

FINANCIAL STATEMENTS



**FOR THE YEAR ENDED JUNE 30, 2024
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2023**

CENTER FOR INTERNATIONAL ENVIRONMENTAL LAW, INC.

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Center for International Environmental Law, Inc.
Washington, D.C.

Opinion

We have audited the accompanying financial statements of the Center for International Environmental Law, Inc. (CIEL), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and change in net assets, functional expenses and cash flows for the year 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 CIEL as of June 30, 2024, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 CIEL and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the 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 CIEL'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 Responsibilities 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.

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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, including omissions, 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.

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 CIEL'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 CIEL'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.

Report on Summarized Comparative Information

We have previously audited CIEL's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 11, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



January 29, 2026

CENTER FOR INTERNATIONAL ENVIRONMENTAL LAW, INC.

STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

ASSETS

| | <u>2024</u> | <u>2023</u> |
|------------------------------------|----------------------------|-----------------------------|
| Cash and cash equivalents | \$ 5,568,613 | \$ 5,655,914 |
| Investments | 1,791,836 | 1,665,763 |
| Contributions receivable | 1,407,760 | 4,979,232 |
| Contracts receivable | 148,937 | 112,352 |
| Other receivables | 53,648 | 35,818 |
| Prepaid expenses | 55,923 | 68,411 |
| Furniture and equipment, net | 69,574 | 52,078 |
| Deposits | 80,633 | 41,338 |
| Operating right-of-use assets, net | <u>453,050</u> | <u>261,552</u> |
| TOTAL ASSETS | <u>\$ 9,629,974</u> | <u>\$ 12,872,458</u> |

LIABILITIES AND NET ASSETS**LIABILITIES**

| | | |
|-----------------------------|------------------|------------------|
| Accounts payable | \$ 423,705 | \$ 562,670 |
| Accrued payroll | 188,356 | 141,251 |
| Deferred revenue | 22,384 | 124,210 |
| Operating lease liabilities | <u>501,872</u> | <u>273,089</u> |
| Total liabilities | <u>1,136,317</u> | <u>1,101,220</u> |

NET ASSETS

| | | |
|---|----------------------------|-----------------------------|
| Without donor restrictions | 2,720,681 | 3,602,456 |
| With donor restrictions | <u>5,772,976</u> | <u>8,168,782</u> |
| Total net assets | <u>8,493,657</u> | <u>11,771,238</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 9,629,974</u> | <u>\$ 12,872,458</u> |

CENTER FOR INTERNATIONAL ENVIRONMENTAL LAW, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

| | 2024 | | | 2023 |
|---|----------------------------|----------------------------|----------------------------|-----------------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Total |
| SUPPORT AND REVENUE | | | | |
| Grants | \$ 105,572 | \$ 4,860,565 | \$ 4,966,137 | \$ 8,721,814 |
| Contracts | 1,188,674 | - | 1,188,674 | 1,143,569 |
| Contributions | 229,068 | 1,000 | 230,068 | 281,227 |
| Interest | 126,781 | - | 126,781 | 75,528 |
| Net investment return | 129,622 | - | 129,622 | 37,893 |
| Other income | 24,381 | - | 24,381 | 11,895 |
| Net assets released from donor restrictions | <u>7,257,371</u> | <u>(7,257,371)</u> | <u>-</u> | <u>-</u> |
| Total support and revenue | <u>9,061,469</u> | <u>(2,395,806)</u> | <u>6,665,663</u> | <u>10,271,926</u> |
| EXPENSES | | | | |
| Program Services: | | | | |
| Climate and Energy | 2,575,535 | - | 2,575,535 | 3,385,603 |
| Fossil Economy | 2,471,344 | - | 2,471,344 | - |
| Environmental Health | 1,785,055 | - | 1,785,055 | 1,855,005 |
| People, Land and Resources | 495,475 | - | 495,475 | 661,126 |
| IPEN Secretariat and Miscellaneous Projects | <u>596,837</u> | <u>-</u> | <u>596,837</u> | <u>656,242</u> |
| Total program services | <u>7,924,246</u> | <u>-</u> | <u>7,924,246</u> | <u>6,557,976</u> |
| Supporting Services: | | | | |
| Management and General | 1,871,227 | - | 1,871,227 | 889,269 |
| Fundraising | <u>96,936</u> | <u>-</u> | <u>96,936</u> | <u>154,903</u> |
| Total supporting services | <u>1,968,163</u> | <u>-</u> | <u>1,968,163</u> | <u>1,044,172</u> |
| Total expenses | <u>9,892,409</u> | <u>-</u> | <u>9,892,409</u> | <u>7,602,148</u> |
| Change in net assets before other item | (830,940) | (2,395,806) | (3,226,746) | 2,669,778 |
| OTHER ITEM | | | | |
| Loss on lease modification | <u>(50,835)</u> | <u>-</u> | <u>(50,835)</u> | <u>-</u> |
| Change in net assets | (881,775) | (2,395,806) | (3,277,581) | 2,669,778 |
| Net assets at beginning of year | <u>3,602,456</u> | <u>8,168,782</u> | <u>11,771,238</u> | <u>9,101,460</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 2,720,681</u> | <u>\$ 5,772,976</u> | <u>\$ 8,493,657</u> | <u>\$ 11,771,238</u> |

CENTER FOR INTERNATIONAL ENVIRONMENTAL LAW, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

| | 2024 | | | | | | | | | 2023 | |
|---|---------------------|---------------------|----------------------|----------------------------|---|------------------------|------------------------|------------------|---------------------------|---------------------|---------------------|
| | Program Services | | | | | Supporting Services | | | | Total Expenses | Total Expenses |
| | Climate and Energy | Fossil Economy | Environmental Health | People, Land and Resources | IPEN Secretariat and Miscellaneous Projects | Total Program Services | Management and General | Fundraising | Total Supporting Services | | |
| Salaries, payroll taxes and benefits | \$ 2,164,298 | \$ 1,789,373 | \$ 1,332,223 | \$ 405,611 | \$ 569,109 | \$ 6,260,614 | \$ 1,115,443 | \$ 19,976 | \$ 1,135,419 | \$ 7,396,033 | \$ 5,503,466 |
| Contractors, subgrants and professional services | 120,228 | 336,731 | 214,628 | 69,867 | - | 741,454 | 264,278 | 36,984 | 301,262 | 1,042,716 | 1,261,184 |
| Travel, meetings and conferences | 190,692 | 261,338 | 149,725 | 15,237 | - | 616,992 | 231,696 | 372 | 232,068 | 849,060 | 327,246 |
| Cost of office space | 68,985 | 42,279 | 66,964 | - | 27,397 | 205,625 | 131,546 | - | 131,546 | 337,171 | 282,700 |
| Equipment, furniture and supplies | 16,504 | 18,828 | 3,523 | 138 | - | 38,993 | 128,767 | 412 | 129,179 | 168,172 | 100,012 |
| Communications, postage and printing | 7,357 | 7,513 | 7,817 | 1,419 | - | 24,106 | 10,061 | 35,258 | 45,319 | 69,425 | 63,778 |
| Miscellaneous expenses | 5,897 | 15,282 | 10,175 | 3,203 | 20 | 34,577 | 26,096 | 3,934 | 30,030 | 64,607 | 47,191 |
| Commercial insurance | 1,574 | - | - | - | 311 | 1,885 | 14,175 | - | 14,175 | 16,060 | 16,571 |
| SUBTOTAL | 2,575,535 | 2,471,344 | 1,785,055 | 495,475 | 596,837 | 7,924,246 | 1,922,062 | 96,936 | 2,018,998 | 9,943,244 | 7,602,148 |
| Less: loss on lease modification | - | - | - | - | - | - | (50,835) | - | (50,835) | (50,835) | - |
| TOTAL EXPENSES PER STATEMENT OF ACTIVITIES | \$ 2,575,535 | \$ 2,471,344 | \$ 1,785,055 | \$ 495,475 | \$ 596,837 | \$ 7,924,246 | \$ 1,871,227 | \$ 96,936 | \$ 1,968,163 | \$ 9,892,409 | \$ 7,602,148 |

See accompanying notes to financial statements.

CENTER FOR INTERNATIONAL ENVIRONMENTAL LAW, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

| | <u>2024</u> | <u>2023</u> |
|---|----------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ (3,277,581) | \$ 2,669,778 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 35,683 | 27,441 |
| Net realized and unrealized (gain) loss on investments | (83,200) | 221 |
| Change in discount on contributions receivable | - | (13,340) |
| Loss on disposal of assets | - | 750 |
| Loss on modification of lease | 50,835 | - |
| Amortization of operating right-of-use assets | 233,174 | 222,211 |
| Decrease (increase) in: | | |
| Contributions receivable | 3,571,472 | (1,022,785) |
| Contracts receivable | (36,585) | 69,471 |
| Other receivables | (17,830) | (33,075) |
| Prepaid expenses | 12,488 | (35,013) |
| Deposits | (39,295) | (38,937) |
| (Decrease) increase in: | | |
| Accounts payable | (138,965) | 463,152 |
| Accrued payroll | 47,105 | 38,873 |
| Deferred revenue | (101,826) | 17,423 |
| Operating lease liabilities | <u>(246,724)</u> | <u>(211,336)</u> |
| Net cash provided by operating activities | <u>8,751</u> | <u>2,154,834</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of furniture and equipment | (53,179) | (34,513) |
| Proceeds from sales of investments | 241,463 | 973,371 |
| Purchases of investments | <u>(284,336)</u> | <u>(1,018,460)</u> |
| Net cash used by investing activities | <u>(96,052)</u> | <u>(79,602)</u> |
| Net (decrease) increase in cash and cash equivalents | (87,301) | 2,075,232 |
| Cash and cash equivalents at beginning of year | <u>5,655,914</u> | <u>3,580,682</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 5,568,613</u> | <u>\$ 5,655,914</u> |
| SCHEDULE OF NONCASH TRANSACTIONS: | | |
| Operating Right-of-Use Assets | <u>\$ 433,790</u> | <u>\$ 483,763</u> |
| Reduction in Operating Right-of-Use Assets due to Lease Modification | <u>\$ (9,126)</u> | <u>\$ -</u> |
| Operating Lease Liabilities Incurred for Right-of-Use Assets | <u>\$ 475,507</u> | <u>\$ 484,425</u> |

CENTER FOR INTERNATIONAL ENVIRONMENTAL LAW, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Center for International Environmental Law, Inc. (CIEL) was founded in 1989 to bring the energy and experience of the public interest environmental law movement in the United States to the critical task of strengthening and developing foreign and comparative environmental law, policy, and management throughout the world.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to non-profit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with CIEL's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Cash and cash equivalents -

CIEL considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, CIEL maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in Net investment return in the accompanying Statement of Activities and Change in Net Assets.

CIEL's policy is to liquidate all gifts of investments as soon as possible after the gift.

CENTER FOR INTERNATIONAL ENVIRONMENTAL LAW, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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

Receivables -

Contract receivable primarily consists of amounts due within one year related to contracts revenue. Accounts receivable are recorded at their net realizable value which approximates fair value. CIEL has elected an accounting policy election to consider collection activity subsequent to the balance sheet date when estimating expected credit losses. In estimating expected credit losses, CIEL has considered subsequent collections through December 10, 2025. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs.

Contributions receivable include unconditional promises to give that are expected to be collected in future years. Contributions receivable are recorded at their fair value, which is measured as the present value of the future cash flows. The discount on long-term contributions receivable is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in contributions.

Furniture and equipment -

Furniture and equipment in excess of \$1,000 are capitalized and stated at cost. Furniture and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to ten years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation expense totaled \$35,683 for the year ended June 30, 2024.

Income taxes -

CIEL is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). CIEL had no income derived from unrelated business activities during the year ended June 30, 2024. Accordingly, no provision for income taxes has been made in the accompanying financial statements. CIEL is not a private foundation.

Support from contributions and grants -

Contributions are recognized in the appropriate category of net assets in the period received. CIEL performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from contributions is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied.

CENTER FOR INTERNATIONAL ENVIRONMENTAL LAW, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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

Support from contributions and grants (continued) -

Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, CIEL had no refundable advances as of June 30, 2024. In addition, CIEL may obtain funding source agreements related to conditional contributions, which will be received in future years. CIEL's unrecognized conditional contributions to be received in future years were approximately \$3,000,000 as of June 30, 2024.

Revenue from contracts with customers -

CIEL's contract revenue is the most significant revenue stream that is treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met. CIEL has elected to opt out of all disclosures not required for nonpublic entities. Transaction price is based on cost. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. CIEL's contracts with customers generally have initial terms of one year or less.

Foreign currency translation -

The U.S. Dollar is the functional currency for CIEL's worldwide operations. Transactions in currencies other than U.S. Dollars are converted into U.S. Dollars at the rate of exchange in effect during the month of the transaction. Assets and liabilities denominated in currencies other than U.S. Dollars are translated into U.S. Dollars at the exchange rate in effect at the date of the Statement of Financial Position.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses directly attributed to a specific functional area of CIEL are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of actual time and effort.

Investment risks and uncertainties -

CIEL invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

CENTER FOR INTERNATIONAL ENVIRONMENTAL LAW, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, CIEL has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market CIEL has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended June 30, 2024. Transfers between levels are recorded at the end of the reporting period, if applicable. Investments consisted of the following as of June 30, 2024:

- *Stocks and ETFs* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by CIEL are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by CIEL are deemed to be actively traded.
- *Fixed Income (Bonds)* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of June 30, 2024:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--------------------------|--------------------------|----------------------------|--------------------|----------------------------|
| Investments: | | | | |
| Stocks and ETFs | \$ 190,355 | \$ - | \$ - | \$ 190,355 |
| Mutual funds | 306,482 | - | - | 306,482 |
| Fixed income (bonds) | <u>-</u> | <u>1,294,999</u> | <u>-</u> | <u>1,294,999</u> |
| TOTAL INVESTMENTS | <u>\$ 496,837</u> | <u>\$ 1,294,999</u> | <u>\$ -</u> | <u>\$ 1,791,836</u> |

CENTER FOR INTERNATIONAL ENVIRONMENTAL LAW, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Net investment return consisted of the following for the year ended June 30, 2024:

| | |
|----------------------------------|--------------------------|
| Dividends | \$ 46,422 |
| Net realized and unrealized gain | <u>83,200</u> |
| NET INVESTMENT RETURN | <u>\$ 129,622</u> |

3. FURNITURE AND EQUIPMENT

Furniture and equipment consisted of the following at June 30, 2024:

| | |
|------------------------------------|-------------------------|
| Furniture and equipment | \$ 145,157 |
| Less: Accumulated depreciation | <u>(75,583)</u> |
| FURNITURE AND EQUIPMENT NET | <u>\$ 69,574</u> |

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2024:

| | |
|---|----------------------------|
| Subject to expenditure for specified purpose: | |
| Climate and Energy | \$ 2,822,236 |
| Environmental Health | 335,981 |
| People, Land and Resources | 460,945 |
| Fossil Economy | <u>2,153,814</u> |
| NET ASSETS WITH DONOR RESTRICTIONS | <u>\$ 5,772,976</u> |

The following net assets with donor restrictions were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors during the year ended June 30, 2024:

| | |
|--|----------------------------|
| Purpose restrictions accomplished: | |
| Climate and Energy | \$ 2,245,435 |
| Environmental Health | 1,636,892 |
| People, Land and Resources | 487,517 |
| Miscellaneous Projects | 254,841 |
| Fossil Economy | <u>2,632,686</u> |
| NET ASSETS RELEASED FROM DONOR RESTRICTIONS | <u>\$ 7,257,371</u> |

5. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following as of June 30, 2024:

| | |
|---|----------------------------|
| Cash and cash equivalents | \$ 5,568,613 |
| Investments | 1,791,836 |
| Contributions receivable | 1,407,760 |
| Contracts receivable | 148,937 |
| Other receivables | 53,648 |
| Less: Donor-restricted funds | <u>(5,772,976)</u> |
| FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR | <u>\$ 3,197,818</u> |

CENTER FOR INTERNATIONAL ENVIRONMENTAL LAW, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

6. LEASE COMMITMENTS

CIEL follows FASB ASC 842 for leases. CIEL has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. CIEL has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

In January 2017, CIEL entered into a lease for office space in Washington, D.C., which commenced in August 2017 and was extended during fiscal year 2024 through July 2026. The lease includes an escalation of base rentals which is being amortized on a basis to achieve straight-line rent expense over the life of the lease.

In February 2016, CIEL entered into a lease for office space in Berkeley, California, which commenced in February 2016. CIEL amended the lease in May 2024, which resulted in a decrease of office space and an extension of terms through January 2028. The lease includes an escalation of base rentals which is being amortized on a basis to achieve straight-line rent expense over the life of the lease.

In February 2020, CIEL entered into a one-year lease agreement for office space in Geneva, Switzerland with an original expiration date of January 2021; however, the lease agreement continues month-to-month until terminated by both parties. As of June 30, 2024, the agreement has not yet been terminated. As the lease falls under the short-term lease election, it has not been included in the future minimum lease payments schedule below. Subsequent to year-end, CIEL expanded the office space.

For the year ended June 30, 2024, total lease cost was \$286,334 included in Cost of office space on the Statement of Functional Expenses and total cash paid was \$242,939 for all operating leases. As of June 30, 2024, the weighted-average remaining lease term and rate for operating leases is 2 years and 4.68%, respectively.

The following is a schedule of the future minimum lease payments due under the operating leases, net of imputed interest, as of June 30, 2024:

| <u>Year Ending June 30,</u> | |
|------------------------------------|--------------------------|
| 2025 | \$ 243,244 |
| 2026 | 241,167 |
| 2027 | 34,121 |
| 2028 | <u>8,905</u> |
| | 527,437 |
| Less: Imputed interest | <u>(25,565)</u> |
| OPERATING LEASE LIABILITIES | <u>\$ 501,872</u> |

CIEL subleases a portion of its office space under one lease on a short-term basis. Sublease income for the year ended June 30, 2024 was \$8,250, and is included in Other income in the accompanying Statement of Activities and Change in Net Assets.

7. RETIREMENT PLAN

CIEL sponsors a retirement plan classified under Section 403(b) of the Internal Revenue Code. All employees who have attained the age of 18 are eligible to participate after completing six months of service. CIEL may at times make a discretionary nonelective contribution as defined within the Plan.

CENTER FOR INTERNATIONAL ENVIRONMENTAL LAW, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

7. RETIREMENT PLAN (Continued)

CIEL elected to make contributions to the retirement plan for the year ended June 30, 2024 at 5% for all eligible employees in the amount of \$201,458, which is included in Salaries, payroll taxes and benefits in the accompanying Statement of Functional Expenses.

8. SUBSEQUENT EVENTS

In preparing these financial statements, CIEL has evaluated events and transactions for potential recognition or disclosure through January 29, 2026, the date the financial statements were issued.