



Global Greengrants Fund, Inc.

Consolidated Financial Statements

As of and For the Year Ended
June 30, 2017

Global Greengrants Fund, Inc.

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Independent Auditor's Report

Board of Directors
Global Greengrants Fund, Inc.
Boulder, Colorado

We have audited the accompanying consolidated financial statements of the Global Greengrants Fund, Inc. and its affiliate Global Greengrants Fund UK, a nonprofit corporation (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2017, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements referred to above, present fairly, in all material respects, the consolidated financial position of Global Greengrants Fund, Inc. as of June 30, 2017, and the consolidated 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.

Anton Collins Mitchell LLP

Denver, Colorado
March 13, 2018

Global Greengrants Fund, Inc.

Consolidated Statement of Financial Position

<i>As of June 30,</i>		2017
Assets		
Cash and cash equivalents	\$	4,399,330
Contributions receivable		1,525,189
Grants receivable		51,713
Other receivables		5,112
Investments		2,290,356
Property and equipment, net		31,524
Prepaid expenses and other		2,111
Security deposits		992
Total assets	\$	8,306,327
Liabilities		
Accounts payable	\$	23,948
Accrued liabilities		114,485
Deferred revenue		6,463
Grants payable		25,027
Total liabilities		169,923
Commitments and Contingencies		
Net Assets		
Unrestricted		4,903,645
Temporarily restricted		3,232,759
Total net assets		8,136,404
Total liabilities and net assets	\$	8,306,327

See accompanying notes to the consolidated financial statements.

Global Greengrants Fund, Inc.

Consolidated Statement of Activities

For the Year Ended June 30,

	2017		
	Unrestricted	Temporarily Restricted	Total
Revenue, gains and other support			
Contribution and grant revenue	\$ 4,881,867	\$ 3,817,026	\$ 8,698,893
Investment income, net	22,235	-	22,235
In-kind donations	1,818	-	1,818
Program service fees	116,000	-	116,000
Other revenue	7,350	-	7,350
Net assets released from restrictions	6,085,247	(6,085,247)	-
Total revenue, gains and other support	11,114,517	(2,268,221)	8,846,296
Expenses			
Program services	10,177,454	-	10,177,454
Management and general	594,904	-	594,904
Fund raising	698,262	-	698,262
Total expenses	11,470,620	-	11,470,620
Change in net assets before other comprehensive income	(356,103)	(2,268,221)	(2,624,324)
Other comprehensive income			
Change in foreign currency translation adjustment	7,991	-	7,991
Change in net assets	(348,112)	(2,268,221)	(2,616,333)
Net assets, beginning of year	5,243,784	5,500,980	10,744,764
Cumulative translation gain	7,973	-	7,973
	5,251,757	5,500,980	10,752,737
Net assets, end of year	\$ 4,903,645	\$ 3,232,759	\$ 8,136,404

See accompanying notes to the consolidated financial statements.

Global Greengrants Fund, Inc.

Consolidated Statement of Functional Expenses

For the Year Ended June 30,

2017

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Grants	\$ 7,962,273	\$ -	\$ -	\$ 7,962,273
Employee compensation	879,077	199,002	445,064	1,523,143
Payroll taxes & employee benefits	236,136	100,931	116,911	453,978
Travel and meals	353,526	121,895	56,693	532,114
Advisory board fees	356,967	-	-	356,967
Professional fees	293,665	134,357	-	428,022
Occupancy expense	38,425	10,291	23,589	72,305
Other expense	57,385	28,428	56,005	141,818
Total expenses	\$ 10,177,454	\$ 594,904	\$ 698,262	\$ 11,470,620

See accompanying notes to the consolidated financial statements.

Global Greengrants Fund, Inc.

Consolidated Statement of Cash Flows

<i>For the Year Ended June 30,</i>	2017
Cash flows from operating activities	
Change in net assets	\$ (2,624,324)
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation expense	16,812
Net depreciation on investments	12,102
Changes in operating assets and liabilities:	
Contributions receivable	2,338,299
Grants receivable	(51,713)
Other receivables	921
Prepaid expenses and other	14,890
Accounts payable and accrued liabilities	(10,854)
Grants payable	5,547
Net cash flows from operating activities	(298,320)
Cash flows from investing activities	
Proceeds from sale of investments	968,435
Purchases of equipment	(10,857)
Net cash flows from investing activities	957,578
Effect of exchange rate on cash and cash equivalents	7,991
Net change in cash and cash equivalents	667,249
Cash and cash equivalents at beginning of year	3,732,081
Cash and cash equivalents at end of year	\$ 4,399,330
Supplemental cash flow information	
Donated facility lease	\$ 25,000

See accompanying notes to the consolidated financial statements.

Global Greengrants Fund, Inc.

Notes to Consolidated Financial Statements

1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Global Greengrants Fund, Inc. (the “Organization”) was established in 2001 as a Colorado not-for-profit corporation. The Organization’s mission is to strengthen the grassroots environmental movement in developing countries through grant making. The grant making process includes soliciting funding requests, evaluating the requests, and awarding the grants. The Organization has advisory boards throughout the world who share grant making due diligence efforts with the administration office in Boulder Colorado. The Organization finances its operations through donations and grants from individuals, foundations, and corporate sponsors.

Financial Statement Presentation

The consolidated financial statements include the accounts of Global Greengrants Fund, Inc. and its affiliate Global Greengrants Fund UK. Inter-organizational balances and transactions have been eliminated in consolidation.

The Organization’s consolidated financial statements are prepared on the accrual basis and, accordingly, reflect all significant receivables, payables, and other liabilities. Financial statement presentation follows accounting principles generally accepted in the United States of America (“GAAP”) promulgated by the Financial Accounting Standards Board (“FASB”). Under these principles, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets 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.

Cash and Cash Equivalents

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less, including money market accounts, which are neither restricted by donors nor held for long-term purposes, to be cash equivalents.

Contributions Receivable (Promises to Give)

Unconditional promises to give are multiple year pledges made by donors. Promises to give that are expected to be collected within one year are recorded at the amount pledged. Promises to give that are expected to be received after one year should be recorded at net realizable value,

Global Greengrants Fund, Inc.

Notes to Consolidated Financial Statements

however the adjustment for the present value of their expected future cash flows was not material to the financial statements. Accordingly, no adjustments were made. Conditional promises to give are not included as support until the conditions are substantially met. As of June 30, 2017, there were no conditional promises to give.

Subsequent to initial recognition, management uses the allowance method to determine the uncollectible amounts. The allowance is based upon assessment of the current economic environment, historical collection experience, and analysis of subsequent events. The Organization has determined all contributions receivable are collectible as of June 30, 2017.

Investments

Investments are recorded at fair value as of the reporting date.

Property and Equipment

Property and equipment has been stated at cost or, in the case of donated assets, at the fair value at the date of receipt. Depreciation is calculated using the straight-line method over the useful life of assets, typically 3-7 years. The Organization capitalizes property and equipment additions greater than \$500.

Maintenance and repairs are charged to operations when incurred. When property and equipment is sold or otherwise disposed, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Management assesses the carrying value of long-lived assets for impairment when circumstances indicate such amounts may not be recoverable from future operations. Generally, assets to be held and used in operations are considered impaired if the sum of expected undiscounted future cash flows are less than the carrying amount of the asset. If impairment has occurred, the loss is measured based on the amount by which the carrying value exceeds its fair market value. Management does not believe that any impairment has occurred as of June 30, 2017.

Contribution Revenue Recognition

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes, or are designated for future periods are reported as increases in temporarily restricted net assets.

Contributions to be received over multiple years, at a specified date in the future and for a specific purpose are subject to time restrictions and are reported as temporarily restricted. Multi-year promises to give are recognized as temporarily restricted revenue in the year the written promise is received from the donor. The Organization records donor-restricted contributions as unrestricted if the restrictions are met in the same reporting period. The Board has designated certain funds specifically for grant making and other purposes. Such funds are considered unrestricted by the Organization's Board.

Global Greengrants Fund, Inc.

Notes to Consolidated Financial Statements

A donor restriction expires when a stipulated time restriction ends, when an unconditional promise with an implied time restriction is collected, or when a purpose restriction is accomplished. Upon expiration, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Donor agreements for donor advised funds grant variance power to the Organization's Board, allowing the Board to vary from the donor's restrictions if the restriction becomes incapable of fulfillment or is inconsistent with the charitable needs of the community. The Organization strives to honor donors' charitable intent and accepts grant recommendations from donors. However, due to its variance power, the Organization generally reports contributions received under donor advised agreements as unrestricted.

Grants Payable

Grants expense is recorded when approved for payment by the Organization's advisory board and management team. Amounts approved in one fiscal year, which are paid in a subsequent year, are reported as grants payable in the accompanying statement of financial position.

The Organization also intends to provide financial support to other non-profit organizations that operate in certain developing countries. Future funding is contingent on the recipient organizations maintaining certain protocols with respect to its grantees and upon the availability of funds. Therefore, no liability has been recorded for these intentions to give.

Concentrations of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist of cash accounts and receivables.

The Organization places its temporary cash accounts with financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC") and considered by management to be high-quality and creditworthy. The Organization had approximately \$3,800,000 in excess of federally insured limits as of June 30, 2017. The Organization has not experienced any losses in any of these accounts.

Credit risk, with respect to receivables, is considered low due to past experience and the reputations of major contributors. Three donors individually comprised 10% or more of contributions receivable at June 30, 2017. One donor comprised 10% or more of contributions during the year ended June 30, 2017.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has been classified by the Internal Revenue Service as a nonprofit organization other than a private foundation. However, income from activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. There was no income from business unrelated to the Organization's exempt purpose during the years ended June 30, 2017. Since it has no income from business unrelated to its exempt purpose, no liability for federal income taxes has been recorded.

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Notes to Consolidated Financial Statements

The Organization believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status, and that it has taken no material uncertain tax positions that qualify for federal recognition or disclosure in the financial statements. The Organization is no longer subject to U.S. federal, state, and local, or non-U.S. tax examinations by tax authorities for years before June 30, 2015.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Functional expenses are also presented by natural classification in the Statements of Functional Expenses.

Foreign Currency

The financial position and results of operations of the Organization's foreign operations is measured using the foreign operation's local currency as the functional currency. Assets and liabilities are translated into U.S. dollars at the current rates of exchange as of the financial position date and revenues and expenses are translated using weighted average rates prevailing during the period. Accounts and transactions denominated in foreign currencies have been remeasured into functional currencies before translation into U.S. dollars. Foreign currency transaction gains and losses are included as a component of other comprehensive income. Unrealized gains and losses from foreign currency translation are included as a separate component of other comprehensive income.

2. FAIR VALUE MEASUREMENT OF INVESTMENTS

Fair value measurements of assets and liabilities may be carried out using:

- Quoted prices in active markets for identical assets (Level 1);
- Significant other observable inputs (Level 2); or
- Significant unobservable inputs (Level 3).

The following investments were measured at fair value on a recurring basis at June 30, 2017:

	Level 1	Level 2	Level 3	Total
Publicly traded debt securities	\$ 2,287,651	\$ -	\$ -	\$ 2,287,651
Certificates of Deposit	-	2,705	-	2,705
Total investments	\$ 2,287,651	\$ 2,705	\$ -	\$ 2,290,356

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3. INVESTMENT INCOME

Investment income consisted of the following for the year ended June 30, 2017:

Interest income	\$	38,866
Net depreciation		(12,102)
Investment fees		(4,529)
	\$	22,235

4. CONTRIBUTIONS RECEIVABLE

Future payments of contributions receivable consisted of the following at June 30, 2017:

<i>Amounts Due In</i>		
One year or less	\$	1,025,000
In one to five years		500,189
	\$	1,525,189

5. CONTRIBUTED SERVICES

A substantial number of unpaid volunteers have made significant contributions of their time to develop the Organization's programs. The value of this contributed time is not reflected in the accompanying financial statements because the services do not require specialized skills. Donated professional services (which include accounting and legal services) would be reflected in the Statement of Activities at their estimated fair value. No such services were donated during the year ended June 30, 2017.

6. PROPERTY AND EQUIPMENT

Property and Equipment consisted of the following at June 30, 2017:

Computer hardware	\$	75,459
Computer software		58,810
Office furniture and equipment		15,394
Leasehold improvements		42,057
Property and equipment		191,720
Less: Accumulated depreciation		(160,196)
Property and equipment, net	\$	31,524

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7. LEASE COMMITMENTS

The Organization leases office space under a non-cancelable operating lease that expires in June 2018. The office space lease is with an unrelated party whereby a portion of the lease is payable in cash and the remainder is an in-kind donation by the landlord. The Organization has recorded a contribution receivable for the donated portion through the term of the lease, which has an estimated fair value of \$25,000 as of June 30, 2017. Rent expense for office space totaled \$50,000 and the donated portion of facilities rent totaled \$25,000 for the year. As of June 30, 2017, future minimum office lease commitments are \$25,000 due in fiscal year 2018.

The Organization leases office equipment under non-cancelable operating leases that expires in December 2017 and April 2021. Lease expense for the lease that expires April 2021 is \$675 per month. The lease that expires in December 2017 has been paid in full.

Future minimum office equipment lease commitments were as follows as of June 30, 2017:

<i>Year Ending June 30,</i>	
2018	\$ 8,100
2019	8,100
2020	8,100
2021	6,075
	\$ 30,375

8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2017 consisted of the following:

Contribution receivable	\$ 1,525,189
Restriction for purpose	1,707,570
Total temporarily restricted net assets	\$ 3,232,759

Net assets released from restrictions consisted of the following for the year ended June 30, 2017:

Contribution receivable	\$ 1,420,150
Restriction for purpose	4,665,097
Total temporarily restricted net assets	\$ 6,085,247

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9. DEFINED CONTRIBUTION RETIREMENT PLAN

The Organization sponsors a 403(b) defined contribution retirement plan (“the Plan”), which covers substantially all employees. Employees may elect to make pre-tax deferrals of their compensation, subject to certain limits. The Plan requires the Organization to make matching contributions up to 4% of a participant’s compensation provided their deferrals equal or exceed 4% of the participant’s compensation. Matching contributions are immediately vested. Matching contributions totaled \$51,981 for the year ended June 30, 2017.

10. SUBSEQUENT EVENTS

Management of the Organization has evaluated subsequent events through March 13, 2018, the date the consolidated financial statements were available to be issued. There were no events or transactions discovered during the evaluation that require recognition of disclosure in the financial statements.