



Sonnenberg & Company, CPAs

A Professional Corporation

5190 Governor Drive, Suite 201, San Diego, California 92122

Phone: (858) 457-5252 • (800) 464-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX



Leonard C. Sonnenberg, CPA

I Love A Clean San Diego Audited Financial Statements December 31, 2020

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-15



Sonnenberg & Company, CPAs

A Professional Corporation

5190 Governor Drive, Suite 201, San Diego, California 92122

Phone: (858) 457-5252 • (800) 464-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX



Leonard C. Sonnenberg, CPA

Independent Auditor's Report

To the Board of Directors of I Love A Clean San Diego

We have audited the accompanying financial statements of I Love A Clean San Diego (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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 U.S. generally accepted accounting principles; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of I Love A Clean San Diego as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited I Love A Clean San Diego December 31, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 22, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.



April 9, 2021

Sonnenberg & Company, CPAs

I Love A Clean San Diego
Statement of Financial Position
December 31, 2020
(With Comparative Totals for December 31, 2019)

	<u>2020</u>	<u>2019</u>
ASSETS:		
Operating Assets:		
Cash and Cash Equivalents	\$ 639,672	\$ 363,433
Investments	-	284,144
Contracts Receivable	190,165	176,384
Prepaid Expenses and Deposits	31,626	34,503
Inventory	1,936	2,035
Total Operating Assets	<u>863,399</u>	<u>860,499</u>
Fixed Assets:		
Property and Equipment	98,788	98,326
Less: Accumulated Depreciation	<u>(64,938)</u>	<u>(75,985)</u>
Fixed Assets, Net	<u>33,850</u>	<u>22,341</u>
Intangible Assets:		
Website and Volunteer Database	106,982	83,512
Less: Accumulated Amortization	<u>(55,861)</u>	<u>(38,210)</u>
Intangible Assets, Net	<u>51,121</u>	<u>45,302</u>
Endowment at Rancho Santa Fe Foundation	<u>177,296</u>	<u>156,831</u>
TOTAL ASSETS	\$ <u>1,125,666</u>	\$ <u>1,084,973</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts Payable	\$ 23,408	\$ 35,556
Accrued Payroll and Related	<u>47,367</u>	<u>131,699</u>
Total Liabilities	<u>70,775</u>	<u>167,255</u>
Net Assets:		
Without Donor Restrictions		
Undesignated	681,356	582,838
Designated by the Board for Future Programs	<u>73,302</u>	<u>92,958</u>
	<u>754,658</u>	<u>675,796</u>
With Donor Restrictions		
Perpetual in Nature	177,296	156,831
Purpose Restrictions	<u>122,937</u>	<u>85,091</u>
	<u>300,233</u>	<u>241,922</u>
Total Net Assets	<u>1,054,891</u>	<u>917,718</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>1,125,666</u>	\$ <u>1,084,973</u>

The Accompanying Notes are an Integral Part of the Financial Statements

I Love A Clean San Diego
Statement of Activities
For the Year Ended December 31, 2020
(With Comparative Totals for the Year Ended December 31, 2019)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>	<u>2019 Total</u>
SUPPORT AND REVENUE:				
Contributions	\$ 91,456	\$ -	\$ 91,456	\$ 155,511
Paycheck Protection Program Grant	197,690	-	197,690	-
Grants - Others	-	242,934	242,934	253,930
Revenue - Fees for Services	956,362	-	956,362	1,005,448
Special Events	-	-	-	72,530
Merchandise Sales	3,797	-	3,797	2,988
Investment Income	3,472	2,707	6,179	3,092
Unrealized Gain (loss) on Investments	-	17,758	17,758	27,784
Gain/(Loss) on Disposal of Property and Equipment	(3,347)	-	(3,347)	-
Other Income	7,208	-	7,208	672
In-Kind Contributions	35,785	-	35,785	354,214
Net Assets Released from Donor Restrictions	205,088	(205,088)	-	-
TOTAL SUPPORT AND REVENUE	<u>1,497,511</u>	<u>58,311</u>	<u>1,555,822</u>	<u>1,876,169</u>
EXPENSES:				
Program Services	1,104,926		1,104,926	1,280,127
Supporting Services:				
Management and General	176,794		176,794	173,263
Fund-raising	136,929		136,929	305,601
TOTAL EXPENSES	<u>1,418,649</u>	<u>-</u>	<u>1,418,649</u>	<u>1,758,991</u>
CHANGE IN NET ASSETS	\$ 78,862	\$ 58,311	\$ 137,173	117,178
NET ASSETS:				
AT BEGINNING OF YEAR	<u>675,796</u>	<u>241,922</u>	<u>917,718</u>	\$ 800,540
AT END OF YEAR	<u>\$ 754,658</u>	<u>\$ 300,233</u>	<u>\$ 1,054,891</u>	<u>\$ 917,718</u>

The Accompanying Notes are an Integral Part of the Financial Statements

I Love A Clean San Diego
Statement of Functional Expenses
For the Year Ended December 31, 2020
(With Comparative Totals for the Year Ended December 31, 2019)

	<u>Program Services</u>	<u>Management & General</u>	<u>Fund- raising</u>	<u>2020 Total</u>	<u>2019 Total</u>
EXPENSES:					
Personnel Expenses:					
Salaries and Wages	\$ 692,784	\$ 84,414	\$ 62,744	\$ 839,942	\$ 862,363
Payroll Taxes	56,958	6,940	5,159	69,057	70,369
Employee Benefits	93,288	11,367	8,449	113,104	87,270
Total Personnel Expenses	<u>843,031</u>	<u>102,721</u>	<u>76,351</u>	<u>1,022,103</u>	<u>1,020,002</u>
Other Expenses:					
Advertising and Promotion	66,066	928	13,691	80,685	39,432
Conferences and Meetings	1,708	354	1,754	3,816	6,315
Depreciation and Amortization	17,231	5,302	3,976	26,509	20,941
Direct Expenses - Cleanups	1,468	-	-	1,468	34,819
Direct Expenses - Outreach	8,357	-	-	8,357	19,861
Equipment	16,770	4,097	3,839	24,706	26,483
Information Technology	28,427	8,007	7,850	44,284	21,663
Insurance	11,700	4,738	2,507	18,945	16,863
In-kind	20,487	14,891	407	35,785	354,214
Miscellaneous	140	3,428	-	3,568	20,672
Occupancy	71,484	22,713	18,382	112,579	83,095
Office Supplies	2,601	390	130	3,121	4,204
Outside Services	7,264	8,848	7,375	23,487	50,563
Travel	8,192	377	667	9,236	39,864
Total Other Expenses	<u>261,895</u>	<u>74,073</u>	<u>60,578</u>	<u>396,546</u>	<u>738,989</u>
TOTAL EXPENSES	<u><u>\$ 1,104,926</u></u>	<u><u>\$ 176,794</u></u>	<u><u>\$ 136,929</u></u>	<u><u>\$ 1,418,649</u></u>	<u><u>\$ 1,758,991</u></u>

The Accompanying Notes are an Integral Part of the Financial Statements

I Love A Clean San Diego
Statement of Cash Flows
For the Year Ended December 31, 2020
(With Comparative Total for the Year Ended June 30, 2019)

	<u>2020</u>	<u>2019</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 137,173	\$ 117,178
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	26,509	20,941
Unrealized (Gain)/Loss on Investments	(20,328)	(27,784)
(Gain)/Loss on Disposal of Property and Equipment	3,347	-
Decrease (Increase) in:		
Accounts Receivable	(13,781)	15,923
Prepaid Expenses and Deposits	2,877	(17,264)
Inventory	99	1,448
Increase (Decrease) in:		
Accounts Payable	(12,148)	17,434
Accrued Payroll and Related	(84,333)	33,295
Net Cash Provided/(Used) by Operating Activities	<u>39,415</u>	<u>161,171</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Additions of Property and Equipment	(23,714)	(7,232)
Additions of Volunteer Database	(23,470)	(29,920)
Proceeds from Sale of Investments	284,008	-
Purchase of Investment	-	(65,000)
Net Cash Provided/(Used) by Investing Activities	<u>236,824</u>	<u>(102,152)</u>
Net Change in Cash and Cash Equivalents:	276,239	59,019
Cash and Cash Equivalents at:		
BEGINNING OF YEAR	<u>363,433</u>	<u>304,414</u>
END OF YEAR	<u>\$ 639,672</u>	<u>\$ 363,433</u>

The Accompanying Notes are an Integral Part of the Financial Statements

I Love A Clean San Diego
Notes to the Financial Statements
For the year ended December 31, 2020

Note 1. Organization and Purpose

I Love A Clean San Diego (the Organization) is a pioneering leader in encouraging environmental awareness close to home. Known best for successful beach cleanups, the Organization spearheads a spectrum of environmental initiatives focusing on: resource conservation, waste reduction and recycling, community enhancement, and pollution prevention. Since its inception in 1954, the Organization has been the go-to Organization for programs that enhance and conserve San Diego's environment.

The Organization is supported primarily through grants and contracts with the County of San Diego, City of San Diego, City of Chula Vista and other local municipalities, and various private sources.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The Organization presents its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis, revenues are recorded when earned and expenses are recorded when incurred, resulting in related receivables and payables.

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among program and supporting services (management and general, and fundraising).

Accounting

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. The Board of Directors has designated, from net assets without donor restrictions, net assets for future programs. At December 31, 2020, the balance of board designated net assets without donor restriction was \$73,302.

Net Assets With Donor Restrictions – Net assets subject to donor or 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.

Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported in the statement of activities as net assets released from restrictions.

I Love A Clean San Diego
Notes to the Financial Statements
For the year ended December 31, 2020

Note 2. Summary of Significant Accounting Policies (Continued)

Contributions restricted by donors received in the same period when the associated stipulated time or purpose restriction is accomplished are reported as increases in net assets without donor restrictions. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions.

The Organization had net assets with donor restrictions of \$300,233 at December 31, 2020.

Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. The Organizations policy is to capitalize acquisitions valued greater than \$600 with a useful life of one year or more. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets as follows:

Computer Equipment	5 years
Vehicles	7 years
Furniture	10 years

Maintenance and repair costs are charged to expense as incurred.

Impairment of Long-lived Assets

The Organization evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the estimated future cash flows (undiscounted and without interest charges) from the use of an asset are less than the carrying value, a write-down will be recorded to reduce the related asset to its estimated fair value. To date, no such write-downs have occurred.

Cash and Cash Equivalents

The Organization has defined cash and cash equivalents as cash in banks and certificates of deposits with an original maturity of three months or less.

Investments

The Organization records investment purchases 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/(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.

I Love A Clean San Diego
Notes to the Financial Statements
For the year ended December 31, 2020

Note 2. Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

Fair value is 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. There are three levels of inputs that may be used for measuring fair value:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayments, spreads, credit risk, etc.).

Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).

The fair value of endowment funds held by Rancho Santa Fe Foundation is determined using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets and are based on the fair values of investments as reported by Rancho Santa Fe Foundation and is considered to be Level 3.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in the statement of activities in the period in which it occurs.

Donated Goods and Services

Contributions of donated goods are recorded at fair value at the date of donation. Donated services are recorded if they meet certain specified criteria: they either: (a) improve the value of a nonfinancial asset, or (b) require specialized skill, and are donated by someone who possess those skills, which would have had to be purchased if not donated.

Use of 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 effect the reported amounts of assets, liabilities, revenues, and expenses as of the date of the financial statements and for the period presented. Actual results could differ from those estimates.

Promises to Give

An unconditional promise to give is recorded as a receivable when the promises to give is made, provided that it is reasonably certain to be collected and the amount is known.

I Love A Clean San Diego
Notes to the Financial Statements
For the year ended December 31, 2020

Note 2. Summary of Significant Accounting Policies (Continued)

Income Tax Status

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California State Revenue and Taxation Code. Accordingly, no provision for income taxes is included in the accompanying financial statements.

The Organization has reviewed its position for all open tax years and believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's federal and state Exempt Organization Tax Returns are subject to examination, generally for three years after they were filed.

Comparative Financial Information:

The financial statements include certain prior-year summarized comparative information in total but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted in the United States of America. Accordingly, it should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019 from which the summarized information was derived. Certain reclassifications have been made to the December 31, 2019 financial statements presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to the reclassifications.

Change in Accounting Principle:

During the year ended December 31, 2020, the Organization adopted Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made (Topic 605) and ASU No. 2014-09 Revenue from Contracts with Customers (Topic 606). Analysis of various provisions of these updates resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

Note 3. Concentrations

The Organization maintains its cash and cash equivalents accounts at various financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation and or the National Credit Union Administration, both up to \$250,000. At times, the Organizations bank accounts may exceed federally insured deposit limits. The Organization has not experienced any losses in such accounts.

I Love A Clean San Diego
Notes to the Financial Statements
For the year ended December 31, 2020

Note 4. Endowment at Rancho Santa Fe Foundation/Investment

The Organization is the beneficiary of an endowment. The assets, in the possession of the Rancho Santa Fe Foundation (the Foundation), are to be held indefinitely. The Organization has legally enforceable rights and claims to such assets, including the sole right to income therefrom.

The Organization's Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2020, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Board of Directors in a manner consistent with the standard of prudence prescribed by UPMIFA. The factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

Investment and spending policies have been adopted for the Endowment that attempt to provide a predictable stream of funding for operation while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and cover the costs of managing the Endowment investments. To satisfy a long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through capital appreciation (realized and unrealized) and current yield "interest and dividends). A significant portion of the funds are invested in equity and fixed income to seek growth of principal over time.

The endowment spending-rate formula is determined the maximum amount to spend from the Endowment, including those endowments deemed to be underwater, each year. The rate, determined and adjusted from time to time by the Board of Directors, is applied to the average fair value of the Endowment investment for the prior 20 quarters in January of each year. Distributions should not exceed 5% annually. Spendable Amounts available for spending, but not required for use within a two-year period by ILACSD may remain invested with the Endowment Funds or may be transferred to operating accounts. The spending rate maximum is 5 percent. In establishing this policy, we considered the long-term expected return on the Endowment and set the rate with the objective of maintaining the purchasing power of the Endowment over time.

I Love A Clean San Diego
Notes to the Financial Statements
For the year ended December 31, 2020

Note 4. Endowment at Rancho Santa Fe Foundation/Investment (continued)

Changes in the endowment for the year ended December 31, 2020 are as follows:

Balance at Beginning of Year	\$ 156,831
Interest and Dividends	2,707
Unrealized Gain (Loss)	<u>17,758</u>
Balance End of Year	<u><u>\$ 177,296</u></u>

Note 5. Contracts Receivables

The Organization's receivables consist of contracts outstanding at December 31, 2020 and are as follows:

County of San Diego	\$ 133,343
City of San Diego	37,760
California Coastal Commission	7,980
Port of San Diego	5,334
Other Sources	<u>5,748</u>
Total Contracts Receivable	<u><u>\$ 190,165</u></u>

The Organization's management has evaluated the accounts receivable to determine whether an allowance for doubtful accounts should be recorded and has deemed all outstanding receivables collectible. Therefore, no allowance has been recorded.

Note 6. Operating Lease Obligations

The Organization leases its office space in Kearny Mesa area of San Diego. The lease commenced on December 1, 2019 and expires on January 31, 2025. The monthly base rent was \$7,971 from January to November 2020. The monthly rent was increased to \$8,210 in December 2020. Rent expense for the year ended December 31, 2020 totaled \$89,223. Future minimum payments under the lease agreements at December 31, 2020 are as follows:

Year End	
2021	\$ 95,652
2022	95,652
2023	95,652
2024	95,652
2025	<u>7,971</u>
Total	<u><u>\$ 390,579</u></u>

I Love A Clean San Diego
Notes to the Financial Statements
For the year ended December 31, 2020

Note 7. Net Assets with Donor Restrictions

As of December 31, 2020, net assets with donor restrictions are restricted for the following purposes:

	<u>Balance</u> <u>12/31/2019</u>	<u>Received</u> <u>2020</u>	<u>Used</u> <u>2020</u>	<u>Balance</u> <u>12/31/2020</u>
Subject to Expenditure for Specified Purpose:				
Education	\$ 34,058	\$ 66,745	\$ (46,785)	\$ 54,018
Clean Beach Coalition	5,000	5,000	(5,000)	5,000
Kids Ocean Day	12,992	1,000	(6,157)	7,835
Creek to Bay	26,750	53,902	(34,152)	46,500
Other Clean ups	6,291	73,500	(74,626)	5,165
Other Programs	-	42,787	(38,368)	4,419
Total	\$ <u>85,091</u>	\$ <u>242,934</u>	\$ <u>(205,088)</u>	\$ <u>122,937</u>
Endowment at Rancho Santa Fe Foundation for General Use:	<u>156,831</u>	<u>20,465</u>	<u>-</u>	<u>177,296</u>
Total	\$ <u><u>241,922</u></u>	\$ <u><u>263,399</u></u>	\$ <u><u>(205,088)</u></u>	\$ <u><u>300,233</u></u>

Note 8. Donated Goods and Services

In-kind contributions for the year ended December 31, 2020 are as follows:

Donated Supplies, Prizes, and Others	\$ 15,763
Donated Services	
Legal	4,782
Computer	13,750
Others	1,490
Total Donated Services	<u>20,022</u>
Total In-Kind Contribution	\$ <u><u>35,785</u></u>

I Love A Clean San Diego
Notes to the Financial Statements
For the year ended December 31, 2020

Note 9. Liquidity and Availability

The following reflects the Organization's financial assets as of December 31, 2020, reduced by the amounts not available for general use because of donor-imposed restrictions within one year of the statement of financial position date.

Financial Assets at Year End:

Cash and Cash Equivalents	\$ 639,672
Contracts Receivable	190,165
Total Financial Assets	<u>829,837</u>

Less Amounts not Available to be Used within One Year:

Designated by the Board for Future Programs	(73,302)
Donor-Imposed Restrictitons	(122,937)
Total amount not available to be used within one year	<u>(196,239)</u>

Financial Assets Available to Meet General Expenditures within One Year \$ 633,598

The Organization receives contributions with donor restrictions to be used in accordance with the associated purpose restrictions. The Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As of December 31, 2020, the Organization's Board of Directors designated \$73,302 for future program, but the funds remain available and may be spent at the discretion of the Board.

Note 10. Retirement Plan

The Organization adopted a 403(b) Plan effective January 1, 2016. All employees that work 480 hours or more are eligible to participate in the Plan. The Organization's matching contribution is dollar for dollar, up to a max of 3% of annual salary. The Organization's contributed \$16,733 to the Plan for the year ended December 31, 2020.

Note 11. Payroll Protection Program

In May 2020 the Organization received loan proceeds in the amount of \$197,690 under the Paycheck Protection Program (PPP). The PPP was established as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and is administered by the U.S. Small Business Administration. Under the terms of CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or portion of the loans granted under PPP based on the use of the loan proceeds for payroll costs, rent and utility expenses and the maintenance of workforce and compensation levels with certain limitations. The Organization has accounted for the PPP loan as a conditional contribution. In January 2021, the Organization's request for forgiveness of PPP loan in the amount of \$197,690 has been approved.

I Love A Clean San Diego
Notes to the Financial Statements
For the year ended December 31, 2020

Note 12. Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses required allocation on a reasonable basis that is consistently applied. The expense that are allocated include salaries and wages, benefits, payroll taxes, rent, insurance, office expenses, and other, which are allocated on the basis of time and efforts.

Note 13. Date of Management's Review/Subsequent Events

The Organization's management has evaluated subsequent events through April 9, 2021, the date the financial statements were available to be issued.

In January 2021, the Organization obtained a PPP Second Draw loan in the amount of \$191,143. The Organization expects to satisfy all conditions for forgiveness of the loan.

The spread of Coronavirus (COVID-19) has caused a substantial impact on the U.S. economy. There is significant uncertainty around the effects and duration of business interruption related to COVID-19. The extent of the impact on the Organization's operations, grantors, contractor, donors, employees, and vendors will depend on certain developments, which cannot be determined at this time.

Management is not aware of any other subsequent events that would require adjustment to, or disclosures in the financial statement.