

GLOBAL GREENGRANTS FUND
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

**GLOBAL GREENGRANTS FUND
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YEARS ENDED JUNE 30, 2020 AND 2019**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Global Greengrants Fund
Boulder, Colorado

We have audited the accompanying consolidated financial statements of Global Greengrants Fund (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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.

Auditors' 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 auditors' 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 financial position of Global Greengrants Fund as of June 30, 2020, 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.

Other Matters – Prior Period Financial Statements

The consolidated financial statements of Global Greengrants Fund as of June 30, 2019 were audited by other auditors, whose report dated September 24, 2020 expressed an unmodified opinion on those statements.

Emphasis-of-Matter Regarding Correction of an Error

As described in Note 15 to the financial statements, the Organization has adjusted contributions receivable, net assets without donor restrictions, net assets with donor restrictions, and contribution revenue. These adjustments were recorded during fiscal year 2019 and as of June 30, 2019. Our opinion is not modified with respect to this matter.



CliftonLarsonAllen LLP

Denver, Colorado
September 14, 2021

GLOBAL GREENGRANTS FUND
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

ASSETS	2020	2019
Cash and Cash Equivalents	\$ 6,131,245	\$ 4,885,898
Investments	2,410,673	2,351,389
Contributions Receivable (Restated - Note 15)	2,610,716	3,436,363
Other Receivables	14,106	29,323
Prepaid Expenses	32,173	1,881
Property and Equipment, Net	37,051	45,780
Security Deposits	1,085	1,477
	<u>\$ 11,237,049</u>	<u>\$ 10,752,111</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 14,986	\$ 53,371
Accrued Expenses and Other Liabilities	147,534	81,212
Deferred Revenue	106,653	7,389
Paycheck Protection Program Loan	335,743	-
Grant Payable	43,195	27,362
	<u>\$ 648,111</u>	<u>\$ 169,334</u>
Total Liabilities	<u>\$ 648,111</u>	<u>\$ 169,334</u>
NET ASSETS		
Without Donor Restrictions (Restated - Note 15)	\$ 5,684,338	\$ 5,864,664
With Donor Restrictions (Restated - Note 15)	4,904,600	4,718,113
	<u>10,588,938</u>	<u>10,582,777</u>
Total Net Assets	<u>10,588,938</u>	<u>10,582,777</u>
Total Liabilities and Net Assets	<u>\$ 11,237,049</u>	<u>\$ 10,752,111</u>

GLOBAL GREENGRANTS FUND
CONSOLIDATED STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019

	2020			As Restated 2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT						
Contribution and Grant Revenue (Restated - Note 15)	\$ 6,573,483	\$ 6,190,050	\$ 12,763,533	\$ 6,125,266	\$ 6,688,873	\$12,814,139
Investment Income, Net	82,517	-	82,517	36,506	-	36,506
In-Kind Donations	547	-	547	-	-	-
Other Revenue	24,479	-	24,479	45,064	-	45,064
Net Assets Released From Restrictions	6,003,563	(6,003,563)	-	7,004,111	(7,004,111)	-
Total Revenue, Gains and Other Support	<u>12,684,589</u>	<u>186,487</u>	<u>12,871,076</u>	<u>13,210,947</u>	<u>(315,238)</u>	<u>12,895,709</u>
EXPENSES AND LOSSES						
Program Services	11,227,623	-	11,227,623	10,529,671	-	10,529,671
Management and General	602,175	-	602,175	594,063	-	594,063
Fundraising	1,038,799	-	1,038,799	1,041,941	-	1,041,941
Total Expenses	<u>12,868,597</u>	<u>-</u>	<u>12,868,597</u>	<u>12,165,675</u>	<u>-</u>	<u>12,165,675</u>
Change in Net Assets, Before Foreign Currency Translation Adjustment	(184,008)	186,487	2,479	1,045,272	(315,238)	730,034
Change in Foreign Currency Translation Adjustment	<u>3,682</u>	<u>-</u>	<u>3,682</u>	<u>39,411</u>	<u>-</u>	<u>39,411</u>
CHANGE IN NET ASSETS	(180,326)	186,487	6,161	1,084,683	(315,238)	769,445
Net Assets - Beginning of Year (Restated - Note 15)	<u>5,864,664</u>	<u>4,718,113</u>	<u>10,582,777</u>	<u>4,779,981</u>	<u>5,033,351</u>	<u>9,813,332</u>
NET ASSETS - END OF YEAR	<u>\$ 5,684,338</u>	<u>\$ 4,904,600</u>	<u>\$ 10,588,938</u>	<u>\$ 5,864,664</u>	<u>\$ 4,718,113</u>	<u>\$10,582,777</u>

**GLOBAL GREENGRANTS FUND
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020			
	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Grants	\$ 8,968,695	\$ -	\$ -	\$ 8,968,695
Salaries and Wages	1,067,048	257,938	709,251	2,034,237
Payroll Taxes and Employee Benefits	219,390	74,514	168,543	462,447
Training and Recruitment	6,726	4,733	17,248	28,707
Travel	190,853	62,572	27,455	280,880
Advisory Board Fees	327,607	-	-	327,607
Professional Fees	300,074	137,745	25,298	463,117
Occupancy	28,798	24,449	24,371	77,618
Other	118,432	40,224	66,633	225,289
Total Expenses by Function	\$ 11,227,623	\$ 602,175	\$ 1,038,799	\$ 12,868,597

	2019			
	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Grants	\$ 8,616,911	\$ -	\$ -	\$ 8,616,911
Salaries and Wages	865,695	206,411	634,270	1,706,376
Payroll Taxes and Employee Benefits	203,811	67,754	174,676	446,241
Training and Recruitment	4,045	3,427	5,840	13,312
Travel	213,262	119,488	50,453	383,203
Advisory Board Fees	302,672	-	-	302,672
Professional Fees	151,399	133,827	75,156	360,382
Occupancy	26,666	25,231	27,319	79,216
Other	145,210	37,925	74,227	257,362
Total Expenses by Function	\$ 10,529,671	\$ 594,063	\$ 1,041,941	\$ 12,165,675

GLOBAL GREENGRANTS FUND
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	As Restated 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 6,161	\$ 769,445
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation and Amortization	18,179	19,980
Realized and Unrealized (Gain) Loss on Operating Investments	9,919	(7,180)
Changes in Operating Assets and Liabilities:		
Contributions Receivable	825,647	(909,898)
Other Receivables	15,217	(12,112)
Prepaid Expenses and Other Assets	(29,900)	16,655
Accounts Payable and Accrued Liabilities	27,937	(11,044)
Deferred Revenue	99,264	(438)
Grant Payable	15,833	(2,859)
Net Cash Provided (Used) by Operating Activities	988,257	(137,451)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(3,955,495)	(3,323,971)
Proceeds from Sales of Investments	3,886,292	3,293,185
Purchases of Property and Equipment	(9,450)	(19,703)
Net Cash Used by Investing Activities	(78,653)	(50,489)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program Loan	335,743	-
Net Cash Provided by Financing Activities	335,743	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,245,347	(187,940)
Cash and Cash Equivalents - Beginning of Year	4,885,898	5,073,838
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,131,245	\$ 4,885,898
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Donated Facility Lease	\$ 25,000	\$ 25,000

GLOBAL GREENGRANTS FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Global Greengrants Fund, Inc. was established in 2001 as a Colorado nonprofit corporation. Global Greengrants Fund, Inc. is the sole member of Global Greengrants Fund UK, a charitable private limited company that was established in 2012 in the United Kingdom. The mission of Global Greengrants Fund, Inc. and Global Greengrants Fund UK (collectively, the Organization) 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.

Principles of Consolidation

The consolidated financial statements include the accounts of Global Greengrants Fund, Inc. and its affiliate Global Greengrants Fund UK. All balances and transactions between these entities have been eliminated in the consolidation.

Basis of Presentation

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 (U.S. GAAP) promulgated by the Financial Accounting Standards Board (FASB). ASC 958-205 *Not-for-Profit Entities – Presentation of Financial Statements* requires the Organization to report 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. In addition, the Organization is required to present a statement of cash flows.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The board of directors has designated, from net assets without donor restrictions, net assets for an operating reserve (Note 10).

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Global Greengrants Fund does not have any perpetually restricted net assets. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

GLOBAL GREENGRANTS FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Cash and Cash Equivalents

The Organization considers all highly liquid investments available for current use with an original 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

Contributions receivable are unconditional promises to give made by donors for which funds have not yet been received as of year-end. Unconditional 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 are recorded at net realizable value. As of June 30, 2020, and 2019, the adjustments for present value of expected future cash flows for long-term pledges were not material to the consolidated financial statements, accordingly, no adjustments were made.

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, review of specific outstanding accounts, and analysis of subsequent events. The Organization has determined all contributions receivable are collectible as of June 30, 2020 and 2019.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of the donation. Thereafter, investments are reported at fair value in the consolidated statements of financial position. Net investment appreciation (depreciation) in the fair value of investments, dividends, interest, and capital gains are reported in the consolidated statements of activities as investment income, net of investment expenses.

Property and Equipment

Property and equipment is 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. For furniture, equipment, software, and leasehold improvements the life is between three to five years. The Organization capitalizes purchases of property and equipment with a cost greater than \$500 and a useful life greater than one year.

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.

GLOBAL GREENGRANTS FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Impairment of Long-Lived Assets

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, 2020 or 2019.

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 consolidated statements of financial position.

The Organization also intends to provide financial support to other nonprofit 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.

Contribution and Grant Revenue Recognition

The Organization records unconditional contributions in accordance with the requirements of accounting principles generally accepted in the United States of America for nonprofit entities. The Organization recognizes revenue for contributions (and grants considered to be contributions) based upon the presence or absence of donor-imposed conditions. For those contributions absent of donor-imposed conditions, revenues are recognized at the time the Organization is notified of the contribution and that promise is verified, regardless of the timing of cash receipt. For contributions with donor-imposed conditions – that is, those with a measurable performance or other barrier and a right of return or release – revenues are recognized at the time the conditions are substantially met, regardless of the timing of cash receipt.

Payments received for conditional contributions and grants for which conditions have not been satisfied as of June 30, 2020 and 2019 are recorded as deferred revenue in the consolidated statements of financial position.

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 net assets with donor restrictions.

When a donor restriction expires, that is, when a stipulated time restriction ends, or the purpose of the restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the consolidated statements of activities as Net Assets Released from Restrictions.

GLOBAL GREENGRANTS FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Contribution and Grant Revenue Recognition (Continued)

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 increases in net assets with donor restrictions. Multi-year promises to give are recognized as restricted revenue in the year the written promise is received from the donor.

Donor agreements for donor advised funds convey variance power to the Organization's board of directors, which allows the board of directors to deviate 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 fund agreements as increases in net assets without donor restrictions.

Donated Services and In-Kind Contributions

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 consolidated financial statements because the services do not require specialized skills. Donated professional services (which include accounting and legal services) would be reflected in the consolidated statement of activities at their estimated fair value. No such services were donated during the years ended June 30, 2020 or 2019. Contributed goods are recorded at fair value at the date of donation. No such goods were received for the years ended June 30, 2020 or 2019.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of functional expenses. Program activities are those that are conducted in accordance with the Organization's nature of operations and certain necessary costs. Management and general activities are those that are not identifiable with a single program or fundraising activity, but that are indispensable to the conduct of those activities and to the Organization's existence. Fundraising activities involve inducing potential donors to contribute money, securities, services, materials, facilities, other assets, or time to the Organization. Salaries, benefits, and payroll tax expense is allocated to programs, management, and general activities, and fundraising based on time recorded and classified by employees. All other expense is allocated to activities based on direct costs to those activities.

GLOBAL GREENGRANTS FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

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 shown included as a component of changes in net assets before foreign currency translation adjustments in the consolidated statement of activities. Unrealized gains and losses from foreign currency translation are included in the change in foreign currency translation adjustment in the consolidated statement of activities.

Financial Instruments and Credit Risk

The Organization places its cash in temporary bank accounts with financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) and considered by management to be insured high-quality and creditworthy. The Organization had approximately \$4,684,000 and \$3,730,000 in excess of federally insured limits as of June 30, 2020 and 2019, respectively.

The Organization also has several foreign currency accounts at a financial institution not covered by FDIC insurance. At June 30, 2020 and 2019, the amount in these accounts was approximately \$1,358,000 and \$590,000, respectively.

The Organization has not experienced any losses in any of these accounts.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization has been classified by the IRS 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 income. There was no income from business unrelated to the Organization's exempt purpose during the years ended June 30, 2020 and 2019. Since it has no income from business unrelated to its exempt purpose, no liability for federal income taxes has been recorded.

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 consolidated 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, 2017.

GLOBAL GREENGRANTS FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassification had no impact on previously reported net assets.

Recently Adopted Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued *Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers* (Topic 606). Subsequent to May 2014, the FASB issued six ASU's to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity of revenue recognition and provide sufficient information to enable financial statement users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The consolidated financial statements reflect the application of ASC 606 guidance beginning in July 1, 2019 under the modified retrospective approach. No cumulative-effect adjustment in net assets was recorded as the adoption of ASU 2014-09 did not significantly impact the Organization's reported historical revenue.

The Organization has adopted the accounting guidance in Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU was issued to clarify accounting guidance for contributions received and contributions made. The amendments to this ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as an exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The consolidated financial statements reflect the application of ASU 2018-08 beginning July 1, 2019 using the prospective approach. The adoption of this ASU did not result in an impact on the Organization's reported historical revenue.

**GLOBAL GREENGRANTS FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

**NOTE 1 NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Recently Issued Accounting Pronouncements

In February of 2016, the FASB issued ASU 2016-02, Topic 842, *Leases*. The purpose of this ASU is to establish the principle to report transparent and economically neutral information about the assets and liabilities that arise from leases. The new guidance is effective for the Organization for fiscal year ended June 30, 2023. Management is currently evaluating the impact of adoption of this standard on its consolidated financial statements.

NOTE 2 AVAILABILITY OF RESOURCES AND LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 6,131,245	\$ 4,885,898
Investments	2,410,673	2,351,389
Contributions Receivable	2,610,716	3,436,363
Other Receivables	14,106	29,323
Subtotal	<u>11,166,740</u>	<u>10,702,973</u>
Less:		
Donor Restricted Net Assets	<u>(4,904,600)</u>	<u>(4,718,113)</u>
Financial Assets Available to Meet General Expenditures Over the Next Year	<u>\$ 6,262,140</u>	<u>\$ 5,984,860</u>

The Organization's goal is generally to maintain financial assets to meet 180 days of operating expenses. The Organization maintains adequate cash reserves to meet this requirement.

GLOBAL GREENGRANTS FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 3 FAIR VALUE MEASUREMENT OF INVESTMENTS

Certain assets are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets that the Organization can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 - Unobservable inputs for the asset. In these situations, the Organization develops inputs using the best information available in the circumstances.

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

	2020				
	Total	Fair Value Measurements Using:			Investments Measured at NAV
Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
ASSETS					
Investments:					
Certificates of Deposit	\$ 1,373,366	\$ -	\$ 1,373,366	\$ -	\$ -
U.S. Government Agency Securities	606,531	-	606,531	-	-
U.S. Treasury Bills	430,776	430,776	-	-	-
Total	<u>\$ 2,410,673</u>	<u>\$ 430,776</u>	<u>\$ 1,979,897</u>	<u>\$ -</u>	<u>\$ -</u>

GLOBAL GREENGRANTS FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 3 FAIR VALUE OF MEASUREMENT OF INVESTMENTS (CONTINUED)

	2019				
	Fair Value Measurements at Report Date Using				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV
ASSETS					
Investments:					
Certificates of Deposit	\$ 1,674,846	\$ -	\$ 1,674,846	\$ -	\$ -
Corporate Bonds	132,823	-	132,823	-	-
U.S. Government Agency Securities	440,733	-	440,733	-	-
Money Market Funds	102,987	102,987	-	-	-
Total	<u>\$ 2,351,389</u>	<u>\$ 102,987</u>	<u>\$ 2,248,402</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 4 INVESTMENT INCOME

Net investment income consisted of the following for the year ended June 30:

	2020	2019
Interest Income	\$ 97,199	\$ 33,976
Net Realized and Unrealized Gain (Loss)	(9,919)	7,180
Investment Fees	<u>(4,763)</u>	<u>(4,650)</u>
Total Investment Income, Net	<u>\$ 82,517</u>	<u>\$ 36,506</u>

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of unconditional promises to give. Future payments of contributions receivable are expected to be collected as follows for the years ended June 30:

Year Ending June 30,	UK	U.S.	Total
2021	\$ 551,580	\$ 1,809,136	\$ 2,360,716
2022	-	250,000	250,000
2023	-	-	-
Total Contributions Receivable	<u>\$ 551,580</u>	<u>\$ 2,059,136</u>	<u>\$ 2,610,716</u>

GLOBAL GREENGRANTS FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 6 PROPERTY AND EQUIPMENT

The following is a summary of property and equipment recorded at cost, less accumulated depreciation as of June 30:

	<u>2020</u>	<u>2019</u>
Computer Hardware	\$ 69,394	\$ 76,038
Computer Software	73,996	73,995
Office Furniture and Equipment	10,370	10,370
Leasehold Improvement	<u>42,057</u>	<u>42,057</u>
Property and Equipment	195,817	202,460
Less: Accumulated Depreciation	<u>(158,766)</u>	<u>(156,680)</u>
Property and Equipment, Net	<u>\$ 37,051</u>	<u>\$ 45,780</u>

Depreciation expense for the years ended June 30, 2020 and 2019 was \$18,179 and \$19,980, respectively.

NOTE 7 LEASE COMMITMENTS

The Organization leases office space under a noncancelable operating lease that expires in June of 2021. 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. Rent expense for office space totaled approximately \$50,000 and the donated portion of facilities rent totaled \$25,000 for the years ended June 30, 2020 and 2019.

Future minimum lease commitments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 25,740

NOTE 8 FIRST DRAW PAYCHECK PROTECTION PROGRAM LOAN

On May 29, 2020 the Organization received a loan from a financial institution in the amount of \$335,743 to fund payroll, rent, and utilities through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over 24 months and payments were deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Organization fails to apply for forgiveness within 16 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program (Note 14). The covered period from May 29, 2020 to November 13, 2020 is the time that a business has to spend their PPP loan funds. The Organization has classified the loan as current.

GLOBAL GREENGRANTS FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Subject to Expenditure for Specific Purpose:		
Specific Programs and Regions	\$ 2,293,884	\$ 1,281,750
Subject to Expenditure for Specific Purpose:		
For Periods after June 30	<u>2,610,716</u>	<u>3,436,363</u>
Total Net Assets With Donor Restrictions	<u>\$ 4,904,600</u>	<u>\$ 4,718,113</u>

Net assets released from restrictions consisted of the following for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Purpose Restrictions Accomplished:		
Specific Programs and Regions	\$ 4,617,943	\$ 4,965,280
Time Restrictions Expired:		
Passage of Specified Time	<u>1,385,620</u>	<u>2,038,831</u>
Total Restrictions Released	<u>\$ 6,003,563</u>	<u>\$ 7,004,111</u>

NOTE 10 BOARD DESIGNATED NET ASSETS

In 2014, the Organization established a Board Designated Operating Reserve (the Fund). The purpose of the Fund is to support the continuity of the Organization's core operations during periods of unexpected operating losses or other financial stress. Utilization of the Reserve Fund is to be made subject to the approval of the board of directors, with the intention that it be used only in extraordinary circumstances to support the fixed operating expenses of the Organization, but not grant-making. The target size of the Fund established in 2014 was \$750,000. The board designated fund totaled the following as of June 30:

	<u>2020</u>	<u>2019</u>
Designated Operating Reserve	<u>\$ 750,000</u>	<u>\$ 750,000</u>

In 2019 the board of directors approved an amendment to the Fund to achieve and maintain operating reserve sufficient to finance four months of the Organizations U.S. operations, excluding grants, under which the size of the Fund shall be established annually as part of the Organization's U.S. budgeting process by averaging the operating expenses, excluding grants, over each of the prior three years and dividing the resulting number by three. However, the Organization did not allocate additional resources to the Fund during the years ended June 30, 2020 and 2019.

GLOBAL GREENGRANTS FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 11 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 of 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 \$63,499 and \$58,954 for the years ended June 30, 2020 and 2019, respectively.

NOTE 12 SIGNIFICANT CONCENTRATIONS

Credit risk, with respect to receivables, is considered low due to past experience and the reputations of major contributors. As of June 30, 2020 and 2019, approximately 50% and 55%, respectively, of the total contributions receivable balance was outstanding from four donors. During the years ended June 30, 2020 and 2019, one donor comprised 11% and 24%, respectively, of contributions and grant revenue.

NOTE 13 RISKS AND UNCERTAINTIES – GLOBAL PANDEMIC

The COVID-19 global pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to Global Greengrants Fund, COVID-19 may impact various parts of its fiscal year 2021 operations and financial results, including potential reductions to grants and contracts and impacts on travel. Management believes Global Greengrants Fund is taking appropriate actions to mitigate any potential negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

NOTE 14 SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 14, 2021, the date the financial statements were available to be issued.

Forgiveness of First Draw PPP Loan

On May 29, 2020, the Organization executed its First Draw PPP loan of \$335,743 as authorized by the CARES Act that was signed into law on March 27, 2020 (Note 8). On May 26, 2021, the SBA processed the Organization's First Draw PPP Loan forgiveness application and notified Global Greengrants Fund's lender that Global Greengrants Fund's PPP Loan qualified for full forgiveness. Loan proceeds were received by the lender from the SBA on this date. Therefore, Global Greengrants Fund was legally released from the debt related to its first draw PPP Loan.

**GLOBAL GREENGRANTS FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 14 SUBSEQUENT EVENTS (CONTINUED)

Second Draw PPP Loan

On March 23, 2021, the Organization executed a loan of \$377,150 under the Paycheck Protection Program (PPP) authorized by the Consolidated Appropriations Act, 2021 that was signed into law on December 27, 2020. The PPP loan begins accruing interest at a rate of 1.00% on the effective date and is unsecured and guaranteed by the U.S. Small Business Administration (SBA). Ten months after the end of the 24-week loan forgiveness covered period principal payments are due through the maturity of the loan. The loan matures on March 23, 2026. The PPP loan funds are eligible for forgiveness to the extent that they are used to cover payroll costs, other eligible expenses and if Global Greengrants Fund maintains employee and compensation levels in the same manner required for the First Draw PPP Loan.

Renewal of Office Lease Agreement

On May 17, 2021, the Organization signed a 24-month lease agreement for office space in Boulder with a commencement date of July 1, 2021. Payments of approximately \$2,100 are due on a monthly basis throughout the term of the agreement.

Fiscal Sponsorship Agreement

On August 13, 2020, the Organization entered into a fiscal sponsorship and collaboration agreement with the Agroecology Fund (the Fund). The Organization will receive contributions for and administer the Fund in collaboration with Fund directors.

NOTE 15 RESTATEMENT

The Organization has restated its 2019 activity and its net assets as of June 30, 2019 for two categories of transactions. The financial statements have been adjusted to account for the changes as follows:

Contribution Revenue

The activity for several multi-payment unconditional contributions received in 2019 by Global Greengrants UK were recorded as payments were received. Contribution revenue was increased for the amounts that were not recognized in 2019, and contributions receivable, and net assets with donor restrictions were increased for the amounts not recognized nor received as of June 30, 2019. These amounts were corrected as shown in the table below.

GLOBAL GREENGRANTS FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 15 RESTATEMENT (CONTINUED)

Donor Restricted Net Assets

A donor restricted contribution was improperly included in net assets without donor restrictions balance as opposed to the net assets with donor restrictions balance as of June 30, 2019. These amounts were corrected as shown in the table below.

Statement of Financial Position, June 30, 2019			
	As Originally Stated	As Restated	Effect of Change
Contributions Receivable	2,829,943	3,436,363	606,420
Net Assets Without Donor Restrictions	5,989,664	5,864,664	(125,000)
Net Assets With Donor Restrictions	3,986,693	4,718,113	731,420
Total Net Assets	9,976,357	10,582,777	606,420

Statement of Activities, 2019			
	As Originally Stated	As Restated	Effect of Change
Contribution and Grant Revenue - Without Donor Restrictions	6,250,266	6,125,266	(125,000)
Contribution and Grant Revenue - With Donor Restrictions	5,957,453	6,688,873	731,420
Total Contribution and Grant Revenue	12,207,719	12,814,139	606,420
Change in Net Assets - Without Donor Restrictions	1,170,272	1,045,272	(125,000)
Change in Net Assets - With Donor Restrictions	(1,046,658)	(315,238)	731,420
Total Change in Net Assets	123,614	730,034	606,420