KEEP AMERICA BEAUTIFUL, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

KEEP AMERICA BEAUTIFUL, INC.
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Keep America Beautiful, Inc.
Stamford, Connecticut

Opinion

We have audited the accompanying financial statements of Keep America Beautiful, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Keep America Beautiful, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Keep America Beautiful, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Keep America Beautiful, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditor's Responsibility for the Audit of the Financial Statements (continued)

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Keep America Beautiful, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Keep America Beautiful, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Citrin Cooperman & Company, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Braintree, Massachusetts
August 29, 2022

KEEP AMERICA BEAUTIFUL, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS

	2021	2020
Cash and cash equivalents	$ 1,874,449	$ 2,710,112
Gift cards	10,019	204,714
Contributions receivable, net	260,623	425,644
Prepaid expenses and other assets	55,129	31,799
Investments	4,665,800	4,012,407
Property and equipment, net	1,432	23,952
TOTAL ASSETS	$ 6,867,452	$ 7,408,628

LIABILITIES AND NET ASSETS

	2021	2020
Liabilities:		
Accounts payable and accrued expenses	$ 489,680	$ 338,482
Refundable advances	3,786	10,000
Total liabilities	493,466	348,482
Net assets:		
Without donor restrictions	2,607,602	3,337,501
With donor restrictions	3,766,384	3,722,645
Total net assets	6,373,986	7,060,146
TOTAL LIABILITIES AND NET ASSETS	$ 6,867,452	$ 7,408,628

See accompanying notes to financial statements.

KEEP AMERICA BEAUTIFUL, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:						
Contributions and grants	$ 1,288,762	$ 3,591,159	$ 4,879,921	$ 1,521,504	$ 4,024,465	$ 5,545,969
In-kind contributions	3,796,459	-	3,796,459	6,745,430	-	6,745,430
Benefit dinner, net of direct benefits to donors	46,464	-	46,464	219,339	-	219,339
Conferences and fees	304,320	-	304,320	373,936	-	373,936
Investment income, net	16,636	-	16,636	26,577	-	26,577
Realized and unrealized gains on investments	629,684	-	629,684	579,620	-	579,620
Net assets released from donor restrictions	3,547,420	(3,547,420)	-	3,575,206	(3,575,206)	-
Total revenues and support	9,629,745	43,739	9,673,484	13,041,612	449,259	13,490,871
Expenses:						
Program	8,592,462	-	8,592,462	11,674,402	-	11,674,402
Management and general	917,832	-	917,832	1,793,306	-	1,793,306
Fundraising	849,350	-	849,350	958,962	-	958,962
Total expenses	10,359,644	-	10,359,644	14,426,670	-	14,426,670
Changes in net assets	(729,899)	43,739	(686,160)	(1,385,058)	449,259	(935,799)
Net assets, beginning	3,337,501	3,722,645	7,060,146	4,722,559	3,273,386	7,995,945
NET ASSETS, ENDING	$ 2,607,602	$ 3,766,384	$ 6,373,986	$ 3,337,501	$ 3,722,645	$ 7,060,146

See accompanying notes to financial statements.

KEEP AMERICA BEAUTIFUL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program	Management and General	Fundraising	Direct Benefits to Donors	Total Expenses
Donated media	$ 3,779,705	$ -	$ -	$ -	$ 3,779,705
Employee compensation and related	2,029,767	482,162	706,879	-	3,218,808
Event supplies, production and support	1,002,236	28	9,565	82,436	1,094,265
Affiliate and other grants	888,454	-	-	-	888,454
Professional and consulting	472,395	185,668	56,726	28,100	742,889
Occupancy	198,731	39,746	26,497	-	264,974
Office and related	95,760	68,624	23,611	-	187,995
Technology	46,517	15,249	13,729	-	75,495
Marketing and communications	63,801	-	-	-	63,801
Bad debt	-	54,119	-	-	54,119
Insurance	-	46,630	-	-	46,630
Travel and conferences	15,096	3,086	12,343	-	30,525
Depreciation	-	22,520	-	-	22,520
	8,592,462	917,832	849,350	110,536	10,470,180
Less expenses included with revenues on the statement of activities and changes in net assets	-	-	-	(110,536)	(110,536)
TOTAL EXPENSES	$ 8,592,462	$ 917,832	$ 849,350	$ -	$ 10,359,644

See accompanying notes to financial statements.

KEEP AMERICA BEAUTIFUL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program	Management and General	Fundraising	Direct Benefits to Donors	Total Expenses
Donated media	$ 5,909,339	$ -	$ -	$ -	$ 5,909,339
Employee compensation and related	1,349,150	1,061,285	706,869	-	3,117,304
Event supplies, production and support	1,256,833	5,768	46,018	37,621	1,346,240
Professional and consulting	908,989	315,326	100,396	238	1,324,949
Marketing and communications	1,100,096	6,388	-	-	1,106,484
Affiliate and other grants	844,751	-	-	-	844,751
Occupancy	124,232	76,653	67,005	129	268,019
Office and related	94,603	82,779	15,443	2,468	195,293
Technology	35,700	100,440	6,627	6,250	149,017
Travel and conferences	50,709	12,070	16,604	-	79,383
Bad debt	-	55,015	-	-	55,015
Insurance	-	47,896	-	-	47,896
Depreciation	-	29,686	-	-	29,686
	11,674,402	1,793,306	958,962	46,706	14,473,376
Less expenses included with revenues on the statement of activities and changes in net assets	-	-	-	(46,706)	(46,706)
TOTAL EXPENSES	$ 11,674,402	$ 1,793,306	$ 958,962	$ -	$ 14,426,670

See accompanying notes to financial statements.

KEEP AMERICA BEAUTIFUL, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Cash flows used in operating activities:		
Changes in net assets	$ (686,160)	$ (935,799)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Forgiveness of paycheck protection program loan	(513,972)	(513,972)
Depreciation	22,520	29,686
Bad debt expense	54,119	55,015
Realized and unrealized gains on investments	(629,684)	(579,620)
Changes in operating assets and liabilities:		
Gift cards	194,695	130,200
Contributions receivable, net	110,902	1,010,883
Prepaid expenses and other assets	(23,330)	31,522
Accounts payable and accrued expenses	151,198	(206,378)
Refundable advances	(6,214)	(40,000)
Net cash used in operating activities	(1,325,926)	(1,018,463)
Cash flows from investing activities:		
Purchases of investments	(55,439)	(48,516)
Proceeds from sales of investments	31,730	26,559
Net cash used in investing activities	(23,709)	(21,957)
Cash flows from financing activities:		
Proceeds from paycheck protection program loan	513,972	513,972
Net cash provided by financing activities	513,972	513,972
Net decrease in cash and cash equivalents	(835,663)	(526,448)
Cash and cash equivalents - beginning	2,710,112	3,236,560
CASH AND CASH EQUIVALENTS - ENDING	$ 1,874,449	$ 2,710,112

See accompanying notes to financial statements.

NOTE 1. ORGANIZATION

Keep America Beautiful, Inc. (the "Organization" or "KAB") is a nonprofit organization whose network of local, statewide, and international affiliate programs educates individuals about litter prevention and ways to reduce, reuse, recycle, and properly manage waste materials. KAB's mission is to engage individuals in taking greater responsibility for improving their community environments. Through partnerships and strategic alliances with citizens, businesses, and government, KAB programs involve millions of volunteers annually to clean up, beautify, and improve their neighborhoods, thereby creating healthier, safer, and more livable community environments.

The local affiliates are separate nonprofit entities and/or agencies of local governments that are not controlled by KAB and, therefore, their financial position, changes in net assets, and cash flows are not included in the accompanying financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Net Assets

The Organization follows the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Subtopic *Presentation of Financial Statements of Not-for-Profit Entities*. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any net assets with donor restrictions that are perpetual in nature at December 31, 2021 and 2020.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America ("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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates (continued)

Significant estimates for the years ended December 31, 2021 and 2020 include the valuation of in-kind contributions (Note 11). In-kind contributions and expenses include donated media, which is recognized in the amount of $3,779,705 and $5,909,339, in the accompanying statements of activities and changes in net assets and statements of functional expenses for the years ended December 31, 2021 and 2020, respectively. Management uses third party valuations and applies a discount to these values based on various factors and perceived value of the services received.

Concentration of Credit Risk

Cash and cash equivalents include cash on hand, demand deposits, and highly liquid investments with original maturities of three months or less. At times, deposits of cash may exceed federally insured limits. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

Contributions Receivable

Contributions receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of probable uncollectible amounts. Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to contributions and grants receivable. At December 31, 2021 and 2020, the allowance for uncollectible accounts totaled $76,669 and $55,000, respectively. All contributions receivable were considered current and due within one year at both December 31, 2021 and 2020.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values based on quoted prices in active markets in the statements of financial position. Investment income and investment gains and losses are reported as increases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law.

Fair Value Measurement

The Organization follows the provisions of the *Fair Value Measurements* Topic of the FASB ASC. This Topic clarifies that fair value is an exit price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. This Topic establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. Determining where an asset or liability falls within that hierarchy depends on the lowest level input that is significant to the fair value measurement as a whole. The three levels of the fair value hierarchy are described below.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement (continued)

Level 1 - Quoted market prices that are available in active markets for identical assets or liabilities. The types of financial instruments included in Level 1 are marketable equity securities that are traded in an active exchange market.

Level 2 - Pricing inputs other than quoted prices in active markets, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 includes assets and liabilities whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The following is a description of the valuation methodologies used for asset investments measured at fair value, as well as the general classification pursuant to the valuation hierarchy. There have been no changes in the methodologies used at December 31, 2021 and 2020.

- *Money market funds, fixed income bond funds, mutual funds, and common stock* have been reported in the financial statements at fair value. The fair value of these securities is based upon quoted prices from an active market and are therefore categorized in level 1.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of the certain financial instruments could result in a different fair value measurement at the reporting date.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at fair value, on the date of the contribution. Expenditures for maintenance and repairs are expensed as incurred. Repairs which materially extend the life of the assets are capitalized. Depreciation of property and equipment is computed on a straight-line basis over the estimated useful lives of three to five years.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Valuation of Long-Lived Assets

The Organization accounts for the valuation of long-lived assets in accordance with the FASB ASC Topic *Property, Plant and Equipment.* This Topic requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. At December 31, 2021 and 2020, the Organization has determined that no long-lived assets are impaired.

Refundable Advances

Refundable advances as of December 31, 2021 and 2020 represents advances from sponsors earmarked specifically and conditionally upon programs to be held during a future period.

Revenue Recognition

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues without donor restrictions.

The Organization recognizes revenue in accordance with FASB ASC Topic 606, *Revenue from Contracts with Customers* ("Topic 606"). Revenue is measured based on the consideration specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. The Organization recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. The majority of the Organization's services represent a bundle of services that are not capable of being distinct and as such, are treated as a single performance obligation that is satisfied as the services are rendered. The Organization determines the transaction price based on contractually agreed upon rates, adjusted for any variable consideration, if any.

Fees, including publication sales, and conferences are offered by the Organization throughout the course of the year. Revenues from fees are recognized over the calendar year. Publication sales are recorded at the time of sale whereas conference revenue is recorded at the time the conference is held.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are reported at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. All contributions receivable at December 31, 2021 and 2020 were due within one year, therefore no discount was recorded.

Contributions of land, buildings, and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues without donor restrictions. Contributions of cash or other assets to be used to acquire land, buildings and equipment with donor stipulations are reported as revenues with donor restrictions; the restrictions are considered to be released at the time the long-lived assets are placed in service.

Contributions of services are reported as revenues and expenses without donor restrictions at the fair value of the services received only if the services create or enhance a non-financial asset or would typically need to be purchased by the Organization if they had not been provided by individuals with those skills. Contributions of goods are reported at fair value as revenues and expenses without donor restrictions at the time the goods are received (Note 11).

Disaggregation of Revenue

The Organization operates its programs from Stamford, Connecticut but coordinates and hosts events and programs across the country. The Organization's viability is dependent on the strength of the economy in the United States and its ability to generate revenues from donors, fundraising events and other sources, and its ability to collect these revenues.

Functional Expenses

The costs of providing various program and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is consistently applied. Employee compensation and related expenses are allocated on the basis of time and effort. Occupancy expense is allocated on a square footage basis. Other expenses are allocated based on actual usage or allocated based on time and effort, depending on the nature of the expense.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and accordingly, no provision for income taxes has been recorded in the accompanying financial statements. The Organization is subject to federal and state income taxes on unrelated business income, if any. The Organization files informational tax returns as required by the IRC.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (continued)

The Organization accounts for uncertain tax positions in accordance with FASB ASC Topic *Income Taxes*. This Topic prescribes a recognition threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. This Topic also provides guidance on recognition, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. At December 31, 2021 and 2020, management believes that the Organization has no material uncertain tax positions.

Recently Issued But Not Yet Effective Accounting Pronouncements

In-kind Contributions - In September 2020, FASB issued Accounting Standards Updated ("ASU") No. 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* ("ASU 2020-07"), which is intended to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. This ASU is effective for annual periods beginning after June 15, 2021, with early adoption permitted. The Organization is evaluating the effect that ASU 2020-07 will have on its financial statements and related disclosures.

Leases - In February 2016, the FASB issued ASU No. 2016-02, *Leases* ("ASU 2016-02"). This ASU requires all leases with a term greater than 12 months to be recognized on the statement of financial position through a right-of-use asset and a lease liability and enhanced disclosures regarding the amount, timing, and uncertainty of cash flows arising from leases. In July 2018, the FASB issued ASU No. 2018-10, *Codification Improvements to Topic 842* and ASU No. 2018-11, *Leases: Targeted Improvements*, which provided narrow amendments to clarify how to apply certain aspects of the new leases standard and options regarding transition. The standard requires either a modified retrospective transition approach with application in all comparative periods presented, or an alternative transition method, which permits the Organization to use its effective date as the date of initial application without restating the comparative period financial statements and recognizing any cumulative effect adjustment to the opening statement of financial position. In June 2020, the FASB issued ASU No. 2020-05 *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)*. ASU 2020-05 amended the effective date for ASU 2016-02 and related amendments. ASU 2016-02, as amended, is effective for fiscal years beginning after December 15, 2021. The Organization is currently evaluating the effect that ASU 2016-02 will have on its financial statements and related disclosures.

Subsequent Events

The Organization has evaluated all events subsequent to the statement of financial position date of December 31, 2021, through the date which the financial statements were available to be issued, August 29, 2022, and has determined that there are no subsequent events that require disclosure under FASB ASC Topic *Subsequent Events*.

NOTE 3. AVAILABILITY AND LIQUIDITY

The following reflects the Organization's financial assets as of December 31, 2021, reduced by amounts that are not available for general use within one year of the statement of financial position date because of donor-imposed restrictions that may not be released within one year through the normal course of business and board designations. As part of its liquidity management plan, the Organization operates its programs within a balanced budget and relies on grants and contributions, with and without donor restrictions, to fund its operations and program activities. Cash is maintained in checking and savings accounts and is readily available for use. Investments are available for liquidation upon approval by the board of directors.

The following represents the Organization's available financial assets as of December 31, 2021:

Cash	$ 1,874,449
Contributions receivable, net	260,623
Investments	4,665,800
Total financial assets	6,800,872
Less amounts not available to be used within one year:	
Board designated net assets	(4,665,800)
Donor restricted contributions	(3,766,384)
Subtotal	(1,631,312)
Donor restricted net assets expected to be released within one year through conducting the normal activities of the Organization	3,097,638
Financial assets available to meet cash needs for general expenditures within one year	$ 1,466,326

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2021	2020
Digital assets	$ 25,086	$ 261,073
Property and equipment	5,715	51,693
	30,801	312,766
Less accumulated depreciation	(29,369)	(288,814)
	$ 1,432	$ 23,952

NOTE 5. INVESTMENTS

The Organization's board of directors designated the Organization's investments as the KAB Sustainability Fund (the "Fund") to help ensure the long-term continuity of the Organization and its future ability to carry out its charitable mission. The Fund is administered by the executive committee of the board of directors in accordance with the board of director's adopted policies. As the Fund is board-designated, the balance of the investment account is included in net assets without donor restrictions. All interest and dividend earnings are reinvested into the Fund as they are earned. The Organization's total investment balance of $4,665,800 and $4,012,407 was held in the Fund at December 31, 2021 and 2020, respectively.

Investments are stated at fair value and are summarized as follows at December 31:

	2021	2020
Cash and money market funds	$ 490,265	$ 856,829
Fixed income bond funds	889,237	504,397
Mutual funds	61,280	58,360
Common stock	3,225,018	2,592,821
	$ 4,665,800	$ 4,012,407

The following schedule summarizes the investment return which is reported as investment income in the accompanying statements of activities and changes in net assets as of December 31:

	2021	2020
Investment income	$ 55,740	$ 53,136
Investment fees	(39,104)	(26,559)
	$ 16,636	$ 26,577

The following schedule summarizes realized and unrealized gains recognized on investments held at December 31:

	2021	2020
Net gains recognized during the year on equity securities	$ 629,684	$ 579,620
Less: net gains recognized during the year on equity securities sold during the period	54,558	98,181
Unrealized gain recognized during the year on equities still held at December 31	$ 575,126	$ 481,439

NOTE 6. FAIR VALUE MEASUREMENT

The following fair value hierarchy table represents information about the Organization's assets measured at fair value on a recurring basis as of December 31, 2021:

	Level 1	Level 2	Level 3	Fair Value
Cash and money market	$ 490,265	$ -	$ -	$ 490,265
Fixed income bond funds	889,237	-	-	889,237
Mutual funds:				
Foreign large-blend	61,280	-	-	61,280
Common stock:				
Consumer goods	768,780	-	-	768,780
Healthcare	654,297	-	-	654,297
Technology	564,322	-	-	564,322
Financial services	421,427	-	-	421,427
Industrials	338,293	-	-	338,293
Communication services	291,422	-	-	291,422
Real estate	104,370	-	-	104,370
Basic materials	82,107	-	-	82,107
Total common stock	3,225,018	-	-	3,225,018
Total	$ 4,665,800	$ -	$ -	$ 4,665,800

The following fair value hierarchy table represents information about the Organization's assets measured at fair value on a recurring basis as of December 31, 2020:

	Level 1	Level 2	Level 3	Fair Value
Cash and money market	$ 856,829	$ -	$ -	$ 856,829
Fixed income bond funds	504,397	-	-	504,397
Mutual funds:				
Foreign large-blend	58,360	-	-	58,360
Common stock:				
Consumer goods	671,152	-	-	671,152
Healthcare	541,878	-	-	541,878
Technology	466,484	-	-	466,484
Financial services	303,782	-	-	303,782
Industrials	233,250	-	-	233,250
Communication services	220,954	-	-	220,954
Real estate	79,595	-	-	79,595
Basic materials	75,726	-	-	75,726
Total common stock	2,592,821	-	-	2,592,821
Total	$ 4,012,407	$ -	$ -	$ 4,012,407

NOTE 7. PAYCHECK PROTECTION PROGRAM

Paycheck Protection Program First Draw Loan

On April 14, 2020, the Organization received loan proceeds of $513,972 under the Paycheck Protection Program ("PPP"). The PPP, which was established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times certain average monthly payroll expenses of the qualifying business. The loan and accrued interest, or a portion thereof, may be forgiven after 24 weeks so long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent, mortgage interest and utilities, and maintains its payroll levels, as defined by the PPP. At least 60% of the loan proceeds must be spent on payroll costs, as defined by the PPP.

The PPP loan matures two years from the date of first disbursement of proceeds to the Organization (the "PPP Loan Date") and accrues interest at a fixed rate of 1%. Payments are deferred for ten months from the end of the 24 week covered period and payable in 18 equal consecutive monthly installments of principal and interest commencing upon expiration of the deferral period of the PPP Loan Date.

U.S. GAAP does not contain authoritative accounting standards for forgivable loans provided by governmental entities. Absent authoritative accounting standards, interpretative guidance issued and commonly applied by financial statement preparers allow for the selection of accounting policies amongst acceptable alternatives. Based on the facts and circumstances, the Organization determined it most appropriate to account for the PPP loan proceeds under the conditional contribution model within ASC 958-605. Under the conditional contribution model, the Organization recognizes the proceeds received as a refundable advance, and subsequently recognizes grant revenue as the conditions are met. Conditions are deemed to be met as the allowable expenses are incurred. The Organization deemed the conditional contribution model to be the most appropriate accounting policy for this arrangement based on the nature of the PPP loan program. The Organization recognized the entire PPP loan amount of $513,972 as grant revenue under the PPP loan program during the year ended December 31, 2020, which is included in contributions and grants on the accompanying statement of activities and changes in net assets for the year ended December 31, 2020.

The Organization applied for PPP loan forgiveness and received approval from the Small Business Administration ("SBA") in June 2021.

Paycheck Protection Program Second Draw Loan

In February 2021, the Organization received loan proceeds of $513,972 under the Paycheck Protection Program Second Draw Loans ("PPP SD"). The second round of PPP funding, which was established as part of the Consolidated Appropriations Act, also provides loans to qualifying businesses for amounts up to 2.5 times certain average monthly payroll expenses of the qualifying business. Similar to PPP, the PPP SD and any accrued interest, or a portion thereof, may be forgiven after 24 weeks so long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent, mortgage interest and utilities, and maintains its payroll levels. The PPP SD also requires that not more than 40% of the amount forgiven can be attributable to nonpayroll costs.

NOTE 7. PAYCHECK PROTECTION PROGRAM (CONTINUED)

Paycheck Protection Program Second Draw Loan (continued)

The PPP SD loan matures five years from the date of first disbursement of proceeds to the Organization (the "PPP SD Loan Date") and accrues interest at a fixed rate of 1%. Payments are deferred for the covered period plus ten months and payable in 50 equal consecutive monthly installments of principal and interest commencing on the eleventh month anniversary of the end of the covered period.

The PPP SD follows the same accounting policies as the first draw of PPP loans. The Organization recognized $513,972 as revenue under the PPP SD during the year ended December 31, 2021, which is included in contributions and grants on the accompanying statement of activities and changes in net assets for the year ended December 31, 2021. The Organization applied for PPP SD loan forgiveness and received approval from the SBA in January 2022.

If it is determined that the Organization was not eligible to receive the PPP or PPP SD, or that the Organization has not adequately complied with the rules, regulations and procedures applicable to the SBA's loan program, the Organization could be subject to penalties and could be required to repay the amounts previously forgiven.

NOTE 8. NET ASSETS

Net assets with donor restrictions were as follows for the years ended December 31:

	2021	2020
Cigarette litter prevention	$ 1,305,506	$ 1,045,879
Great American Clean-Up	714,229	1,386,379
Recycling projects	633,040	584,570
Other programs	431,464	149,411
RETREET	280,578	14,397
Employee engagement	263,000	155,000
Keep Newark Beautiful	100,000	48,842
Affiliate development	38,567	63,167
Brewery partnership project	-	275,000
Total	$ 3,766,384	$ 3,722,645

NOTE 8. NET ASSETS (CONTINUED)

Net assets released from donor restrictions are as follows for the years ended December 31:

	2021	2020
Satisfaction of purpose restrictions:		
Cigarette litter prevention	$ 1,240,373	$ 751,095
Great American Clean-Up	1,112,150	301,621
Other programs	462,106	78,007
Brewery partnership project	275,000	-
Recycling projects	276,530	1,149,201
RETREET	107,819	57,604
Keep Newark Beautiful	48,842	51,188
Affiliate development	24,600	6,833
Litter research	-	592,157
Grants	-	485,000
National conference	-	52,500
Vision	-	50,000
Total	$ 3,547,420	$ 3,575,206

NOTE 9. LEASES

Occupancy

In 2019, the Organization entered into a 10-year lease for space in a building for their Stamford, Connecticut headquarters. The lease is effective through 2030. The space was provided rent-free for six months, with monthly rental payments beginning at $19,959. The monthly payments increase annually through the end of the lease. Rent expense is recognized on the straight-line basis and expenses related to this lease were approximately $239,500 per year for the years ended December 31, 2021 and 2020.

Office Equipment

The Organization has multiple operating leases for office equipment requiring monthly payments ranging from $600 to $950 which expire at different times through March 2022, along with various other equipment leases on an at-will basis. Total rent expense under these lease agreements for the years ended December 31, 2021 and 2020 were $20,767 and $20,788, respectively.

Required future minimum lease payments are as follows:

Year	Amount
2022	$ 242,763
2023	245,313
2024	249,063
2025	252,813
2026	256,563
Thereafter	904,688
	$ 2,151,203

NOTE 10. EMPLOYEE BENEFIT PLANS

The Organization has a qualified 403(b) defined contribution pension plan for all employees. Participants may make voluntary contributions to the plan, not to exceed the limitations prescribed by the IRC. Under the plan, the Organization makes semi-monthly elections to match a portion of employees' contribution up to 5%. The Organization's contribution to the plan was $54,263 and $140,504, respectively, to the plan for the years ended December 31, 2021 and 2020.

NOTE 11. IN-KIND CONTRIBUTIONS

The Organization received in-kind contributions totaling $3,796,459 and $6,745,430, respectively, for the years ended December 31, 2021 and 2020. The value of donated goods and services for the years ended December 31, 2021 and 2020 recognized in the accompanying financial statements is as follows:

	2021	2020
Revenue:		
Donated media	$ 3,779,705	$ 5,909,339
Gift cards	16,754	-
Program supplies and equipment	-	464,082
Marketing	-	341,309
Conference fees	-	30,700
Total in-kind revenue reported	$ 3,796,459	$ 6,745,430

	2021	2020
Expenses:		
Donated media	$ 3,779,705	$ 5,909,339
Event supplies, production and support	6,735	464,082
Marketing	-	341,309
Conference fees	-	30,700
Total in-kind expenses reported	3,786,440	6,745,430
Assets reported:		
Gift cards	10,019	-
Total in-kind assets reported	10,019	-
Total in-kind expenses and assets reported	$ 3,796,459	$ 6,745,430

NOTE 12. BUSINESS COMBINATIONS

Effective January 14, 2021, Keep America Beautiful, Inc. entered into an Asset Transfer Agreement with RETREET, which resulted in Keep America Beautiful, Inc. as the sole surviving organization. RETREET's mission is to provide disaster relief to communities on a local, national, and international level by leading volunteers in restoring decimated urban forests and to inspire and educate people to take action every day to improve and beautify their community environment.

The net assets of RETREET on the date of merger was $100,000 which were recorded as contributions and are included on the accompanying statements of activities in contributions and grants.

There were no material transactions between Keep America Beautiful, Inc. and RETREET prior to the agreements and there was no significant impact to the Organization as a result of the transaction.