

TREES, WATER & PEOPLE
AUDITED FINANCIAL STATEMENTS
FISCAL YEARS ENDED MARCH 31, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Trees, Water & People as of March 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 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 Trees, Water & People'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 Trees, Water & People'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.

Cindy McGrorey CPA

Cindy McGrorey, CPA, LLC
Certified Public Accountant

May 31, 2022

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

ASSETS	2022	2021
Current Assets:		
Cash	\$ 770,066	\$ 696,080
Grants Receivable	62,567	-
Prepaid Expenses	5,604	7,492
Short-Term Notes Receivable	76,300	79,046
Total Current Assets	914,537	782,618
Property and Equipment, net	406,827	384,972
Investments Held at Community Foundations	246,402	268,395
TOTAL ASSETS	1,567,766	1,435,985
LIABILITIES & NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	40	1,239
Deferred Revenue	2,500	-
Note Payable - current portion	2,869	5,858
Total Current Liabilities	5,409	7,097
Note Payable - long-term portion	55,002	97,462
TOTAL LIABILITIES	60,411	104,559
NET ASSETS		
Without Donor Restrictions	1,061,400	801,298
With Donor Restrictions	445,955	530,128
TOTAL NET ASSETS	1,507,355	1,331,426
TOTAL LIABILITES AND NET ASSETS	\$ 1,567,766	\$ 1,435,985

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

	2022			2021		
	Without Donor	With Donor	Total	Without Donor	With Donor	Total
	Restrictions	Restrictions		Restrictions	Restrictions	
SUPPORT & REVENUE						
Grants and Contributions	\$ 1,197,327	\$ 800,992	\$ 1,998,319	\$ 743,658	\$ 772,589	\$ 1,516,247
TWP Tours	49,734	-	49,734	-	-	-
Investment Income	11,061	7,121	18,182	41,386	8,149	49,535
In-Kind Contributions	-	63,800	63,800	-	35,245	35,245
Miscellaneous Income	8,542	12,839	21,381	1,670	3,612	5,282
TOTAL SUPPORT & REVENUE	1,266,664	884,752	2,151,416	786,714	819,595	1,606,309
Net Assets Released from Restrictions	968,925	(968,925)	-	870,953	(870,953)	-
TOTAL SUPPORT & REVENUE	2,235,589	(84,173)	2,151,416	1,657,667	(51,358)	1,606,309
EXPENSES						
Program Services						
International programs	1,063,724	-	1,063,724	816,886	-	816,886
National programs	595,640	-	595,640	428,316	-	428,316
Management and Administrative	111,989	-	111,989	145,567	-	145,567
Fundraising	204,134	-	204,134	164,681	-	164,681
TOTAL EXPENSES	1,975,487	-	1,975,487	1,555,450	-	1,555,450
CHANGE IN NET ASSETS	260,102	(84,173)	175,929	102,217	(51,358)	50,859
NET ASSETS Beginning of year	801,298	530,128	1,331,426	699,081	581,486	1,280,567
NET ASSETS End of year	<u>\$ 1,061,400</u>	<u>\$ 445,955</u>	<u>\$ 1,507,355</u>	<u>\$ 801,298</u>	<u>\$ 530,128</u>	<u>\$ 1,331,426</u>

TREES, WATER & PEOPLE
STATEMENT OF FUNCTIONAL EXPENSES
FISCAL YEAR ENDED MARCH 31, 2022

	International Programs	National Programs	Management and General	Fund Raising	Total
Direct Expenses:					
Grants and contracts	\$ 709,837	\$ 93,036	\$ -	\$ -	\$ 802,873
Contract labor	45,762	24,156	-	-	69,918
Supplies	-	141,122	-	-	141,122
Travel	23,968	16,721	-	-	40,689
TWP Tours	8,713	14,622	-	-	23,335
Carbon offset expenses	7,871	-	-	-	7,871
Allocated Expenses:					
Advertising and marketing	2,285	4,959	4,025	10,749	22,018
Bank and credit card fees	5,833	3,080	842	3,368	13,123
Board and volunteer expenses	-	-	2,027	2,698	4,725
Depreciation	-	6,191	5,071	6,750	18,012
Facility expenses	1,482	4,909	15,491	1,170	23,052
Insurance	1,471	4,049	2,871	1,598	9,989
Interest	-	-	3,322	-	3,322
Licensing and dues	5,021	8,421	2,254	2,337	18,033
Outreach and education	5,056	6,915	-	2,986	14,957
Office supplies	1,709	1,725	2,973	3,455	9,862
Personnel: salaries and taxes	207,393	219,965	51,748	128,653	607,759
Personnel: employee benefits	33,519	41,232	8,853	22,157	105,761
Printing and postage	231	350	4,023	5,355	9,959
Professional fees	-	-	6,003	10,311	16,314
Staff development	1,310	2,141	1,699	1,499	6,649
Telephone & internet	2,263	2,046	787	1,048	6,144
Utilities					-
	<u>\$ 1,063,724</u>	<u>\$ 595,640</u>	<u>\$ 111,989</u>	<u>\$ 204,134</u>	<u>\$ 1,975,487</u>

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
STATEMENTS OF CASH FLOWS
FISCAL YEARS ENDED MARCH 31,

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 175,929	\$ 50,858
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Add back depreciation expense	18,012	14,769
Add back note receivable converted to expense	5,350	-
Remove unrealized (gains) losses on investment	(6,742)	(35,847)
Decrease (increase) in receivables	(62,567)	-
Decrease (increase) in prepaid expenses	1,188	(4,212)
(Decrease) increase in accounts payable	(1,199)	1,239
NET CASH PROVIDED BY OPERATING ACTIVITIES	129,971	26,807
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(36,668)	(25,520)
Payments received on notes receivable	3,200	62,400
Investments in new notes receivable	(5,804)	(58,771)
Distributions from community foundation investments	29,815	-
Additions to community foundation investments	(1,079)	(121,986)
NET CASH PROVIDED BY INVESTING ACTIVITIES	(10,536)	(143,877)
CASH FLOWS FROM FINANCING ACTIVITIES		
Funding from EIDL	-	199,900
Principal payments on EIDL	(45,449)	(96,580)
Principal payments on mortgage note	-	(45,549)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(45,449)	57,771
NET INCREASE IN CASH	\$ 73,986	\$ (59,299)
CASH BALANCE Beginning	696,080	755,379
CASH BALANCE Ending	\$ 770,066	\$ 696,080
Income Taxes Paid	-	-
Interest Paid	\$ 3,322	\$ 4,496

TREES, WATER & PEOPLE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED MARCH 31, 2022 AND 2021

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Trees, Water & People (the Organization/TWP) is a non-profit corporation formed in 1998, with headquarters in Fort Collins, Colorado. TWP 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. 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 (see Note 11) 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.

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TREES, WATER & PEOPLE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED MARCH 31, 2022 AND 2021

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.

Accounts and Grants Receivable

Accounts receivable are typically associated with a TWP Tour and are rare, as payment for the tour is required before the tour takes place. There were no accounts receivable as of March 31, 2021 and 2020. Grants receivable are those amounts that have been awarded by the donor in the current period, but have not yet been received as of year-end. These amounts are recognized as contribution revenue in the year awarded.

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, 2022.

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).

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.

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TREES, WATER & PEOPLE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED MARCH 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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TREES, WATER & PEOPLE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED MARCH 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2022 consists of the following:

Land	\$ 90,000
Building and additions	409,092
Furniture & Equipment	19,930
Vehicles	<u>53,185</u>
Total Property and Equipment	572,207
Less: Accumulated Depreciation	<u>(165,380)</u>
Net Property and Equipment	<u>\$ 406,827</u>

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 and one small loan of \$5,350 (principal and interest) was written off as a program expense. Due to adverse economic conditions, the two outstanding loans have been renegotiated as noted below.

(continued)

TREES, WATER & PEOPLE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED MARCH 31, 2022 AND 2021

NOTE 4 – SHORT-TERM NOTES RECEIVABLE (continued)

Outstanding loans at March 31, 2022 consist of:

Working capital note receivable with Honduran partner originally dated February 28, 2020, refinanced February 28, 2022. Principal: \$23,000, Interest: 15%. Extended term until paid in full.	19,800
Working capital note receivable with Nicaraguan partner dated February 24, 2021. Principal: \$50,000, Interest: 12%. Extended term until paid in full.	<u>\$56,500</u>
Total:	<u>\$76,300</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 of \$854 per month are not required to begin until December 17, 2022, TWP has been making significant payments against principal to shorten the term and expects to pay off the balance in full in the next fiscal year. This loan is secured by all tangible and intangible personal property of the Organization.

Future maturities of principal as of March 31, 2022, per the terms for this EIDL loan are as follows:

<u>Years ending March 31,</u>	
2023	\$ 2,869
2024	8,846
2025	9,093
2026	9,346
2027	9,600
Thereafter	<u>18,117</u>
Total	<u>\$ 57,871</u>

The Organization also has a revolving one-year line of credit in the amount of \$150,000 with a variable interest rate of 0.75% over a stated index, which is based on the U. S. prime rate. The Organization has not drawn on this line, and the outstanding balance at March 31, 2022 is \$0.

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TREES, WATER & PEOPLE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED MARCH 31, 2022 AND 2021

NOTE 6 – NET ASSET RESTRICTIONS

Net Assets at March 31, 2022 consist of the following:

	Without Restrictions		With Restrictions		Total Net Assets
	Unrestricted	Board Designated	Temporary	Permanent	
General Operations	\$ 509,692	\$ -	\$ -	\$ -	\$ 509,692
National Programs		205,673	271,673		477,346
International Programs		99,633	174,282		273,915
Quasi-Endowed		246,402			246,402
Total Net Assets	\$ 509,692	\$ 551,708	\$ 445,955	\$ -	\$ 1,507,355

NOTE 7 – SATISFYING ASSET RESTRICTIONS

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

	Donor Restricted	Board Designated	No Restrictions	Fund Availability
Investment Funds	-	246,402	-	\$ 246,402
Grants Receivable	61,567	-	1,000	\$ 62,567
S-T Note Receivable	-	76,300	-	\$ 76,300
Available Cash	384,388	229,006	156,672	\$ 770,066
Total Restricted Funds:	\$ 445,955	\$ 551,708	\$ 157,672	

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, 2022 and 2021, all In-Kind Contributions were tree seedlings and minor equipment donated for the tribal reforestation program.

(continued)

TREES, WATER & PEOPLE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED MARCH 31, 2022 AND 2021

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 \$28,366 and \$14,423 in gifts of marketable securities during the years ending March 31, 2022 and 2021, 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 \$10,359 and \$8,449 of SEP-IRA contributions during the years ending March 31, 2022 and 2021, respectively.

NOTE 11 – RELATED ENTITIES

TWP Tours

TWP Tours is a fully-owned subsidiary of Trees, Water & People created for the sole purpose of managing the ‘working tour’ component of the Organization. The purpose of TWP Tours is to educate and bring awareness of the work that Trees, Water & People supports in the United States as well as Central America. TWP Tours is also a 501(c)3 organization and therefore for tax and reporting purposes it is considered a disqualified entity, which means that all revenue and expenses are passed on to Trees, Water & People.

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, TWP 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 also 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. TWP expenses relating to the carbon certification process of JustaStoveWorks amounted to \$7,871 for the fiscal year ended March 31, 2022.

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TREES, WATER & PEOPLE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED MARCH 31, 2022 AND 2021

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 countries opened up, TWP Tours began again and international travel resumed for TWP staff.

During the year ended March 31, 2021 the Organization received an SBA Paycheck Protection Program (PPP) loan in the amount of \$114,000, which was forgiven in full. As described in Note 5, the Organization received an EIDL loan in the amount of \$199,900 on June 17, 2020, which does have to be repaid. The balance outstanding at year end is included in Notes Payable.

NOTE 13 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 31, 2022, 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.