

Global Justice Ecology Project, Inc.

Financial Statements
March 31, 2022 and 2021
With
Independent Accountants' Review Report

Global Justice Ecology Project, Inc.

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Independent Accountants' Review Report

To the Board of Directors
Global Justice Ecology Project, Inc.
Buffalo, New York

We have reviewed the accompanying financial statements of Global Justice Ecology Project, Inc. (a nonprofit organization) which comprise the statements of financial position as of March 31, 2022 and 2021, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Global Justice Ecology Project, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

SBFR Partners LLP

Amherst, New York
August 20, 2022

Global Justice Ecology Project, Inc.

Statements of Financial Position

March 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 226,458	\$ 146,774
Grant receivable	-	280,000
Prepaid expenses	14,334	1,827
Total current assets	<u>240,792</u>	<u>428,601</u>
PROPERTY AND EQUIPMENT, NET	672	1,366
OTHER ASSETS:		
Cash restricted for specific purposes	<u>202,063</u>	<u>81,886</u>
Total assets	<u>\$ 443,527</u>	<u>\$ 511,853</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 8,929	\$ 4,548
Accrued expenses	2,371	8,185
Agency funds payable (Note 2)	91,137	-
Total current liabilities	<u>102,437</u>	<u>12,733</u>
NOTE PAYABLE	984	26,009
Total liabilities	<u>103,421</u>	<u>38,742</u>
NET ASSETS:		
Without donor restrictions	218,043	391,225
With donor restrictions	122,063	81,886
Total net assets	<u>340,106</u>	<u>473,111</u>
Total liabilities and net assets	<u>\$ 443,527</u>	<u>\$ 511,853</u>

See Independent Accountants' Review Report and Notes to Financial Statements.

Global Justice Ecology Project, Inc.

Statements of Activities and Changes in Net Assets For the Years Ended March 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE, GAINS AND SUPPORT:		
Contributions and grants	\$ 454,201	\$ 752,461
Program	40,492	11,500
SBA PPP Loan forgiveness	40,018	-
Event income (net of expense)	9,358	-
Miscellaneous income	687	4,489
Total revenue, gains, and other support	<u>544,756</u>	<u>768,450</u>
Net assets released from restrictions	29,823	105,586
Total revenue, gains and support	<u>574,579</u>	<u>874,036</u>
EXPENSES:		
Program services	699,539	447,580
Management and general	25,694	20,961
Fundraising	22,528	18,368
Total expenses	<u>747,761</u>	<u>486,909</u>
Change in net assets without donor restrictions	(173,182)	387,127
NET ASSETS WITH DONOR RESTRICTIONS		
Grants	70,000	-
Net assets released from restrictions	<u>(29,823)</u>	<u>(105,586)</u>
Change in net assets with donor restrictions	<u>40,177</u>	<u>(105,586)</u>
CHANGE IN NET ASSETS	<u>(133,005)</u>	<u>281,541</u>
NET ASSETS:		
Beginning of year	<u>473,111</u>	<u>191,570</u>
End of year	<u>\$ 340,106</u>	<u>\$ 473,111</u>

See Independent Accountants' Review Report and Notes to Financial Statements.

Global Justice Ecology Project, Inc.

Statement of Functional Expenses

For the Year Ended March 31, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Payroll expenses	\$ 103,896	\$ 11,544	\$ 12,825	\$ 128,265
Payroll taxes and benefits	18,525	2,058	2,286	22,869
Total payroll related expenses	<u>122,421</u>	<u>13,602</u>	<u>15,111</u>	<u>151,134</u>
Independent contractors	270,066	-	-	270,066
Professional services	271,268	5,315	-	276,583
Marketing	1,932	176	96	2,204
Occupancy	5,610	821	411	6,842
Dues and subscriptions	2,118	1,158	5,100	8,376
Communication and technology	12,730	320	-	13,050
Office supplies	21	3,060	1,567	4,648
Equipment	5,190	-	-	5,190
Program supplies	3,072	-	-	3,072
Insurance	735	638	243	1,616
Charitable contributions	1,250	-	-	1,250
Miscellaneous	2,432	604	-	3,036
Total expenses before depreciation and amortization	<u>698,845</u>	<u>25,694</u>	<u>22,528</u>	<u>747,067</u>
Depreciation and amortization	<u>694</u>	<u>-</u>	<u>-</u>	<u>694</u>
Total expenses	<u>\$ 699,539</u>	<u>\$ 25,694</u>	<u>\$ 22,528</u>	<u>\$ 747,761</u>

See Independent Accountants' Review Report and Notes to Financial Statements.

Global Justice Ecology Project, Inc.

Statement of Functional Expenses

For the Year Ended March 31, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Payroll expenses	\$ 85,176	\$ 8,925	\$ 9,750	\$ 103,851
Payroll taxes and benefits	14,562	1,487	1,634	17,683
Total payroll related expenses	<u>99,738</u>	<u>10,412</u>	<u>11,384</u>	<u>121,534</u>
Contracting and professional fees	262,286	3,500	-	265,786
Grants to other organizations	51,090	-	-	51,090
Marketing	11,881	502	96	12,479
Occupancy	8,171	1,284	524	9,979
Dues and subscriptions	938	944	4,839	6,721
Communication	4,072	536	-	4,608
Office supplies	622	2,220	1,249	4,091
Equipment	3,036	300	-	3,336
Program supplies	2,250	24	-	2,274
Insurance	609	528	201	1,338
Charitable contributions	845	-	-	845
Miscellaneous	742	559	-	1,301
Total expenses before depreciation and amortization	<u>446,280</u>	<u>20,809</u>	<u>18,293</u>	<u>485,382</u>
Depreciation and amortization	<u>1,300</u>	<u>152</u>	<u>75</u>	<u>1,527</u>
Total expenses	<u>\$ 447,580</u>	<u>\$ 20,961</u>	<u>\$ 18,368</u>	<u>\$ 486,909</u>

See Independent Accountants' Review Report and Notes to Financial Statements.

Global Justice Ecology Project, Inc.

Statements of Cash Flows

For the Years Ended March 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (133,005)	\$ 281,541
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
SBA PPP Forgiveness	(40,018)	-
Depreciation and amortization	694	1,527
Changes in assets and liabilities affecting operating cash flows:		
Grants receivable	280,000	(232,500)
Prepaid expenses	(12,507)	-
Accounts payable	4,381	2,721
Accrued expenses	(5,814)	1,253
Deferred revenue	-	(3,066)
Agency funds payable (Note 2)	91,137	-
Net cash provided by operating activities	<u>184,868</u>	<u>51,476</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
SBA PPP Loan proceeds	20,009	20,009
Related party loan repayment	(5,016)	(7,110)
Net cash provided (used in) provided by financing activities	<u>(5,016)</u>	<u>12,899</u>
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	179,852	64,375
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of year	<u>228,660</u>	<u>164,285</u>
End of year	<u><u>\$ 408,512</u></u>	<u><u>\$ 228,660</u></u>
AS PRESENTED IN THE STATEMENTS OF FINANCIAL POSITION:		
Cash and cash equivalents	\$ 226,458	\$ 146,774
Cash restricted for specific purposes	<u>202,063</u>	<u>81,886</u>
Total cash and restricted cash	<u><u>\$ 428,521</u></u>	<u><u>\$ 228,660</u></u>

See Independent Accountants' Review Report and Notes to Financial Statements.

Global Justice Ecology Project, Inc.

Notes to Financial Statements

For the Years Ended March 31, 2022 and 2021

(See Independent Accountants' Review Report)

1. ORGANIZATION

Global Justice Ecology Project, Inc. (the Organization), began in the state of Vermont, in October 10, 2003 and formed as a domestic nonprofit corporation on July 7, 2008. During 2012 the Organization began conducting activities in Western New York for the purpose of promoting diversity and equal rights by confronting social injustice and oppression, challenging the power elites, and working in cooperation to build grassroots power through prioritizing campaigns for systemic change and strengthening movements with strategic action, information, and analysis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The accompanying financial statements have been presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization's net assets and changes thereto are classified and reported as follows:

- *Net assets without donor restrictions* – consist of amounts that are available for use in carrying out the activities of the Organization and are not subject to donor-imposed stipulations.
- *Net assets with donor restrictions* – consist of amounts subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time, or are maintained in perpetuity in accordance with donor intentions.

Cash and Cash Equivalents – The Organization considers all short-term investments with original maturities of three months or less to be cash equivalents. The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Cash with Donor Restrictions – The Organization entered into contracts with Biofuelwatch UK and Save The Pine Barrens requiring the establishment of independent bank accounts to hold funds dedicated to these projects.

Agency Transactions - The Organization received grant funding specifically intended for Biofuelwatch UK and Save The Pine Barrens. Accordingly, these funds are reflected as restricted cash and a corresponding liability in the accompanying statements of financial position and are not included in the revenue or expenses of the Organization. At March 31, 2022 and 2021, the cash held for the benefit of these organizations and related liability totaled \$91,137 and \$0, respectively.

Grants Receivable – Accounts receivable are carried at original invoice amount. Allowances for potential credit losses are determined based on historical experience, evaluation of the composition of accounts and expected credit trends. When an account is deemed uncollectible, the Organization charges expense. A receivable is considered to be past due if any portion of the balance is outstanding past its original due date. At March 31, 2022 and 2021, management determined that substantially all accounts receivable were fully collectible. Accordingly, no allowance for uncollectible accounts has been recorded.

Global Justice Ecology Project, Inc.

Notes to Financial Statements

For the Years Ended March 31, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Property and Equipment – Property and equipment are stated at cost, or in the instance of donated property, at the appraised or market value on the date of the gift. The Organization’s capitalization threshold is generally \$1,000. Depreciation over the estimated useful lives of the assets (ranging from 5 to 10 years) is provided using the straight-line method for financial statement reporting purposes. Maintenance and repair costs are expensed in the period incurred. Significant betterments are capitalized. Depreciation expense for the years ended March 31, 2022 and 2021, was \$694 and \$1,527, respectively.

The Organization evaluates the recoverability of long-lived assets on a regular basis for the existence of facts or circumstances that may indicate the carrying value of property and equipment may not be recoverable. Impairment losses, if any, are measured by the excess of the carrying amount of the asset over its estimated fair value. As of March 31, 2022 and 2021, there were no circumstances indicating that the carrying amount of the property and equipment may be impaired.

Reclassifications – Certain prior year amounts have been reclassified to conform to the current year presentation.

Contribution and Grant Revenue – The Organization records unconditional contributions and grants at fair value which are classified as net assets without donor restrictions or net assets with donor restrictions pursuant to any donor-imposed stipulations. The Organization has not adopted a policy for implying time restrictions on contributions of long-lived assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. Contributions with donor restrictions whose stipulations are met within the same year are reflected as net assets without donor restrictions in the accompanying statements of activities.

Program Service Revenue – The Organization’s program revenue consists of fees assessed for collection and distribution of grant funding to other non for profit organizations. The Organization recognizes revenue to depict the transfer of funding to organizations in an amount that reflects the consideration to which the entity expects to be entitled in exchange for this service. The Organization follows a five-step model to: (a) identify the contract with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue upon satisfaction of the performance obligation.

Revenue is recognized when control of the designated funding is transferred to organizations net of the program service. Program service fee is generally 5% of the gross funding received. The Organization’s related performance obligations from the provision of its service are satisfied upon the distribution of the specific funds held in agency.

Special Event Revenue – Revenue from event registration are reported in the fiscal year in which the event is held. All proceeds from registrations received prior to year-end but relating to events held subsequent to the financial statement position date, are recorded as deferred revenue. For the year ended March 31, 2021, revenue net of expenses totaled \$9,358.

Global Justice Ecology Project, Inc.

Notes to Financial Statements

For the Years Ended March 31, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

In-Kind Revenue and Expense – The Organization recognizes donated services as in-kind revenue and expense in accordance with FASB ASC 958-605 if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. No amount for in-kind services was recognized in 2022 and 2021 because the services did not meet the requirement. However, many individuals volunteer their time and perform a variety of tasks that assist the Corporation.

Income Taxes – The Organization is a 501(c)(3) corporation exempt from income taxes under section 501(a) of the Internal Revenue Code ("IRC"). Accordingly, no provision for income taxes has been provided for in the accompanying financial statements. The Organization recognizes the financial statement effects of tax positions taken or expected to be taken when it is more-likely-than-not, based on the technical merits, that the tax position will be sustained upon examination by tax authorities. At March 31, 2022 and 2021, management determined the Organization had no uncertain tax positions which would require adjustment to or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions, however, there are currently no audits in progress.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

Functional Allocation of Expenses – The costs of providing programs and activities of the Organization have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain indirect costs have been allocated among the program and supporting services benefited, which are generally allocated to the various program services based on estimated usage of the related resources.

Advertising – The costs of advertising are charged to expense as incurred. Advertising expense was \$245 and \$732 for the years ended March 31, 2022 and 2021, respectively.

Subsequent Events – Management has evaluated events and transactions that occurred between April 1, 2022 and August 20, 2022, which is the date these financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at March 31:

	<u>2022</u>	<u>2021</u>
Biofuel Watch	\$ 112,063	\$ 81,886
Save The Pine Barrens	10,000	-
	<u>\$ 122,063</u>	<u>\$ 81,886</u>

Global Justice Ecology Project, Inc.

Notes to Financial Statements

For the Years Ended March 31, 2022 and 2021

4. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. Net assets released from restrictions was comprised of the following for the years ended March 31:

	<u>2022</u>	<u>2021</u>
Biofuel Watch	\$ 29,823	\$ 18,736
No Genetically Engineered Trees	-	86,850
	<u>\$ 29,823</u>	<u>\$ 105,586</u>

5. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 428,521	\$ 226,760
Grant receivable	-	280,000
Total financial assets	428,521	506,760
Less: cash subject to donor or board restrictions	<u>(202,063)</u>	<u>(81,886)</u>
	<u>\$ 226,458</u>	<u>\$ 424,874</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$185,000).

6. PAYCHECK PROTECTION PROGRAM LOAN

In April 2020 and May 2021, the Organization borrowed \$41,018 from a bank under the United States Small Business Administration's (SBA) Paycheck Protection Program (PPP). The PPP, 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 of the average monthly payroll expenses of qualifying business. The loan is scheduled to mature two years from the funding date and carries a 1% annual interest rate. Proceeds from the loan will qualify for loan forgiveness if the funds are used for eligible payroll costs, rent and benefits, as defined. During May of 2021 and January 2022, respectively, the Organization was notified by the SBA that the entire balance of the first and second PPP loans, respectively, were fully forgiven pursuant to the provisions of the CARES Act.

Global Justice Ecology Project, Inc.

Notes to Financial Statements

For the Years Ended March 31, 2022 and 2021

7. NOTE PAYABLE

Interest-Free Loan – In 2003, co-founders Anne Petermann, Executive Director, and Orin Langelle, former Board Chair, advanced funds to the Organization to cover the early costs of operations. The advance is noninterest bearing and is due on demand. The Organization has calculated the note at net present value with an imputed interest rate equivalent to the incremental borrowing rate of 1.47%. Management has presented the loan at face value and recognizes the annual interest as contribution revenue. As of March 31, 2022 and 2021, the face value of the loan was \$984 and \$6,000, respectively.

8. RELATED PARTY TRANSACTIONS

Photography Services – Orin Langelle, former Board Chair and proprietor of Langelle Photography, provides the Organization with unlimited photography services including studio use. Anne Petermann, Executive Director and Orin Langelle, former Board Chair, are husband and wife. As of March 31, 2022 and 2021, amounts paid for photography services and studio use were \$8,123 and \$4,865, respectively.

9. DONOR CONCENTRATIONS

The Organization received grants from two nonprofit organizations that accounted for 37% and 61% of the total grant revenue received, for the years ended March 31, 2022 and 2021, respectively.

10. GRANTS AWARDED TO OTHER ORGANIZATIONS

In accordance to the Organization's guidelines, it makes grants to other nonprofit organizations. Grant expenses for grants awarded without substantial conditions are recognized in the period in which they are approved by the governing bodies. Grant expense for grants awarded with substantial conditions, are recognized when all the significant conditions are met by grantees, all due diligence has been completed, and they are approved by staff or board committee. For the years ended March 31, 2022 and 2021, grant expenses consist of primarily of grants awarded for one year or less. The amounts reflected in the statements of functional expenses are shown net of a five percent administration fee. For the years ended March 31, 2022 and 2021, grants awarded to other organizations was \$0 and \$51,090, respectively.

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