METAFOUNDATION
dba POST CARBON INSTITUTE

FINANCIAL STATEMENTS

Year Ended December 31, 2020

ANDERSON GROUP
CERTIFIED PUBLIC ACCOUNTANTS, LLC
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Corvallis, OR 97330
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METAFOUNDATION
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ANDERSON GROUP
CERTIFIED PUBLIC ACCOUNTANTS, LLC

Partners
Kristen P. Gose, CPA
Alyce Chapman, CPA

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Metafoundation dba Post Carbon Institute
Corvallis, Oregon

We have audited the accompanying financial statements of Metafoundation dba Post Carbon Institute (the "Institute"), an Oregon not-for-profit corporation, which are comprised of 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 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 the 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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the Institute as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Anderson Group CPAs, LLC

November 3, 2021

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METAFOUNDATION dba POST CARBON INSTITUTE
Statement of Financial Position
As of December 31, 2020

ASSETS		
Current Assets		
Cash and Cash Equivalents	$	640,785
Certificates of Deposit		51,074
Contributions Receivable		13,899
Grants Receivable		65,000
Prepaid Expenses		7,302
Total Current Assets		778,060
Property and Equipment		
Computers		33,417
Furniture and Equipment		9,736
Total Property and Equipment		43,153
Less: Accumulated Depreciation		(40,896)
Net Property and Equipment		2,257
Other Assets		
Grants Receivable - Long Term		50,000
Deposits		1,000
Total Other Assets		51,000
TOTAL ASSETS	$	831,317
LIABILITIES		
Current Liabilities		
Accounts Payable	$	7,558
Accrued Vacation		22,148
Total Current Liabilities		29,706
TOTAL LIABILITIES	$	29,706
NET ASSETS		
Without Donor Restrictions	$	661,536
With Donor Restrictions		
Purpose Restrictions		5,075
Time-Restricted For Future Periods		135,000
Total Net Assets With Donor Restrictions		140,075
TOTAL NET ASSETS		801,611
TOTAL LIABILITIES AND NET ASSETS	$	831,317

See accompanying notes to financial statements.

METAFOUNDATION dba POST CARBON INSTITUTE
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2020

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE			
Foundation and Community Grants	$ 505,003	$ 205,000	$ 710,003
Contributions	120,830	-	120,830
PPP loan forgiveness	96,773	-	96,773
Publication Revenue	3,825	-	3,825
Fees and Other Income	2,378	-	2,378
Investment Income	1,450	-	1,450
Net Assets Released from Restrictions	479,343	(479,343)	-
Total Support and Revenue	1,209,602	(274,343)	935,259
EXPENSES			
Program Services			
Awareness	600,612	-	600,612
Understanding	52,543	-	52,543
Action	173,269	-	173,269
Total Program Services	826,424	-	826,424
General and Administrative	97,959	-	97,959
Fundraising	42,373	-	42,373
Total Supporting Services	140,332	-	140,332
Total Expenses	966,756	-	966,756
Change in Net Assets	242,846	(274,343)	(31,497)
Net Assets, Beginning of the Year	418,690	414,418	833,108
Net Assets, End of the Year	$ 661,536	$ 140,075	$ 801,611

METAFOUNDATION dba POST CARBON INSTITUTE
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services				Supporting Services			
	Awareness	Understanding	Action	Total Program Services	General and Administrative	Fund-Raising	Total Supporting Services	Total Expenses
Compensation	$ 345,975	$ 37,289	$ 56,244	$ 439,508	$ 67,164	$ 34,400	$ 101,564	$ 541,072
Employee benefits	28,018	3,049	7,596	38,663	4,712	1,599	6,311	44,974
Payroll taxes	27,571	2,883	4,435	34,889	5,262	2,678	7,940	42,829
Total Personnel Costs	401,564	43,221	68,275	513,060	77,138	38,677	115,815	628,875
Awards and Grants	-	-	94,960	94,960	-	-	-	94,960
Contract Services	166,858	4,088	832	171,778	10,568	2,363	12,931	184,709
Advertising	5,450	1,428	1,868	8,746	-	-	-	8,746
Office Expenes	167	19	55	241	6,778	6	6,784	7,025
Occupancy	7,904	852	2,086	10,842	1,326	457	1,783	12,625
Travel and Entertainment	736	-	-	736	-	-	-	736
Conferences and Meetings	800	-	1,500	2,300	-	-	-	2,300
Insurance	3,123	334	817	4,274	533	183	716	4,990
Telephone and Internet	3,219	345	842	4,406	422	146	568	4,974
Supplies	8,671	2,097	1,796	12,564	903	409	1,312	13,876
Depreciation	2,120	159	238	2,517	291	132	423	2,940
Total	$ 600,612	$ 52,543	$ 173,269	$ 826,424	$ 97,959	$ 42,373	$ 140,332	$ 966,756

See accompanying notes and accountant's report.

METAFOUNDATION dba POST CARBON INSTITUTE
Statement of Cash Flows
For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$	(31,497)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation		2,940
Decrease in Contributions Receivable		6,927
Decrease in Grants Receivable		105,000
Decrease in Prepaid Expenses		523
Increase in Accounts Payable		786
Increase in Accrued Vacation		7,205
Total Adjustments		123,381
Net Cash Provided by Operating Activities		91,884
CASH FLOWS FROM INVESTING ACTIVITIES		
Certificate of Deposit reinvested interest		(503)
Net Cash Used by Investing Activities		(503)
Net Increase in Cash and Cash Equivalents		91,381
Cash and Cash Equivalents at Beginning of Year		549,404
Cash and Cash Equivalents at End of Year	$	640,785

See accompanying notes to financial statements.

NOTE 1 – ORGANIZATION

Metafoundation dba Post Carbon Institute (the "Institute") was established in 2003 in the State of Oregon.

The Institute provides individuals, communities, businesses, and governments with the resources needed to understand and respond to the interrelated economic, energy, equity, and environmental crises that define the 21st century. The Institute envisions a world of resilient communities and re-localized economies that thrive within ecological bounds.

In 2020 our projects and programs fit into three categories that reflect our strategy for engaging the public in the sustainability issues of the 21st century. We are striving to help people gain **(1) awareness** of the E^4 crises (energy, environment, economy, equity) and potential responses, then gain deeper **(2) understanding** through immersive educational experiences, and then take **(3) action** to build resilience in their households and communities.

Awareness

The Awareness Program Area is intended to reach a broad audience and to deliver fundamental information people need in order to recognize and respond to the interrelated energy, environmental, economic, and equity crises of modern times. This program area contains the largest concentration of PCI's projects:

- **Resilience.org** is the leading online hub for the community resilience movement.
- **Publications** is our project for reaching audiences with written material in formal, in-depth formats, such as books and reports.
- **General Communications** is the project that helps deliver our content to our audience through distribution of newsletters, social media posts, media outreach, and responses to public inquiries.
- **Podcasts** is our project for reaching our audience with content developed for listeners. We currently have two podcasts: "Crazy Town" and "What Could Possibly Go Right?".
- **Events** consist of preparation and delivery of live speaking events and online webinars.
- **Musings** is our project to produce and promote articles that express PCI's views on energy, community resilience, and current events.
- **Energy Bulletin** offers analysis of energy trends in daily and weekly formats, archived on a website and emailed to subscribers.

Highlights of the Awareness Program Area in 2020 include:

- Publication of ~30 articles per week on Resilience.org
- Publication of more than 250 original articles on Resilience.org
- Preparatory work on a new book to be released in 2021 by New Society Press. The title is *Power: Limits and Prospects for Human Survival*.
- Release of 18 new episodes of the Crazy Town podcast, with over 95,000 total downloads of all episodes since the launch in 2019
- Successful launch of the podcast, What Could Possibly Go Right?, with a 41-episode run and a 5-star rating on iTunes
- Delivery of 25 presentations/interviews with PCI affiliates
- Publication of 31 total articles by PCI staff, including 6 placed in external media outlets.

NOTE 1 – ORGANIZATION (continued)

Understanding

The Understanding Program Area is intended to help those who have gained awareness of sustainability issues to attain more depth of knowledge and more confidence in what they know. Projects included in this program area:

- **Think Resilience** is PCI's online course and flagship resource for deep-dive education.
- **Navigating the Great Unraveling** is a project that networks world sustainability experts to explore how humanity can navigate the interrelated social and ecological crises driven by accelerating environmental breakdown over the coming decades.

Highlights of the Understanding program area in 2020 include:

- Upgrades to the Think Resilience course and platform to improve user experience
- Registration of over 6,000 self-directed participants and 40 discussion groups for Think Resilience
- Reconfiguration of a planned in-person conference into an online version for Navigating the Great Unraveling
- Production and distribution of dozens of conference videos to present the expertise of panelists on managing environmental, economic, and socio-political stresses.

Action

The Action Program Area is about encouraging our constituents to move from thinking and learning to doing. We currently have one project in this program area:

- The **Take Action Series** is our webinar project which provides inspiring examples and conversations about meaningful actions that can be taken to address the E^4 crises.

Highlights of the Action Program Area in 2020 include:

- Production of three webinars about taking action on climate change, the food system, and the economy
- High registration and attendance rates (one webinar had over 1,500 registrants).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

The accompanying financial statements have been prepared on the accrual basis of accounting. The accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents
Cash consists primarily of checking accounts held with a financial institution. The Institute restricts its cash deposits to financial institutions which are members of the FDIC.

Certificates of Deposit
Certificates of deposit are carried at market value.

Property and Equipment
Property and equipment are stated at cost and are depreciated using straight-line methods over the estimated useful lives of the related assets. Major expenditures in excess of $500, and those which substantially increase lives, are capitalized. Maintenance, repairs and minor renewals are expensed when incurred. The fair value of donated capital items is similarly capitalized.

Revenue Recognition
The Institute recognizes services and other fee revenue in the period when the service has been provided.

Grants and Contributions
The Institute recognizes grants and contribtuions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Contributions received are recorded as with or without donor restrictions depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

Donations are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. .

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are not included as support until the conditions are substantially met.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair value at the date of donation. Donated property and equipment are reported as estimated fair value at the date of donation. Donated property and equipment are reported as increases in net assets without donor restriction unless the donor has restricted the use of donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Institute reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Donated Services

Donated services are recognized as contributions, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would typically need to be purchased if not provided by donation.

There are volunteers who contribute their time to the Institute. No amounts have been recognized in the accompanying financial statements because the criteria for recognition of such volunteer effort have not been satisfied.

Net Assets

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

- Without Donor Restriction – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for growth endowment and certain program uses.
- With Donor Restriction – Net assets subject to donor-imposed stipulations. 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.

Income Taxes

The Institute is a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes. The Institute has also been classified as an entity that is not a private foundation within the meaning of the Internal Revenue Code. The Institute is also exempt from Oregon state income taxes under Section 317.080 of Oregon Revised Statutes and California franchise taxes under Section 23701d of the Revenue and Taxation Code. It is the opinion of management that all income earned has been related to the Institute's tax-exempt status and there has been no unrelated business income. Accordingly, no provision has been made for income taxes in the consolidated financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes (continued)

The Institute has adopted the provision of FASB Accounting Standards Codification (ASC) 740-10, *Income Taxes*, relating to accounting for uncertain tax provisions. The Institute recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement The Institute did not have any uncertain tax positions in connection with these financial statements.

Generally, the Organization is subject to examination by U.S. federal, state, and local income tax authorities for three years from filing of a tax return.

Fair Value of Financial Instruments
The Organization has adopted FASB authoritative guidance that defines fair value, establishes a framework for measuring the fair value, and expands disclosures about 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. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, 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.

Credit Risk
Financial instruments that potentially subject the Institute to concentrations of credit risk are primarily cash, investments and accounts receivable. The Institute places its cash in financial institutes that are insured in limited amounts by the U.S government.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses

The costs of program and supporting services activities have been reported in the statement of activities by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, occupancy and other foundation expenses, which are allocated on the basis of time and effort.

NOTE 3—LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31, 2019:

Financial assets, at year end	$ 831,317
Less those unavailable for general expenditure within one year:	
Net Assets with Purpose Restriction	(140,075)
Net Investment in Property and Equipment	(2,257)
Deposits	(1,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 687,985

NOTE 4 – OPERATING LEASE

In June 2017, the Institute moved their office to Corvallis, Oregon and entered into a six month lease ending December 15, 2017. The lease was renewed for two successive 6 month terms until December 2018, at which time the lease became a month-to-month lease. The monthly payments on the Oregon lease are $1,000 per month.

Rent expense was $12,000 for the year ended December 31, 2020.

NOTE 5– NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31, 2020:

Purpose Restrictions	
Grassroots Activism	$ 5,075
Time-Restricted for Future Periods	
General Support	135,000
Total Net Assets With Donor Restrictions	$ 140,075

NOTE 6 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the year ended December 31, 2020:

General Support	$ 140,000
VKRF Conference	339,343
Total	$ 479,343

NOTE 7– SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are available to be issued. The Institute recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing financial statements. The Institute's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before financial statements are available to be issued.

The Institute has evaluated subsequent events through November 3, 2021, which is the date the financial statements were available to be issued.