



**Just Zero**

**Financial Statements**

**June 30, 2024 and 2023**

**EJ** CALLAHAN  
& ASSOCIATES, LLC

JUST ZERO

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Statements of Financial Position June 30, 2024 and 2023	3
Statements of Activities For the years ended June 30, 2024 and 2023	4
Schedule of Functional Expenses For the year ended June 30, 2024	5
Schedule of Functional Expenses For the year ended June 30, 2023	6
Statements of Cash Flows For the years ended June 30, 2024 and 2023	7
Notes to Financial Statements June 30, 2024 and 2023	8 - 10



CERTIFIED PUBLIC ACCOUNTANTS - BUSINESS CONSULTANTS

To the Board of Directors of  
Just Zero  
Sturbridge, Massachusetts

### Independent Auditor's Report

#### ***Opinion***

We have audited the financial statements of Just Zero (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, schedules of functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Just Zero as of June 30, 2024 and 2023 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.

#### ***Basis for Opinion***

We conducted our audits 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 Just Zero and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Just Zero's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

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### ***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 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 Just Zero'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 Just Zero'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.

*E. J. Callahan & Associates, L.L.C.*

Wakefield, Massachusetts  
October 3, 2024

JUST ZERO

STATEMENTS OF FINANCIAL POSITION

June 30, 2024 and 2023

	2024	2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 181,236	\$ 242,254
Prepaid expenses	6,914	-
Total Current Assets	<u>188,150</u>	<u>242,254</u>
Total Assets	<u>\$ 188,150</u>	<u>\$ 242,254</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 2,331	\$ 2,000
Total Current Liabilities	<u>2,331</u>	<u>2,000</u>
Total Liabilities	<u>2,331</u>	<u>2,000</u>
Net Assets:		
Without donor restrictions	<u>185,819</u>	<u>240,254</u>
Total Net Assets	<u>185,819</u>	<u>240,254</u>
Total Liabilities and Net Assets	<u>\$ 188,150</u>	<u>\$ 242,254</u>

See accompanying notes to financial statements.

JUST ZERO

STATEMENTS OF ACTIVITIES

For the years ended June 30, 2024 and 2023

	Year Ended June 30, 2024			Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:						
Donations	\$ 563,347	\$ -	\$ 563,347	\$ 634,289	\$ -	\$ 634,289
Grants	150,000	-	150,000	100,000	-	100,000
Total revenues and other support	713,347	-	713,347	734,289	-	734,289
Functional Expenses:						
Program	550,607	-	550,607	327,564	-	327,564
Administrative	112,978	-	112,978	88,916	-	88,916
Fundraising	104,197	-	104,197	64,283	-	64,283
Total functional expenses	767,782	-	767,782	480,763	-	480,763
Change in net assets	(54,435)	-	(54,435)	253,526	-	253,526
Net assets, beginning of year	240,254	-	240,254	(13,272)	-	(13,272)
Net assets, end of year	\$ 185,819	\$ -	\$ 185,819	\$ 240,254	\$ -	\$ 240,254

See accompanying notes to financial statements.

JUST ZERO

SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended June 30, 2024

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Wages	\$ 386,070	\$ 64,345	\$ 85,793	\$ 536,208
Health insurance	29,439	4,906	6,542	40,887
Payroll taxes	29,231	4,871	6,496	40,598
Software licenses and fees	26,596	-	-	26,596
Grant consultant	22,500	-	-	22,500
Travel	20,177	-	-	20,177
Professional fees	-	18,736	-	18,736
Employer contributions	10,496	1,749	2,332	14,577
Contract services	13,540	-	-	13,540
Insurance	5,111	851	1,136	7,098
Computer and internet expenses	4,864	811	1,081	6,756
Retirement plan fees	-	4,102	-	4,102
Payroll service fee	-	3,707	-	3,707
Business registration	2,583	-	-	2,583
Advertising	-	2,239	-	2,239
Subscriptions and dues	-	1,919	-	1,919
Office supplies	-	1,897	-	1,897
Professional development	-	1,393	-	1,393
Merchant service fees	-	1,012	-	1,012
Printing	-	-	618	618
Postage	-	292	-	292
Events	-	-	199	199
Donation	-	103	-	103
Bank service fees	-	45	-	45
	<u>\$ 550,607</u>	<u>\$ 112,978</u>	<u>\$ 104,197</u>	<u>\$ 767,782</u>

See accompanying notes to financial statements.

JUST ZERO

SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended June 30, 2023

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Wages	\$ 225,995	\$ 63,868	\$ 54,042	\$ 343,905
Software licenses & fees	46,851	-	-	46,851
Payroll taxes	17,127	4,840	4,095	26,062
Health insurance	15,744	4,450	3,765	23,959
Contract services	7,583	-	-	7,583
Professional fees	-	7,147	-	7,147
Travel	6,817	-	-	6,817
Computer & internet expenses	4,452	1,258	1,064	6,774
Payroll service fee	-	2,884	-	2,884
Business registration	2,109	-	-	2,109
Merchant service fees	-	1,613	-	1,613
Insurance	886	250	212	1,348
Subscriptions & dues	-	1,194	-	1,194
Office supplies	-	1,117	-	1,117
Events	-	-	1,105	1,105
Professional development	-	142	-	142
Postage	-	81	-	81
Bank service fees	-	72	-	72
	<u>\$ 327,564</u>	<u>\$ 88,916</u>	<u>\$ 64,283</u>	<u>\$ 480,763</u>

See accompanying notes to financial statements.



JUST ZERO

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (54,435)	\$ 253,526
(Decrease) increase in cash resulting from a change in:		
Prepaid expenses	(6,914)	-
Accounts payable	<u>331</u>	<u>(11,372)</u>
Net Cash (Used in) Provided by Operating Activities	<u>(61,018)</u>	<u>242,154</u>
Net Change in Cash and Cash Equivalents	(61,018)	242,154
Cash and Cash Equivalents, Beginning of Year	<u>242,254</u>	<u>100</u>
Cash and Cash Equivalents, End of Year	<u>\$ 181,236</u>	<u>\$ 242,254</u>

See accompanying notes to financial statements.

## JUST ZERO

### NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

#### Note 1 – Nature of Operations and Significant Accounting Policies

##### Nature of Operations

Just Zero (the "Organization") is a 501(c)(3) nonprofit organization founded on May 17, 2022. The Organization works alongside communities, policy makers, scientists, educators, organizers, and others to implement just and equitable solutions to climate-damaging and toxic production, consumption, and waste disposal practices.

##### Summary of Significant Accounting Policies

A summary of the significant accounting policies followed by the Organization in the preparation of the accompanying financial statements is set forth below:

Basis of Accounting – The Organization prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

Basis of Presentation – 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* – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

*Net Assets with Donor Restrictions* – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

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 assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – For purposes of reporting cash flows, the Organization considers all highly liquid investments purchased with a maturity of three months or less at acquisition as cash and cash equivalents in the accompanying balance sheet. The Organization has interest bearing deposits in financial institutions that maintained federal insurance in full for all accounts and limited coverage up to \$250,000 per financial institution. The portion of the deposits in excess of this amount is not subject to such insurance and represents a credit risk to the Organization. At times, balances held at each financial institution may exceed \$250,000, which represents a credit risk to the Organization. There were no uninsured deposits at June 30, 2024 and 2023.

## JUST ZERO

### NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2024 and 2023

#### Note 1 – Nature of Operations and Significant Accounting Policies – Continued

FASB ASC 842 New Accounting Guidance Implementation – As of May 17, 2022, the Organization adopted the accounting method for leases as a result of implementing the requirements in the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) 842, Leases, using the modified retrospective transition method.

The new lease guidance requires the recognition of a right-of-use asset and a lease liability for operating leases. The Organization elected the package of practical expedients, which allowed, among other things, for no reassessing the lease classification or initial direct costs for existing leases. The Organization has not elected the hindsight practical expedient.

The Organization evaluated any leasing arrangements for recognition and implementation of ASC 842, and management determined there were no significant arrangements requiring revaluation.

Revenue Recognition – The Organization records unconditional promises to give as revenue when the promise is received. Conditional promises to give are recognized as revenue when the condition is met. Contributions received are recorded as with or without donor restrictions depending on the existence and nature of any donor restrictions. 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. Donor-restricted contributions whose restrictions are met in the same reporting period have been reported as support increasing net assets without donor restrictions in the statements of activities. Contributions of assets other than cash are recorded at their face value on the date of the gift.

Income Tax Status – The Organization is a nonprofit organization and is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying financial statements. There are currently no federal or state income tax examinations in progress.

Functional Allocation of Expenses – The cost of designing and implementing zero waste policies, and related costs for Just Zero have been summarized on a functional basis on the statement of functional expenses. Accordingly, certain costs have been allocated among the programs benefited.

Advertising – Advertising costs are expensed as incurred. Total advertising costs for the years ended June 30, 2024 and 2023, totaled \$2,239 and \$0, respectively.

Leases – The Organization calculates operating lease liabilities with a risk-free discount rate, using a comparable period with the lease term. All lease and non-lease components are combined for all leases. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized.

Reclassifications – Certain amounts in the June 30, 2023 financial statements have been reclassified to conform to the June 30, 2024 presentation without any effect on income.

JUST ZERO

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2024 and 2023

Note 1 – Nature of Operations and Significant Accounting Policies – Continued

Subsequent Events – Management evaluated events or transactions subsequent to the balance sheet date for potential recognition or disclosure in the financial statements through October 3, 2024, which is the date the financial statements were available for issue.

Note 2 – Liquidity

The Organization’s financial assets available within one year of the statement of financial position date for general expenditures are as follows at June 30:

	2024	2023
Cash and cash equivalents	\$ 181,236	\$ 242,254
Total assets available for general expenditure	<u>\$ 181,236</u>	<u>\$ 242,254</u>

Note 3 – Defined Contribution Plan

The Organization has a 401(k) Plan, (“the Plan”). Under the Plan, employees meeting certain plan requirements can elect to have a percentage of their salaries, up to Internal Revenue Code limits, fully vested retirement accounts in lieu of salary payments. At management’s discretion, the Organization may make non-elective matching contributions up to 5.00% of each eligible participants’ compensation. For the years ended June 30, 2024 and 2023, the Organization made contributions of \$14,577 and \$0, respectively, included in the schedules of functional expenses.