<u>531,984</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	<u>(5,514)</u>	<u>(8,651)</u>
Net cash used by investing activities	<u>(5,514)</u>	<u>(8,651)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable	<u>425,845</u>	<u>-</u>
Net cash provided by financing activities	<u>425,845</u>	<u>-</u>
Net increase in cash and cash equivalents	795,606	523,333
Cash and cash equivalents at beginning of year	<u>2,900,943</u>	<u>2,377,610</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,696,549</u>	<u>\$ 2,900,943</u>

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NOTES TO COMBINED FINANCIAL STATEMENTS DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

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 at risk around the world through a combination of direct technical support, comprehensive policy engagement, global advocacy, grassroots grantmaking, legal interventions, and convenings such as RightsCon. Access Now Europe is an international nonprofit association recognized by Belgian Royal Decree (in French, Association Internationale Sans But Lucratif "A.I.S.B.L."). The entity is registered in Brussels, Belgium and is governed by Belgian law and was established for the purpose of furthering Access Now's programmatic mission in Europe.

Access Now also maintains a presence in Tunisia and Costa Rica through branch offices.

Access Now and Access Now Europe 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.

Principles of combination -

The accounts of Access Now have been combined with Access Now Europe (collectively, the Organization) in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The financial statements have been combined based on shared management and operating expenses, as well as common control (shared members of the Board of Directors). A combined presentation has been deemed useful for financial reporting purposes but is not required pursuant to the criterion established by FASB ASC 958-810, *Not-for-Profit Entities Consolidation*. All intercompany transactions and balances have been eliminated in combination.

Basis of presentation -

The accompanying combined financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.

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NOTES TO COMBINED FINANCIAL STATEMENTS DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Basis of presentation (continued) -

- **Net Assets With Donor Restrictions** - 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", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Combined Statement of Activities and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The combined financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's combined financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Cash and cash equivalents -

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Included in cash and cash equivalents is cash held in Europe, Tunisia and Costa Rica totaling \$253,681 as of December 31, 2020. Approximately \$122,000 (100,000 Euro) of this balance is insured by the respective financial institutions. The balance (approximately \$131,681) is uninsured. Management believes the risk in this situation is minimal.

Bank deposit accounts in the U.S. are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Organization may maintain cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Grants and contributions receivable -

Grants and contributions receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Property and equipment -

Property and equipment with an acquisition value in excess of \$3,000 are capitalized and stated at cost and are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to seven years. The cost of maintenance and repairs is recorded as expenses are incurred. Website costs are capitalized in accordance with FASB ASC 350-50, *Website Development Costs*. Depreciation and amortization expense for the year ended December 31, 2020 totaled \$23,247.

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NOTES TO COMBINED FINANCIAL STATEMENTS DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Income taxes -

Access Now is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Access Now is not a private foundation. Accordingly, no provision for income taxes has been made in the accompanying combined financial statements. Access Now Europe is exempt from income taxes as a registered international nonprofit association (A.I.S.B.L.) in Brussels, Belgium.

Uncertain tax positions -

For the year ended December 31, 2020, the Organization has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the combined financial statements.

Revenue recognition -

The majority of the Organization's revenue is received through awards and contributions from foreign governments, corporations, foundations and individuals. Contributions are recognized in the appropriate category of net assets in the period received. The Organization performs an analysis of awards to determine if the revenue streams follow the contribution rules, or if they should be recorded as exchange transactions, depending upon whether the transactions are deemed reciprocal or nonreciprocal.

For contributions qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions and grants qualifying as contributions that are unconditional and have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying combined financial statements.

Contributions and grants qualifying as conditional contributions contain a right of return (and a release from obligation) coupled with a specific barrier (or barriers). Awards from foreign governments and pass-through entities are for direct and indirect program costs; these transactions are nonreciprocal and classified as conditional, and therefore are recognized as contributions when the revenue becomes unconditional. Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. As of December 31, 2020, the Organization has received conditional commitments for support totaling \$11,764,660, and have not been recorded as revenue in the accompanying combined financial statements. As of December 31, 2020, the Organization has received cash (under conditional commitments for support) totaling \$1,058,509 that has been recorded in refundable advances in the accompanying Combined Statement of Financial Position.

Revenue concentration -

Approximately 31% of the Organization's revenue for the year ended December 31, 2020 was received from a single donor. The Organization has no reason to believe that the relationship with this donor will be discontinued in the foreseeable future. However, any interruption of this relationship (i.e., the failure to renew grant agreements or withholding of funds) would adversely affect the Organization's ability to finance ongoing operations.

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**NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Contributed services and materials -

Contributed services and materials consist of donated legal services and software licenses. Contributed services and materials are recorded at their fair value as of the date of the gift.

Foreign currency translation -

The U.S. Dollar is the functional currency for the Organization's worldwide operations. Transactions in currencies other than U.S. Dollars are translated into dollars at the rate of exchange in effect during the month of the transaction. Assets and liabilities denominated in currencies other than U.S. Dollars are translated into dollars at the exchange rate in effect at the date of the Combined Statement of Financial Position. The effect of the Organization's currency translation has been recognized in the accompanying Combined Statement of Activities and Change in Net Assets. Currency gains of \$47,096 have been recognized in support and revenue during the year ended December 31, 2020.

Use of estimates -

The preparation of the combined 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 combined financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Combined Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Organization are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Economic uncertainties -

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact the Organization's operations. The overall potential impact is unknown at this time.

New accounting pronouncements (not yet adopted) -

ASU 2019-01, *Leases* (Topic 842), changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Combined Statement of Financial Position and disclosure of key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

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NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

New accounting pronouncements (not yet adopted) (continued) -

The Organization plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its combined financial statements.

2. **GRANTS AND CONTRIBUTIONS RECEIVABLE**

As of December 31, 2020, contributors to the Organization have made unconditional written promises to give, of which \$2,189,504, remained due and outstanding.

Following is a schedule of amounts due, by year, as of December 31, 2020:

Less than one year	\$ 2,114,504
One to five years	<u>75,000</u>
NET RECEIVABLES	<u>\$ 2,189,504</u>

3. **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. As the combined financial statements of the Organization are prepared on the accrual basis, all earned portions of the grants not yet received as of December 31, 2020 have been recorded as grants receivable.

The Organization received \$126,709 from the Swiss Federal Department of Foreign Affairs for *Prevention Shutdowns, Protecting Election Integrity* project. The Organization incurred \$158,430 of expenses under this award. Accordingly, \$31,721 is recorded as grants receivable in the accompanying Combined Statement of Financial Position.

The Organization received \$596,610 from the Ministry of Foreign Affairs of Denmark for *Protecting and Promoting Civic Space Online: A Diverse and Thriving Civil Society for the Digital Age* project. The Organization incurred \$489,824 of expenses under this award. Accordingly, \$106,786 is recorded as refundable advance in the accompanying Combined Statement of Financial Position.

4. **LOAN PAYABLE**

On May 1, 2020, the Organization received loan proceeds in the amount of \$425,845 under the Paycheck Protection Program (PPP). The loan requires monthly principal and interest (1%) payments amortized over the term of the loan with a deferral of payments for the first sixteen months. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note must be used for certain expenditures within a 24-week period to ultimately be forgiven by the Small Business Administration (SBA).

During the year ended December 31, 2020, the Organization expended and tracked the PPP funds according to the purposes outlined in the CARES Act guidance and met all conditions set forth for full forgiveness. On April 19, 2021, the Organization received confirmation that the loan and any accrued interest was forgiven in full by the SBA. Accordingly, the Organization will recognize the PPP funding as a contribution in 2021. Since forgiveness has been obtained prior to the date of this report, the Organization has recorded the full amount of the loan as a current liability in the accompanying Combined Statement of Financial Position.

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NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2020:

Subject to expenditure for specified purpose:	
Central and Eastern Europe	\$ 300,000
Core Support and Mena Region Support	197,347
24/7 Helpline	182,550
Emergency Fund	<u>44,955</u>
Subtotal	724,852
Subject to passage of time:	
Core Support	<u>695,000</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 1,419,852</u>

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Purpose restrictions accomplished:	
Core Support and Mena Region Support	\$ 197,348
24/7 Helpline	265,515
Emergency Fund	13,084
Digital Security Project	176,044
Data Protection Project	281,653
Anti-Harassment, Code of Conduct work and Management Training	<u>5,000</u>
Subtotal	938,644
Timing restrictions accomplished:	
Core Support	<u>1,095,000</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 2,033,644</u>

6. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Combined Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 3,696,549
Grants and contributions receivable	<u>2,114,504</u>
Subtotal financial assets available within one year	5,811,053
Less: Donor restricted for specific purposes	<u>(724,852)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 5,086,201</u>

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**NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

6. LIQUIDITY AND AVAILABILITY (Continued)

The Organization has a policy to structure its financial assets to be available and liquid as its obligations become due. As of December 31, 2020, the Organization has financial assets equal to approximately seven months of operating expenses.

7. LEASE COMMITMENTS

The Organization leases office space in Belgium under a ten-year agreement, which originated in April 2018. Base rent is approximately 18,200 Euro per year. Additionally, the Organization leases space under short term agreements in New York, Washington, D.C., Costa Rica, Berlin and Tunisia.

The following is a schedule of the future minimum payments required under all leases:

Year Ending December 31,

2021	\$	105,685
2022		40,658
2023		30,017
2024		30,017
2025		30,017
Thereafter		<u>40,106</u>
	\$	<u>276,500</u>

Rent expense for the year ended December 31, 2020 was \$178,270, and is included in "rent and utilities" in the accompanying Combined Statement of Functional Expenses.

8. RETIREMENT PLAN

The Organization provides retirement benefits to its employees through a defined contribution plan covering all employees over 21 years of age. The Organization makes discretionary contributions based on each participant's salary. Contributions to the plan during the year ended December 31, 2020 totaled \$107,538.

9. SUBSEQUENT EVENTS

In preparing these combined financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 4, 2021, the date the combined financial statements were issued.

On March 22, 2021, the Organization entered into a five-year promissory note agreement in the amount of \$482,617 with a 1% fixed interest rate under the Paycheck Protection Program. The promissory note calls for monthly principal and interest payments amortized over the term of the promissory note, unless otherwise forgiven. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part.

SUPPLEMENTAL INFORMATION

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**COMBINING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020**

	ASSETS			
	Access Now	Access Now Europe	Eliminations	Total
CURRENT ASSETS				
Cash and cash equivalents	\$ 3,499,728	\$ 196,821	\$ -	\$ 3,696,549
Grants and contributions receivable	2,098,264	16,240	-	2,114,504
Prepaid expenses and other assets	43,485	2,138	-	45,623
Inter-organizational receivable	84,544	-	(84,544)	-
Total current assets	5,726,021	215,199	(84,544)	5,856,676
PROPERTY AND EQUIPMENT				
Furniture and equipment	33,118	18,174	-	51,292
Website	130,816	-	-	130,816
Less: Accumulated depreciation and amortization	(120,362)	(14,031)	-	(134,393)
Net property and equipment	43,572	4,143	-	47,715
NONCURRENT ASSETS				
Grants and contributions receivable, net	75,000	-	-	75,000
Security deposits	49,372	10,853	-	60,225
Total noncurrent assets	124,372	10,853	-	135,225
TOTAL ASSETS	\$ 5,893,965	\$ 230,195	\$ (84,544)	\$ 6,039,616
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	\$ 355,689	\$ 29,442	\$ -	\$ 385,131
Loan payable	425,845	-	-	425,845
Refundable advances	1,058,509	-	-	1,058,509
Subgrants payable	283,728	-	-	283,728
Inter-organizational payable	-	84,544	(84,544)	-
Total current liabilities	2,123,771	113,986	(84,544)	2,153,213
NET ASSETS				
Without donor restrictions	2,350,342	116,209	-	2,466,551
With donor restrictions	1,419,852	-	-	1,419,852
Total net assets	3,770,194	116,209	-	3,886,403
TOTAL LIABILITIES AND NET ASSETS	\$ 5,893,965	\$ 230,195	\$ (84,544)	\$ 6,039,616

ACCESS NOW

**COMBINING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Access Now			Access Now Europe		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Eliminations	
SUPPORT AND REVENUE						
Contributions	\$ 1,617,138	\$ 2,165,000	\$ 3,782,138	\$ 657,268	\$ (463,130)	\$ 3,976,276
Government grants	5,991,730	-	5,991,730	-	-	5,991,730
Interest income	13,375	-	13,375	-	-	13,375
Currency gain (loss)	50,826	-	50,826	(3,730)	-	47,096
Contributed services and materials	475,973	-	475,973	-	-	475,973
Net assets released from donor restrictions	2,033,644	(2,033,644)	-	-	-	-
Total support and revenue	10,182,686	131,356	10,314,042	653,538	(463,130)	10,504,450
EXPENSES						
Program Services	7,048,950	-	7,048,950	411,850	(463,130)	6,997,670
Supporting Services:						
Management and General	1,419,601	-	1,419,601	198,670	-	1,618,271
Fundraising	403,146	-	403,146	-	-	403,146
Total supporting services	1,822,747	-	1,822,747	198,670	-	2,021,417
Total expenses	8,871,697	-	8,871,697	610,520	(463,130)	9,019,087
Change in net assets	1,310,989	131,356	1,442,345	43,018	-	1,485,363
Net assets at beginning of year	1,039,353	1,288,496	2,327,849	73,191	-	2,401,040
NET ASSETS AT END OF YEAR	\$ 2,350,342	\$ 1,419,852	\$ 3,770,194	\$ 116,209	\$ -	\$ 3,886,403

ACCESS NOW

**COMBINING SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Services			Supporting Services					
	Access Now	Access Now Europe	Total Program Services	Access Now Management and General	Access Now Europe Management and General	Access Now Fundraising	Total Supporting Services	Eliminations	Total Expenses
Personnel costs:									
Salaries	\$ 2,301,747	\$ 301,814	\$ 2,603,561	\$ 827,155	\$ 133,314	\$ 313,772	\$ 1,274,241	\$ -	\$ 3,877,802
Payroll taxes	317,797	6,552	324,349	132,841	5,124	28,564	166,529	-	490,878
Employee benefits and pension	194,791	45,626	240,417	71,428	22,927	27,142	121,497	-	361,914
	2,814,335	353,992	3,168,327	1,031,424	161,365	369,478	1,562,267	-	4,730,594
Web development and maintenance	146,408	3,543	149,951	23,410	557	77	24,044	-	173,995
Consultants and contractors	1,391,586	-	1,391,586	85,889	-	-	85,889	-	1,477,475
Office supplies and expenses	8,785	865	9,650	37,103	6,884	181	44,168	-	53,818
Professional fees	490,174	-	490,174	83,819	7,269	-	91,088	-	581,262
Bank and other fees	3,682	5,210	8,892	22,219	3,790	4	26,013	-	34,905
Telephone and communications	15,768	444	16,212	11,582	1,045	50	12,677	-	28,889
Equipment	22,010	-	22,010	26,065	-	10,631	36,696	-	58,706
Travel and meetings	45,888	3,858	49,746	22,817	487	7,076	30,380	-	80,126
Event costs	314,237	-	314,237	-	-	-	-	-	314,237
Subgrants	1,638,906	-	1,638,906	-	-	-	-	(463,130)	1,175,776
Staff development	15,883	11,222	27,105	21,503	2,171	-	23,674	-	50,779
Rent and utilities	129,104	29,208	158,312	36,327	12,902	13,991	63,220	-	221,532
Insurance	22	-	22	13,072	652	-	13,724	-	13,746
Depreciation	12,162	3,508	15,670	4,370	1,549	1,658	7,577	-	23,247
TOTAL	\$ 7,048,950	\$ 411,850	\$ 7,460,800	\$ 1,419,600	\$ 198,671	\$ 403,146	\$ 2,021,417	\$ (463,130)	\$ 9,019,087