

**NATIVE JUSTICE COALITION**

**MANISTEE, MICHIGAN**

**DECEMBER 31, 2022**



**Baird, Cotter & Bishop, P.C.**  
SERVING YOUR PAST, PRESENT & FUTURE

CERTIFIED PUBLIC ACCOUNTANTS  
134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601 PHONE: (231) 775-9789 FAX: (231) 775-9749  
[www.bcbcpa.com](http://www.bcbcpa.com)

NATIVE JUSTICE COALITION  
MANISTEE, MICHIGAN

DECEMBER 31, 2022

TABLE OF CONTENTS

	<u>PAGES</u>
Independent Auditor's Report	1-3
 <u>FINANCIAL STATEMENTS</u>	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
 Notes to Financial Statements	 8-11



# Baird, Cotter & Bishop, P.C.

SERVING YOUR PAST, PRESENT & FUTURE

CERTIFIED PUBLIC ACCOUNTANTS  
134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601 PHONE: (231) 775-9789 FAX: (231) 775-9749  
www.bcbcpa.com

July 21, 2023

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Native Justice Coalition  
Manistee, Michigan

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Native Justice Coalition (a nonprofit organization), which comprise the statement of financial position as of December 31, 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 present fairly, in all material respects, the financial position of Native Justice Coalition as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Native Justice Coalition 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 opinions.

#### ***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 the Native Justice Coalition'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 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 generally accepted auditing standards and *Government 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 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 generally accepted auditing standards and *Government 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 the Native Justice Coalition'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 the Native Justice Coalition'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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2023, on our consideration of the Native Justice Coalition's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Native Justice Coalition's internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Native Justice Coalition's internal control over financial reporting and compliance.

BAIRD, COTTER AND BISHOP, P.C.

*Baird, Cotter & Bishop, P.C.*

NATIVE JUSTICE COALITION  
MANISTEE, MICHIGAN

STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2022

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 417,392
Grants Receivable	34,904
Prepaid Expenses	<u>1,455</u>
 TOTAL ASSETS	 <u>\$ 453,751</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 9,911
Deferred Revenues	<u>10,000</u>
 Total Liabilities	 <u>19,911</u>

NET ASSETS

With Donor Restrictions	10,000
Without Donor Restrictions	<u>423,840</u>
 Total Net Assets	 <u>433,840</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 453,751</u>

The accompanying notes are an integral part of these financial statements.

NATIVE JUSTICE COALITION  
MANISTEE, MICHIGAN

STATEMENT OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2022

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<u>REVENUES, GAINS AND OTHER SUPPORT</u>			
Contributions	\$ 105,799	\$ 0	\$ 105,799
Grants	399,000	48,520	447,520
Net Assets Released from Restriction	51,520	(51,520)	0
	<hr/>		
Total Revenues, Gains, and Other Support	556,319	(3,000)	553,319
<hr/>			
<u>EXPENSES</u>			
Program Services	195,124	0	195,124
Supporting Services			
Management and General	73,899	0	73,899
Fund Raising	81,862	0	81,862
	<hr/>		
Total Expenses	350,885	0	350,885
	<hr/>		
Change in Net Assets	205,434	(3,000)	202,434
	<hr/>		
<u>NET ASSETS</u> - Beginning of Year	218,406	13,000	231,406
	<hr/>		
<u>NET ASSETS</u> - End of Year	\$ 423,840	\$ 10,000	\$ 433,840
	<hr/> <hr/>		

The accompanying notes are an integral part of these financial statements.

NATIVE JUSTICE COALITION  
MANISTEE, MICHIGAN

STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2022

	Program Services			Total Program Services	Supporting Services		Total
	Racial Justice	MMIWG2S Project	Two-Spirit Program		Management And General	Fund Raising	
Honorariums	\$ 10,250	\$ 0	\$ 0	\$ 10,250	\$ 0	\$ 0	\$ 10,250
Lodging	8,209	0	0	8,209	7,039	7,039	22,287
Travel	27,859	0	0	27,859	7,528	7,528	42,915
Advertising and Promotion	0	11,140	0	11,140	5,319	5,319	21,778
Bank and Credit Card Fees	0	0	0	0	1,786	0	1,786
Internet	0	0	0	0	4,637	4,637	9,274
Contracted Services	0	0	1,721	1,721	0	0	1,721
Payroll Tax Expense	2,804	2,687	2,687	8,178	1,168	2,336	11,682
Salaries and Wages	37,037	35,494	35,494	108,025	15,432	30,864	154,321
Dues and Subscriptions	0	0	0	0	160	0	160
Insurance	1,310	1,256	1,256	3,822	546	1,092	5,460
Legal and Accounting	2,841	2,841	2,674	8,356	8,355	0	16,711
Office Expenses	0	0	0	0	1,547	1,547	3,094
Postage	0	0	0	0	4,048	4,048	8,096
Printing	2,178	331	0	2,509	0	1,118	3,627
Supplies	4,530	0	25	4,555	15,749	15,749	36,053
Miscellaneous	250	250	0	500	585	585	1,670
	<u>\$ 97,268</u>	<u>\$ 53,999</u>	<u>\$ 43,857</u>	<u>\$ 195,124</u>	<u>\$ 73,899</u>	<u>\$ 81,862</u>	<u>\$ 350,885</u>

The accompanying notes are an integral part of these financial statements.



NATIVE JUSTICE COALITION  
MANISTEE, MICHIGAN

STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ 202,434
Adjustments to Reconcile Change in Net Assets to Net Cash (Used) Provided by Operating Activities:	
(Increase) Decrease in Operating Assets:	
Accounts Receivable	41,091
Prepaid Expenses	(1,455)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	9,871
Accrued Payroll Liabilities	(78)
Deferred Revenue	(3,000)
	<hr/>
Net Cash Provided (Used) by Operating Activities	248,863
<u>BEGINNING CASH AND CASH EQUIVALENTS</u>	<hr/> 168,529
<u>ENDING CASH AND CASH EQUIVALENTS</u>	<hr/> <hr/> \$ 417,392
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>	
Interest Paid	<hr/> <hr/> \$ 0

The accompanying notes are an integral part of these financial statements.

NATIVE JUSTICE COALITION  
MANISTEE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 – ORGANIZATION

Native Justice Coalition is a Michigan Non-Profit Corporation organized to be a platform for healing, social, and racial justice for all Native American people. Its goal is to provide a safe and nurturing platform for Native people based in an anti-oppression framework.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis in conformity with accounting principles applicable to nonprofit organizations whereby revenues are recorded when earned and expenses are recorded when the obligation is incurred.

Contributions

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are classified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

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. At December 31, 2022, \$10,000 was restricted for the Truth and Reconciliation Committee events to be held in 2023.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use to be cash equivalents.

Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets

NATIVE JUSTICE COALITION  
MANISTEE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

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

Advertising

The Organization uses advertising to promote its fundraising efforts and its programs. The cost of advertising is expensed as incurred. During the year ended December 31, 2022, \$21,778 of costs were incurred.

Fair Value of Financial Instruments

The Organization's significant financial instruments are cash, grants receivable, and other short-term liabilities. At December 31, 2022, none of the assets or liabilities were required to be reported at fair value on a recurring basis. For these financial instruments, carrying values approximate fair value due to the short-term nature of these financial instruments. There were no changes in methods or assumptions during the year ended December 31, 2022.

Deferred Revenue

Deferred Revenue consists of amounts received in advance for grants and are recognized once earned.

NOTE 3 – DEPOSITS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments. The Organization places its temporary cash investments with financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2022, the carrying amount of the Organization's deposits was \$417,392 and the bank balance was \$417,675, \$167,674 of which was uninsured and uncollateralized.

NOTE 4 – FEDERAL INCOME TAXES

The Native Justice Coalition has been determined to be an exempt organization under the Internal Revenue Code Section 501(c)(3). The Organization does not have any unrelated business income and therefore, no provision for income taxes is made in the accompanying financial statements.

The Organization's tax returns remain subject to audit by the IRS for three years after filing. At December 31, 2022, the returns for years 2019, 2020, and 2021 remain open for examination.

NOTE 5 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of program and supporting service activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain costs are attributed to more than one program or supporting function and, therefore, require allocation among the programs and supporting services benefitted. Management believes their allocations are done on a reasonable and consistent basis. Most professional services, specific assistance, and other expenses are identified with a specific program or supporting function at the time they are incurred and are reported accordingly. However, some of these expenses require allocation, which is done on the basis of estimates of time and effort.

NATIVE JUSTICE COALITION  
MANISTEE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 6 – DONATED MATERIALS AND SERVICES

Donated Materials

Donated materials used within the Organization are recorded at their fair market value when received, if the material has an objective, clearly measurable basis for the value. If the nature of the material is such that valuations cannot be substantiated, the contribution is not recorded.

Donated Services

Donated services are recorded when:

- (1) The services are a normal part of the program.
- (2) The Organization exercises control over the duties of the donors of the services.
- (3) There is a measurable basis of valuing the service.
- (4) The services would normally have to be purchased if not donated.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 21, 2023, the date in which the financial statements were available to be issued.

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's primary sources of revenues are donations and grants. The following represents the Organization's financial assets as of December 31, 2022:

Cash and cash equivalents	\$ 417,392
Less: Net assets not available for general operations	<u>(10,000)</u>
	<u>\$ 407,392</u>

In addition to those resources, as part of the Organization's liquidity management plan, cash in excess of daily requirements remains in the Organization's checking account.

NOTE 9 – NEW ACCOUNTING PRONOUNCEMENTS

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*, which is effective for fiscal years beginning after June 15, 2021, with early adoption permitted, and is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. The Organization implemented ASU 2020-07 using the retrospective method. The adoption of ASU 2020-07 did not have a material impact on the Organization's financial position, activities, net assets, or cash flows as of the adoption date or for the year ended December 31, 2022. The adoption did not result in a restatement of previously reported net assets for the year ended December 31, 2021.

NATIVE JUSTICE COALITION  
MANISTEE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

The FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which replaces existing lease accounting guidance. This new guidance is intended to provide enhanced transparency and comparability by requiring lessees to record right-of-use assets and corresponding lease liabilities on the statement of financial position. The guidance will also require additional disclosures to better inform financial statement users of the amount, timing, and uncertainty of cash flows, arising from leases. The primary impact of this guidance will be to record right-of-use assets and lease obligations for current operating leases. It has been determined that the Organization does not have any leases as defined by ASU No. 2016-02 Topic 842.

