

TREES, WATER & PEOPLE
AUDITED FINANCIAL STATEMENTS
FISCAL YEARS ENDED MARCH 31, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Trees, Water & People
Fort Collins, Colorado

We have audited the accompanying financial statements of Trees, Water & People (a nonprofit organization), which comprise the statements of financial position as of March 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the fiscal years 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 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 from 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 Trees, Water & People as of March 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.

Cindy McGrorey

Cindy McGrorey, CPA, LLC
Certified Public Accountants
June 25, 2021

TREES, WATER & PEOPLE
STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31,

ASSETS	<u>2021</u>	<u>2020</u>
Current Assets:		
Cash	\$ 696,080	\$ 755,379
Prepaid Expenses	7,492	3,280
Short-Term Notes Receivable	79,046	82,675
Total Current Assets	<u>782,618</u>	<u>841,334</u>
Property and Equipment, net	384,972	374,220
Investments Held at Community Foundations	268,395	110,562
TOTAL ASSETS	<u><u>1,435,985</u></u>	<u><u>1,326,116</u></u>
LIABILITIES & NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	1,239	-
Note Payable - current portion	5,858	9,511
Total Current Liabilities	<u>7,097</u>	<u>9,511</u>
Note Payable - long-term portion	97,462	36,038
TOTAL LIABILITIES	<u>104,559</u>	<u>45,549</u>
NET ASSETS		
Without Donor Restrictions	801,298	699,081
With Donor Restrictions	530,128	581,486
TOTAL NET ASSETS	<u>1,331,426</u>	<u>1,280,567</u>
TOTAL LIABILITES AND NET ASSETS	<u><u>\$ 1,435,985</u></u>	<u><u>\$ 1,326,116</u></u>

**TREES, WATER & PEOPLE
STATEMENTS OF ACTIVITIES
FISCAL YEARS ENDED MARCH 31,**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT & REVENUE						
Grants and Contributions	\$ 743,658	\$ 772,589	\$ 1,516,247	\$ 738,743	\$ 678,942	\$ 1,417,685
TWP Tours	-	-	-	-	66,767	66,767
Investment Income	41,386	8,149	49,535	9,654	-	9,654
In-Kind Contributions	-	35,245	35,245	-	13,961	13,961
Miscellaneous Income	1,670	3,612	5,282	5,812	12,695	18,507
TOTAL SUPPORT & REVENUE	786,714	819,595	1,606,309	754,209	772,365	1,526,574
Net Assets Released from Restrictions	870,953	(870,953)	-	668,988	(668,988)	-
TOTAL SUPPORT & REVENUE	1,657,667	(51,358)	1,606,309	1,423,197	103,377	1,526,574
EXPENSES						
Program Services						
International programs	816,886	-	816,886	700,622	-	700,622
National programs	428,316	-	428,316	395,153	-	395,153
Management and Administrative	145,567	-	145,567	145,093	-	145,093
Fundraising	164,681	-	164,681	109,446	-	109,446
TOTAL EXPENSES	1,555,450	-	1,555,450	1,350,314	-	1,350,314
CHANGE IN NET ASSETS	102,217	(51,358)	50,859	72,883	103,377	176,260
NET ASSETS Beginning of year	699,081	581,486	1,280,567	626,198	478,109	1,104,307
NET ASSETS End of year	\$ 801,298	\$ 530,128	\$ 1,331,426	\$ 699,081	\$ 581,486	\$ 1,280,567

See Accompanying Notes and Independent Auditors' Report

TREES, WATER & PEOPLE
STATEMENT OF FUNCTIONAL EXPENSES
FISCAL YEAR ENDED MARCH 31, 2021

	International Programs	National Programs	Management and General	Fund Raising	Total
Direct Expenses:					
Grants and contracts	\$ 495,031	\$ 60,800	\$ -	\$ -	\$ 555,831
Contract labor	73,458	6,608	-	-	80,066
Supplies	-	63,812	-	-	63,812
Travel	968	4,882	-	-	5,850
Allocated Expenses:					
Bank and credit card fees	7,079	3,185	543	2,169	12,976
Depreciation	2,100	6,368	3,150	3,151	14,769
Equipment lease	1,130	608	869	869	3,476
Impact investing	5,000	-	-	-	5,000
Insurance	1,851	3,387	903	1,204	7,345
Interest	-	-	4,496	-	4,496
Licensing and dues	1,178	3,789	9,726	6,456	21,149
Marketing and outreach	14,484	11,026	-	6,625	32,135
Office supplies	673	434	4,229	1,453	6,789
Personnel: salaries and taxes	173,614	216,680	84,790	112,658	587,742
Personnel: employee benefits	29,810	37,288	14,912	19,402	101,412
Printing and postage	3,154	2,885	3,757	3,757	13,553
Professional fees	3,727	2,747	5,250	5,030	16,754
Repairs & maintenance	-	-	7,787	-	7,787
Staff development	1,338	2,261	2,916	518	7,033
Telephone & internet	1,450	1,051	410	547	3,458
Travel	-	-	651	-	651
Utilities	841	505	1,178	842	3,366
	<u>\$ 816,886</u>	<u>\$ 428,316</u>	<u>\$ 145,567</u>	<u>\$ 164,681</u>	<u>\$ 1,555,450</u>

TREES, WATER & PEOPLE
STATEMENT OF FUNCTIONAL EXPENSES
FISCAL YEAR ENDED MARCH 31, 2020

	International Programs	National Programs	Management and General	Fund Raising	Total
Direct Expenses:					
Grants and contracts	\$ 295,005	\$ 36,213	\$ -	\$ -	\$ 331,218
Contract labor	64,772	6,699	-	-	71,471
Supplies	12,522	74,837	-	-	87,359
Travel	20,458	17,420	-	-	37,878
TWP Tours	42,323	3,276	-	-	45,599
Allocated Expenses:					
Bank and credit card fees	7,609	1,918	1,442	1,442	12,411
Depreciation	5,020	3,809	2,961	2,588	14,378
Equipment lease	1,180	895	696	608	3,379
Impact investing	5,000	-	-	-	5,000
Insurance	2,325	3,463	1,371	1,199	8,358
Interest	896	680	528	462	2,566
Licensing and dues	5,384	4,086	3,177	2,776	15,423
Marketing and outreach	7,995	3,710	819	12,929	25,453
Miscellaneous expense	475	-	836	-	1,311
Office supplies	4,962	5,472	2,655	2,320	15,409
Personnel: salaries and taxes	167,345	182,091	94,865	57,562	501,863
Personnel: employee benefits	36,421	38,124	12,468	11,057	98,070
Printing and postage	13,861	6,678	3,644	6,729	30,912
Professional fees	-	-	9,750	2,466	12,216
Repairs & maintenance	1,820	1,381	1,074	939	5,214
Staff development	2,158	2,610	5,958	783	11,509
Telephone & internet	1,832	836	650	568	3,886
Travel	-	-	1,456	4,369	5,825
Utilities	1,259	955	743	649	3,606
	<u>\$ 700,622</u>	<u>\$ 395,153</u>	<u>\$ 145,093</u>	<u>\$ 109,446</u>	<u>\$ 1,350,314</u>

**TREES, WATER & PEOPLE
STATEMENTS OF CASH FLOWS
FISCAL YEARS ENDED MARCH 31,**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 50,858	\$ 176,260
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Add back depreciation expense	14,769	14,378
Remove loss on scrapped assets	-	5,250
Remove unrealized (gains) losses on investment	(35,847)	6,188
Decrease (increase) in receivables	-	1,260
Decrease (increase) in prepaid expenses	(4,212)	3,855
Increase in accounts payable	1,239	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	26,807	207,191
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(25,520)	(5,034)
Decrease in notes receivable	3,629	(31,675)
Additions to community foundation investments	(121,986)	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	(143,877)	(36,709)
CASH FLOWS FROM FINANCING ACTIVITIES		
Funding from EIDL	199,900	-
Principal payments on EIDL	(96,580)	-
Principal payments on mortgage note	(45,549)	(8,980)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	57,771	(8,980)
NET INCREASE IN CASH	\$ (59,299)	\$ 161,502
CASH BALANCE Beginning	755,379	593,877
CASH BALANCE Ending	\$ 696,080	\$ 755,379
Income Taxes Paid	-	-
Interest Paid	\$ 4,496	\$ 2,566

TREES, WATER & PEOPLE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED MARCH 31, 2021 AND 2020

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Trees, Water & People (the Organization) is a non-profit corporation formed in 1998, with headquarters in Fort Collins, Colorado. Trees, Water & People is dedicated to providing a community-based approach to sustainable development through reforestation, watershed protection, clean-tech and clean cookstoves, solar energy, and educational programs in Latin America and Tribal lands in the United States. The Organization's work is guided by two core beliefs: natural resources are best protected when the local community plays an active role in their care and management; and the preservation of local ecosystems is essential for the ongoing social, economic and environmental health of communities everywhere. With the onset of the novel coronavirus towards the end of this fiscal year, the Organization has also shifted some focus to emergency relief in the areas in which they have established partnerships. The primary sources of funding for Trees, Water & People is public and private donations. Fundraising events are used primarily for community awareness with specific projects in mind. TWP Tours provides a small amount of funding and also provides awareness and education to the participants.

Trees, Water & People is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Organization presents its financial statements in accordance with the FASB Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. Accordingly, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions are those assets currently available at the discretion of the Board of Directors for use in the Organization's operations. These assets may include funds that were received without donor restrictions but have been designated by the Board of Directors for specific programs or purposes.

Net Assets with Donor Restrictions are those assets restricted by donors specifically for certain time periods, purposes or programs. When the restriction stipulation ends or is accomplished, the donor restriction is removed and the net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. These assets may include temporarily and permanently restricted net assets.

(continued)

TREES, WATER & PEOPLE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED MARCH 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash

For purposes of balance sheet presentation and reporting of cash flows, the Organization considers all cash on hand and unrestricted demand deposits as cash. Restricted cash is detailed in Note 7 and consists of the amount of cash necessary to fulfill unspent donor-imposed restrictions on net assets, after taking into consideration the assets held at the community foundations.

Accounts Receivable & Promises to Give

Accounts receivable are typically associated with a TWP Tour, in which participants visit one of the Organization's program sites. Trees, Water & People normally requires payment prior to participation in a TWP Tour, therefore accounts receivable are historically very low. Due to the Covid pandemic, there were no tours in the fiscal year ending March 31, 2021, and at that time no future tours scheduled. Therefore, there were no accounts receivable at year-end. Promises to give are recorded in the situation where a grant has been awarded in the current period but not yet received, or an individual pledge to give has been made but not fully received. There were no unrecorded promises to give at March 31, 2021 and 2020.

Investments Held at Community Foundations

The account Investments Held at Community Foundations consists of funds invested in two different community foundations with Trees, Water & People as the beneficiary. They are considered 'quasi-endowment funds' because the Organization has the right to request distributions from the fund for specific purposes. The funds were invested either from donor-restricted donations to Trees, Water & People or from unrestricted funds that the Board of Directors of Trees, Water & People has set aside for specific programs. See Note 6 for a description of the restrictions on net assets at March 31, 2021.

Property and Equipment

Property and equipment purchased by Trees, Water & People is recorded at cost. Donated equipment is reflected as contributions and capitalized at fair value on the date of donation. The policy for capitalization is any major asset with a value over \$500 and a remaining useful life of two years or more. Depreciation is provided using the straight-line method based upon the estimated useful lives of the assets, which range from three to ten years for non-real property, and 39 years for real property.

Fair Value of Financial Instruments and Concentration of Credit Risk

The Organization's financial instruments consist of cash and the community foundation investments, both of which are measured at fair value in the statement of financial position. The fair value is determined by the instruments' net asset values (NAVs), which are Level 1 measurements in the hierarchy of fair value measures because their fair values are readily determinable (i.e. the instruments can be traded at their published NAVs).

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TREES, WATER & PEOPLE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED MARCH 31, 2021 AND 2020
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value of Financial Instruments and Concentration of Credit Risk (continued)

The Organization manages its credit exposure by tightly managing its cash accounts so that balances at any one financial institution at any given time do not exceed FDIC insurance limits.

Support and Revenue

Trees, Water & People receives contributions from individual contributors, corporate and community donors, and tours and events. This support may be received either with or without donor restrictions and is classified in the Statement of Net Assets as such. When donor restrictions from prior periods expire, net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as Net Assets Released from Restrictions.

Revenue from unconditional grants and contributions is recognized when received or pledged. Revenue from fundraisers and work tours is recognized in the period earned.

Donated Services

Numerous volunteers donate significant time to program services and special events. Per ASC 958-605-30, only donated time that requires specific expertise and would have otherwise been purchased by the organization is reportable in the financial statements.

Functional Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statement of activities and are shown in account detail in the statements of functional expenses. Supporting services include management and general expenses that are not directly identifiable with any specific function or program but provide for the overall support and direction of the organization. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Such allocations are determined by management as follows:

<u>Expense</u>	<u>Allocation Method</u>
Personnel Costs	Time and effort
General office and operations	Time and effort
Facilities and equipment	Direct or square footage used
Program specific costs	Direct costs

Advertising Costs

The Organization expenses all advertising costs as incurred.

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TREES, WATER & PEOPLE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED MARCH 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

The Organization's vacation policy is that all employees, who are all salaried, may take vacation as needed, coordinating with their supervisor and workload. With this policy, vacation time does not accrue, therefore there is no liability for accrued compensated absences.

Management Estimates

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

Income Taxes

Trees, Water & People is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable Colorado law. In addition, the Organization qualifies as a charity under Section 170 (b)(1)(A) and is not a private foundation, therefore contributions to the Organization are deductible as charitable contributions.

The Organization files Form 990 with federal and state authorities in the state of Colorado. The Organization is no longer subject to examination by the Internal Revenue Service for tax years prior to March 31, 2018.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2021 consists of the following:

Land	\$ 90,000
Building and additions	381,639
Furniture & Equipment	19,564
Vehicles	48,449
Total Property and Equipment	<u>539,652</u>
Less: Accumulated Depreciation	<u>(154,680)</u>
Net Property and Equipment	<u>\$ 384,972</u>

(continued)

TREES, WATER & PEOPLE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED MARCH 31, 2021 AND 2020

NOTE 4 – SHORT-TERM NOTES RECEIVABLE

From time to time the Organization will make unsecured finance loans to a partner organization in Central America. These loans provide the partner organization much-needed working capital to be able to continue operations uninterrupted. Since inception of this program, the Organization has made six partner loans, of which three have been paid in full with interest. Outstanding loans at March 31, 2021 consist of:

Working capital note receivable with Honduran partner dated February 28, 2020. Principal: \$20,025, Interest: 15% Principal and accrued interest due in full August 31, 2021.	\$23,279
Working capital note receivable with another Honduran partner dated September 1, 2020. Principal: \$5,000, Interest: 12% - 18% depending on repayment date. Principal and accrued interest due in full September 1, 2021.	\$ 5,350
Working capital note receivable with Nicaraguan partner dated February 24, 2021. Principal: \$50,000, Interest: 10% - 12% depending on repayment date. Principal and accrued interest due in full February 24, 2022.	<u>\$50,417</u>
Total:	<u>\$79,046</u>

NOTE 5 – NOTES PAYABLE AND LINE OF CREDIT

On June 17, 2020, in anticipation of economic hardships due to the Covid pandemic, the Organization received an Economic Injury Disaster Loan (EIDL) through the Small Business Administration in the amount of \$199,900. This loan has an interest rate of 2.75%, which accrues from the loan disbursement date although payments are not required until 12 months from the date of the loan. At that time, payments of \$854/month are required until loan maturity which is June 17, 2050. This loan is secured by all tangible and intangible personal property of the Organization. The Organization has made several monthly payments and on October 15, 2020 paid down a large portion of the principal. The balance outstanding at March 31, 2021 is \$103,320.

In December of 2020 the Organization paid off the remaining balance of a mortgage note they had for the building from which they operate.

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TREES, WATER & PEOPLE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED MARCH 31, 2021 AND 2020

NOTE 5 – NOTES PAYABLE AND LINE OF CREDIT (continued)

Future maturities of long-term debt (principal only) as of March 31, 2021, which is for the EIDL loan only, are as follows:

<u>Years ending March 31,</u>	
2022	\$ 5,858
2023	7,664
2024	7,877
2025	8,097
2026	8,322
Thereafter	65,502
Total	<u>\$ 103,320</u>

The Organization also has a line of credit in the amount of \$150,000 with a variable interest rate maturing on August 28, 2021. The interest rate on this line at March 31, 2021 was 3.25%. The Organization has not drawn on this line, and the outstanding balance at March 31, 2021 is \$0.

NOTE 6 – NET ASSET RESTRICTIONS

Net Assets at March 31, 2021 consist of the following:

	<u>Without Restrictions</u>		<u>With Restrictions</u>		<u>Total</u>
	<u>Unrestricted</u>	<u>Board Designated</u>	<u>Temporary</u>	<u>Permanent</u>	
General Operations	\$ 476,066	\$ -	\$ -	\$ -	\$ 476,066
National Programs		3,340	372,451		375,791
International Programs		53,497	157,677		211,174
Quasi-Endowed		268,395			268,395
Total Net Assets	<u>\$ 476,066</u>	<u>\$ 325,232</u>	<u>\$ 530,128</u>	<u>\$ -</u>	<u>\$ 1,331,426</u>

(continued)

**TREES, WATER & PEOPLE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED MARCH 31, 2021 AND 2020**

NOTE 7 – SATISFYING ASSET RESTRICTIONS

Funds available to satisfy the above restrictions are maintained as follows:

	Net Asset Restrictions			Fund Availability
	Board Designated	Temporary	No Restrictions	
Investment Funds	268,395			\$ 268,395
S-T Note Receivable			\$ 79,046	\$ 79,046
Available Cash	56,837	530,128	109,115	\$ 696,080
Total Restricted Funds:	\$ 325,232	\$ 530,128		

NOTE 8 – IN-KIND CONTRIBUTIONS

In-Kind Contributions may consist of donated services, supplies or equipment that the organization receives without payment or at a discounted rate. Donated services are recognized as contributions if the services require special skills and are performed by people with those skills, and would otherwise be purchased by the Organization. Supplies and other noncash donations are recorded at cost or estimated fair value on the date of donation. For the years ending March 31, 2021 and 2020, all In-Kind Contributions were tree seedlings donated for the tribal reforestation program.

NOTE 9 – GIFTS OF MARKETABLE SECURITIES

From time to time the Organization receives gifts of marketable securities as contributions. These gifts of securities are sold on the open market as soon as received. The amount realized in the sale is the amount recorded as contribution revenue for these gifts. The Organization received \$14,423 and \$18,953 in gifts of marketable securities during the years ending March 31, 2021 and 2020, respectively.

NOTE 10 – RETIREMENT PLANS

The Organization has established a 403(b) retirement plan available to all employees. There is no company match for this plan. The Organization also has a Simplified Employee Pension Plan (SEP-IRA) for employees which is funded solely by the Organization. Annual contributions to this plan, on behalf of the employees, is discretionary. All contributions to the plan are immediately and fully vested. The Organization made \$8,449 and \$10,284 of SEP-IRA contributions during the years ending March 31, 2021 and 2020, respectively.

(continued)

TREES, WATER & PEOPLE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED MARCH 31, 2021 AND 2020

NOTE 11 – JUSTASTOVEWORKS LLC

A ‘justa’ stove is a clean-tech, fuel-efficient stove designed in the late 1990s through the collaboration of several entities, including Trees, Water & People, for use in Honduras. Today, the justa stove is being used through-out Latin America. Due to the design of the justa stove, the installation and use of a justa stove is eligible for globally-recognized carbon credits. In March of 2021, the Organization teamed up with another U.S.-based 501(c)(3) organization involved in installing justa stoves in Central America to form JustaStoveWorks, LLC. The sole purpose of JustaStoveWorks is to provide the administrative arm to submit and receive the globally-recognized carbon credits, earned through the members’ activities in their respective Central American regions, and to pass those credits on to their respective owner-members. Because the 50% owner-members of JustaStoveWorks LLC are both US-based tax-exempt organizations, JustaStoveWorks is considered a disregarded entity for tax and reporting purposes, which means that the members’ share of revenue and expenses of JustaStoveWorks is passed on to the member. The goal is to be able to sell those carbon credits in the future and reinvest the proceeds in furthering the Organization’s mission of providing clean cookstoves through-out Latin America.

NOTE 12 – COVID-19 EFFECTS AND RESPONSE

In response to the global pandemic that hit in early 2020, the Organization took several steps to ensure the safety of its employees and its partners through-out the world. This included limiting travel overseas, transitioning office workers to working from home and requiring those employees exposed to the virus to take 14-days of paid ‘quarantine’ time off. Due to the pandemic, there were no TWP Tours or events during the fiscal year ending March 31, 2021. As the country opened up, local staff began to come back to the office, although face coverings were required until recently when 100% of the staff was fully vaccinated.

The Organization did not see a decline in support, due in large part to the modification of their program activities in response to the pandemic to include emergency food relief through their established partners.

During the year ended March 31, 2021 the Organization received an SBA Paycheck Protection Program (PPP) loan in the amount of \$114,000, which is included in Grants and Contributions in the Statement of Activities as it was also forgiven in full.

On April 7, 2020 the Organization applied for an Economic Injury Disaster Loan (EIDL) and received a \$10,000 advance, also included in Grants and Contributions as the advance does not have to be repaid. As described in Note 5, the Organization received the EIDL loan in the amount of \$199,900 on June 7, 2020, which does have to be repaid. The balance outstanding on this at year end is included in Notes Payable.

NOTE 13 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 25, 2021, which is the date that the financial statements were available to be issued. There are no material subsequent events that require recognition or additional disclosure in these financial statements.