## **Audited Financial Statements**



June 30, 2022

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## **Independent Auditor's Report**

Board of Directors **Amazon Watch** Oakland, California

## **Opinion**

We have audited the accompanying financial statements of Amazon Watch (Organization), a nonprofit organization, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, 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 Organization as of June 30, 2022, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Basis of Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Organization 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 Organization's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS will always detect a material misstatement when it exists. 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 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 GAAS, 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 Organization'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 Organization'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 Amazon Watch's June 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 7, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Luigley & Miron

Campbell, California December 20, 2022

Amazon Watch Statement of Financial Position June 30, 2022 (with summarized comparative totals for 2021)

		thout Donor estrictions		ith Donor estrictions		2022 Total		2021 Total
Assets								
Cash and cash equivalents	\$	4,440,844	\$	152,498	\$	4,593,342	\$	6,707,841
Investments—Note 3		1,586,349				1,586,349		4,709
Grants and contributions								
receivable—Note 5		4,900		1,296,665		1,301,565		118,164
Prepaid expenses		9,800				9,800		
Other assets		12,355				12,355		17,110
Total Assets	\$	6,054,248	\$	1,449,163	\$	7,503,411	\$	6,847,824
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Liabilities and Net Assets								
Liabilities								
Accounts payable and accrued								
expenses	\$	128,944	\$		\$	128,944	\$	68,834
Employee-related accrued	•	- /-	•		•	- ,-	•	/
expenses		176,312				176,312		144,822
Deferred lease incentive—Note 7		21,838				21,838		23,602
<b>Total Liabilities</b>		327,094				327,094		237,258
Commitments – Note 7								
Net Assets								
Without donor restrictions		5,727,154				5,727,154		6,144,133
With donor restrictions—Note 9				1,449,163		1,449,163		466,433
Total Net Assets		5,727,154		1,449,163		7,176,317		6,610,566
<b>Total Liabilities and Net Assets</b>	\$	6,054,248	\$	1,449,163	\$	7,503,411	\$	6,847,824

Amazon Watch Statement of Activities Year Ended June 30, 2022 (with summarized comparative totals for 2021)

	hout Donor estrictions	Vith Donor Lestrictions	2022 Total		2021 Total
Operating Activities					
Public Support and Revenue					
Grants	\$ 683,489	\$ 2,051,934	\$	2,735,423	\$ 3,482,231
Contributions	3,490,673			3,490,673	1,777,725
Interest and dividend income	 4,403			4,403	 3,457
Total Public Support and Revenue	4,178,565	2,051,934		6,230,499	5,263,413
Net assets released from					
restrictions	1,069,204	(1,069,204)			
Total Public Support, Revenue, and Net Assets Released from Restrictions	5,247,769	982,730		6,230,499	5,263,413
Expenses					
Environmental and indigenous					
rights advocacy services	5,134,992			5,134,992	4,508,181
Management and general	215,601			215,601	215,185
Fundraising	 322,371	 		322,371	 322,371
<b>Total Expenses</b>	5,672,964	 		5,672,964	 5,045,737
Change in Net Assets from Operations	(425,195)	982,730		557,535	217,676
Nonoperating Activities					
Investment return, net	 8,216	 		8,216	 3,487
<b>Total Nonoperating Activities</b>	 8,216			8,216	3,487
Change in Net Assets	(416,979)	982,730		565,751	221,163
Net Assets at Beginning of Year	 6,144,133	 466,433		6,610,566	 6,389,403
Net Assets at End of Year	\$ 5,727,154	\$ 1,449,163	\$	7,176,317	\$ 6,610,566

Amazon Watch Statement of Functional Expenses Year Ended June 30, 2022 (with summarized comparative totals for 2021)

	Environmental and Indigenous Rights Advocacy Services	Management and General	Fundraising	2022 Total	2021 Total
Salaries and wages Employee benefits Payroll taxes	\$ 1,663,686 333,545 137,299	\$ 102,259 18,902 8,370	\$ 234,274 43,901 19,196	\$ 2,000,219 396,348 164,865	\$ 1,583,813 293,858 129,846
Total Personnel	2,134,530	129,531	297,371	2,561,432	2,007,517
Accounting and audit fees		74,416		74,416	74,000
Bank and finance charges	65,969	1,795	4,022	71,786	59,807
Communications and publicity	26,631			26,631	8,677
Equipment	24,013	36	50	24,099	14,552
Grants awarded	1,621,410			1,621,410	1,943,627
Insurance	34,957	1,753	2,662	39,372	35,006
Miscellaneous	14,470	232	406	15,108	11,242
Occupancy	125,595	7,086	10,709	143,390	143,203
Outside services	810,777	119	5,452	816,348	681,906
Postage and delivery	1,951			1,951	2,499
Printing and copying	25,402			25,402	16,690
Supplies	8,091	19	1,041	9,151	5,725
Telephone and internet	24,304	596	628	25,528	25,727
Travel and meetings					
Conferences and meetings	16,015			16,015	6,284
Organization travel	125,383	18	30	125,431	6,700
Partner organizations	75,494			75,494	2,575
Total Non-Personnel	3,000,462	86,070	25,000	3,111,532	3,038,220
Total Expenses	\$ 5,134,992	\$ 215,601	\$ 322,371	\$ 5,672,964	\$ 5,045,737

Amazon Watch Statement of Cash Flows Year Ended June 30, 2022 (with comparative totals for 2021)

		2022		2021
Cash Flows from Operating Activities				
Change in net assets	\$	565,751	\$	221,163
Adjustments to reconcile change in net assets to				
net cash provided by (used in) operating activities:				
Changes in operating assets and liabilities:				
Grants and contributions receivable		(1,183,401)		611,939
Prepaid expenses		(9,800)		1,038
Other assets		4,755		(6,511)
Accounts payable and accrued expenses		60,110		25,924
Employee-related accrued expenses		31,490		29,963
Deferred lease incentive		(1,764)		2,169
Net Cash Provided by (Used in)				
Operating Activities		(532,859)		885,685
Cash Flows from Investing Activities				
Purchases of investments		(1,608,419)		
Proceeds from sales of investments		26,779		
Net Cash Used in				
Investing Activities		(1,581,640)		
Net Increase (Decrease) in				
Cash and Cash Equivalents		(2,114,499)		885,685
Cash and Cash Equivalents				
at Beginning of Year		6,707,840		5,822,156
Cash and Cash Equivalents				
at End of Year	\$	4,593,341	\$	6,707,841
Supplementary Disclosures				
Cash paid during the year for:	ф		ф	
Income taxes	\$		\$	
Interest	\$		\$	

Amazon Watch Notes to Financial Statements June 30, 2022 (with comparative totals for 2021)

## Note 1—Nature of Activities and Significant Accounting Policies

Nature of Activities — Amazon Watch (Organization) is a California nonprofit corporation, established in 1996 for the purpose of protecting the rainforest and advancing the rights of Indigenous peoples in the Amazon Basin. The Organization partners with Indigenous and environmental organizations in campaigns for human rights, corporate accountability, and the preservation of the Amazon's ecological systems. With global deforestation contributing 20-25 percent of all greenhouse gas emissions, the Organization works for Indigenous self-determination as a critical component toward a successful conservation strategy for the Amazon. The Organization receives grants from foundations, as well as contributions from individuals and corporations. Through the growth of the number of these contributors, the Organization has increased its unrestricted public support.

<u>Financial Statement Presentation</u>—The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization's net assets are classified based on the existence or absence of donor-imposed restrictions. As such, the net assets of the Organization and changes therein are presented and reported as follows:

<u>Net assets without donor restrictions</u>—Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions—Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; such restrictions that may or will be met either by actions of the Organization and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Generally, the donors of such assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a time restriction expires or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

<u>Measure of Operations</u>—The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing environmental and indigenous rights advocacy services and interest and dividends earned on investments. Nonoperating activities are limited to activities considered to be of a more unusual or nonrecurring nature.

<u>Income Taxes</u>—The Organization is a California nonprofit public benefit corporation that serves charitable and educational purposes and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and from California franchise tax under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for federal or state income taxes is included in the financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered 'more likely than not' to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for tax liability is not necessary for the years ended June 30, 2022 and 2021. Generally, the Organization's information returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing.

## Note 1—Nature of Activities and Significant Accounting Policies—Continued

<u>Cash and Cash Equivalents</u>—The Organization considers highly liquid investments with a maturity of less than three months when purchased to be cash equivalents.

<u>Investments</u>—Investments in securities are initially recorded at cost, if purchased, or fair market value, if received as a contribution. Subsequent to acquisition, investments in securities are reported at fair value. Investment income, gains, and losses are reported as unrestricted income unless use of the earnings is restricted by the donor. As part of the Organization's advocacy efforts, it holds five shares or less of common stock in five different energy-related, publicly-traded corporations. These small amounts of stock holdings allow the Organization to attend shareholder meetings and to receive information as to the business activities of these energy companies.

<u>Property and Equipment</u>—Property and equipment is stated at cost when purchased, or at estimated fair market value at the date of bequest or gift. Depreciation is provided using the straight-line method over the estimated useful life of the related asset, principally 5 years. Amortization of equipment purchased under capital lease obligations is included in depreciation expense. It is the Organization's policy to expense items purchased or donated with values less than \$2,000. As of June 30, 2022, the Organization did not have any property or equipment obtained pursuant to gifts or capital leases.

<u>Accrued Sabbatical Leave</u>—Full-time employees are entitled to five weeks of paid sabbatical leave every five years. Sabbatical leave is not a vested benefit and is not payable to employees upon termination of employment. It is the Organization's policy to accrue salary-related sabbatical leave expense. The salary-related accrued sabbatical leave liability at June 30, 2022 and 2021 amounted to \$84,318 and \$60,205, respectively.

<u>Concentrations of Credit Risk</u>—Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, investments in securities, and grants and contributions receivable.

The Organization places its cash and cash equivalents with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At times, such balances of cash and cash equivalents are in excess of the FDIC coverage limits. Management regularly reviews the financial stability of its cash depositories and deems the risk of loss due to these concentrations to be minimal.

Cash held in investment accounts at securities brokerage firms are insured by the Securities Investors Protection Corporation (SIPC) up to \$250,000 and the investments in securities are insured up to \$500,000, per institution. At times, such balances are in excess of the FDIC and SIPC coverage limits. Management regularly reviews the financial stability of its cash and money market fund depositories and its allocation of investments and deems the risk of loss due to these concentrations to be minimal.

Grants and contributions receivable are due from a variety of foundations, corporations and individuals well-known to the Organization, with favorable past payment histories. The Organization's management has assessed the credit risk associated with these contributions and grants receivable and has determined that an allowance for potentially uncollectible amounts is not necessary.

<u>Contributions</u>—Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a 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 reported in the statement of activities as net assets released from restrictions.

## Note 1—Nature of Activities and Significant Accounting Policies—Continued

<u>Donated Goods and Services</u>—Donated services are not reflected in the accompanying financial statements as they do not meet the criteria for recognition under current accounting standards. In order to expand the reach of its programs, the Organization utilizes the services of a substantial number of volunteers who have donated a significant number of hours to the Organization's program services, management, and fundraising activities. Contributed goods are recorded at fair value at the date of donation. There were no contributions of such goods received during the years ended June 30, 2022 and 2021.

Recently Adopted Accounting Principle—In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards (ASU) No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which requires increased transparency around the use and valuation of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit entities. Under the updated guidance, gifts-in-kind are required to be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, and to be disaggregated in the notes to the financial statements by the category that depicts the type of contributed nonfinancial assets. There are additional required disclosures regarding qualitative information denoting whether the gifts-in-kind were monetized or utilized during the reporting period; the entity's policy, if any, about monetizing rather than utilizing contributed nonfinancial assets; and the valuation techniques and inputs used to arrive at a fair value measure. The Organization has adopted ASU No. 2020-07 for the year ended June 30, 2022 on a retrospective basis which resulted in no change to revenue previously reported and also had no effect on the revenue reported for the year ended June 30, 2022 and June 31, 2021.

<u>Interest and Dividend Income</u>—Bank and investment interest income and dividends earned on investments are recognized when received and is reported as interest and dividend income under public support and revenue in the statement of activities.

<u>Functional Expenses</u>—The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, certain expenses require allocation on a reasonable basis that is consistently applied. Such expenses include occupancy which is allocated on a square footage basis, as well as personnel expenses (consisting of salaries and wages, employee benefits, and payroll taxes) and insurance, which are allocated on the basis of estimates of time and effort.

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

<u>Reclassifications</u>—Certain amounts in 2021 have been reclassified to conform with the 2022 financial statement presentation.

## Note 2—Availability and Liquidity

The Organization's goal is generally to maintain financial assets to meet six-months of operating expenses (approximately \$2.35 million). The Organization operates within a prudent range of financial soundness and stability to support the ongoing fulfillment of its mission.

The following represents the availability and liquidity of the Organization's financial assets at June 30, 2022 and 2021 to cover operating expenses for the next fiscal year:

		2022	 2021
Financial assets			
Cash and cash equivalents	\$	4,593,342	\$ 6,707,841
Investments		1,586,349	4,709
Grants and contributions receivable		1,301,565	 118,164
Total Financial Assets		7,481,256	6,830,714
Less amounts not available to be used within one year:			
Net assets with donor restrictions			
Restricted due to purpose			
Environmental and Indigenous rights			
advocacy services in the countries of:			
Brazil			
Climate Finance Program		(104,998)	(144,164)
Ecuador		(47,500)	(140,364)
Peru			(72,850)
Restricted due to time		(1,296,665)	 (109,055)
<b>Total Net Assets with Donor Restrictions</b>		(1,449,163)	(466,433)
Less net assets with time restrictions to be met			
within one year		551,665	 69,055
Total Amounts Not Available			
to be Used Within One Year		(897,498)	(397,378)
Financial Assets Available to Meet General			
Expenditures Over the Next Twelve Months	\$	6,583,758	\$ 6,433,336
•	_		 

## Note 3—Investments

Investments at June 30, 2022 and 2021 consist of the following:

		2022 Market Value		Market Value			2021 ket Value
Marketable debt securities Marketable equity securities		\$	1,582,762 3,587	\$	4,709		
	Totals	\$	1,586,349	\$	4,709		

#### **Note 3—Investments** — *Continued*

Investment activity for the years ended June 30, 2022 and 2021 is summarized as follows:

		M	2022 arket Value	22 20 Value Marke		
Marketable debt securities Marketable equity securities		\$	1,582,762 3,587	\$	4,709	
	Totals	\$	1,586,349	\$	4,709	

#### Note 4—Fair Value Measurements

In determining the fair value of assets and liabilities, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Organization determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

<u>Level 1</u>—Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the Organization at the measurement date.

<u>Level 2</u>—Valuations based on observable inputs (other than Level 1), such as quoted prices for similar assets at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.

<u>Level 3</u>—Valuations based on inputs that are unobservable and significant to the overall fair value measurement, and involve management judgment.

The Organization may utilize a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The practical expedient used by the Organization to value private investments is the Net Asset Value (NAV) per share, or its equivalent. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. The Organization had no assets or liabilities classified at NAV as a practical expedient during the years ended June 30, 2022 and 2021.

#### Note 4—Fair Value Measurements—Continued

Fair values of assets measured on a recurring basis at June 30, 2022 are as follows:

		I	Fair Value	Level 1	 Level 2	Level 3
Investments  Marketable debt securities  Marketable equity securities		\$	1,582,762 3,587	\$ 3,587	\$ 1,582,762	\$
- /	Totals	\$	1,586,349	\$ 3,587	\$ 1,582,762	\$

Fair values of assets measured on a recurring basis at June 30, 2021 are as follows:

	Fa	ir Value	Level 1	Level 2	Level 3
Investments					
Marketable equity securities	\$	4,709	\$ 4,709	\$	\$
Total	s <u>\$</u>	4,709	\$ 4,709	\$	\$

## Note 5—Grants and Contributions Receivable

Grants and contributions receivable at June 30, 2022 and 2021 consist of the following:

		2022	 2021
Grants from foundations			
Without donor restrictions	\$	2,500	\$ 8,354
With donor restrictions		1,296,665	109,055
Contributions from individuals			
Without donor restrictions		2,400	755
	Totals \$	1,301,565	\$ 118,164

For detail on the composition of net assets with donor restrictions, see Note 9.

## Note 6-Line of Credit

During the year ended June 30, 2020, the Organization renegotiated its bank line of credit with Amalgamated Bank, increasing the maximum borrowing amount from \$200,000 to \$250,000. The line of credit carried a variable rate of interest at the Prime Rate, as published by the Wall Street Journal, plus 3% with a minimum per annum rate of no less than 7.75%. Interest was payable monthly. The Organization did not use the line during the year ended June 30, 2021. The line of credit matured on October 25, 2020 and was not renewed. No interest was paid during the years ended June 30, 2022 and 2021.

#### Note 7—Commitments

The Organization rents its Oakland office under a non-cancelable operating lease which expires on December 31, 2024. The office lease offers the Organization the option of extending the agreement for an additional five-year period from January 1, 2025 to December 31, 2029. Future minimum rental payments due on this operating lease is as follows:

Year Ending June 30,		
2023		\$ 134,958
2024		139,006
2025		143,177
2026		72,646
	Total	\$ 489,787

Rent expense is recognized on a straight-line basis over the office lease terms based on the total payments required under the lease. The deferred lease incentive amounts of \$21,838 and \$23,602 at June 30, 2022 and 2021, respectively, represents the cumulative difference between the amounts paid and amounts expensed under the leases. Rent expense totaled \$133,196 for each of the years ended June 30, 2022 and 2021.

## Note 8—Contingencies

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. Although that is a possibility, the Board deems the contingency remote since, by accepting the gifts and their terms, the Board is acknowledging the requirements of the grantor at the time of receipt of the grant.

#### Note 9—Net Assets with Donor Restrictions

Net assets with donor restrictions for the years ended June 30, 2022 and 2021 are as follows:

	2022		2021	
Subject to expenditure for specified purpose: Environmental and Indigenous rights advocacy services				
Climate Finance Program  Ecuador	\$	104,998 47,500	\$	144,164 140,364
Peru				72,850
Promises to give, the proceeds from which have been				
restricted by donors:				
Environmental and Indigenous rights advocacy services				
Brazil		300,000		
Climate Finance Program		80,000		40,000
Ecuador		340,000		
Peru		25,000		
Support for future periods		551,665		69,055
Total Net Assets with Donor Restrictions	\$	1,449,163	\$	466,433

#### Note 9—Net Assets with Donor Restrictions—Continued

Net assets released from donor restrictions for the year ended June 30, 2022 and 2021 are as follows:

	2022		2021	
Satisfaction of purpose restrictions:				
Environmental and Indigenous rights advocacy services				
Brazil	\$	42,668	\$	474,064
Climate Finance Program		294,164		
Colombia				17,460
Ecuador		576,403		611,561
Peru		105,969		164,579
Satisfaction of timing restrictions		50,000		21,110
<b>Total Net Assets Released from Donor Restrictions</b>	\$	1,069,204	\$	1,288,774

## Note 10-Employee Benefit Plan

Under the Organization's SIMPLE IRA retirement plan (Plan), the Organization matches 100% of employee contributions to the Plan, up to 3% of annual salary. All employees are eligible to participate in the Plan after 90 days of employment. Each participant may elect to contribute up to the maximum limit by federal law. Participants are vested immediately upon entering the Plan with 100% non-forfeitability of all employer-matched contributions. The Organization's matching contributions totaled \$46,760 and \$39,123 during the years ended June 30, 2022 and 2021, respectively.

#### Note 11-Risks and Uncertainties

In early March 2020, the COVID-19 virus was declared a global pandemic. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, has been, and continues to be, severely impacted, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. The Organization has continued to conduct its environmental and Indigenous rights advocacy services, on a remote basis, and to monitor the ongoing impact of the pandemic response on its overall operations. At the time of this reporting, the cumulative financial impact of the pandemic on the Organization, if any, cannot be fully determined, therefore no related adjustment has been made to these financial statements.

#### Note 12—Recent Accounting Pronouncement

<u>Leases</u>—In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is to be applied using the modified retrospective approach and is effective for nonprofit organizations with fiscal years beginning after December 15, 2021, with early adoption permitted. The Organization is currently evaluating the impact that the adoption of ASU No. 2016-02 will have on its financial statements.

## Note 13 – Subsequent Events

Management has evaluated subsequent events through December 20, 2022, the date the financial statements were available to be issued, and concluded that no material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.