

**GLOBAL GREENGRANTS FUND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**



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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 statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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.

Board of Directors  
Global Greengrants Fund

***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, 2021 and 2020, 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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Denver, Colorado  
May 12, 2022

**GLOBAL GREENGRANTS FUND**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

|  | 2021          | 2020          |
|--|---------------|---------------|
| <b>ASSETS</b>                          |               |               |
| Cash and Cash Equivalents              | \$ 9,443,504  | \$ 6,131,245  |
| Investments                            | 2,135,283     | 2,410,673     |
| Contributions Receivable               | 7,115,585     | 2,610,716     |
| Other Receivables                      | 25,612        | 14,106        |
| Prepaid Expenses                       | 25,658        | 32,173        |
| Property and Equipment, Net            | 40,479        | 37,051        |
| Security Deposits                      | 1,085         | 1,085         |
|  | \$ 18,787,206 | \$ 11,237,049 |
| <b>LIABILITIES AND NET ASSETS</b>      |               |               |
| <b>LIABILITIES</b>                     |               |               |
| Accounts Payable                       | \$ 76,683     | \$ 14,986     |
| Accrued Expenses and Other Liabilities | 121,566       | 147,534       |
| Deferred Revenue                       | 131,356       | 106,653       |
| Paycheck Protection Program Loan       | 377,150       | 335,743       |
| Grants Payable                         | 81,380        | 43,195        |
|  | 788,135       | 648,111       |
| <b>NET ASSETS</b>                      |               |               |
| Without Donor Restrictions             | 7,024,856     | 5,684,338     |
| With Donor Restrictions                | 10,974,215    | 4,904,600     |
|  | 17,999,071    | 10,588,938    |
| Total Net Assets                       | 17,999,071    | 10,588,938    |
| Total Liabilities and Net Assets       | \$ 18,787,206 | \$ 11,237,049 |

**GLOBAL GREENGRANTS FUND**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

|   | 2021                          |                            |                      | 2020                          |                            |                      |
|---|-------------------------------|----------------------------|----------------------|-------------------------------|----------------------------|----------------------|
|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
| <b>REVENUES, GAINS, AND OTHER SUPPORT</b>                               |                               |                            |                      |                               |                            |                      |
| Contribution and Grant Revenue  | \$ 4,959,482                  | \$ 14,775,731              | \$ 19,735,213        | \$ 6,574,030                  | \$ 6,190,050               | \$ 12,764,080        |
| Investment Income, Net  | 13,853                        | -                          | 13,853               | 82,517                        | -                          | 82,517               |
| In-Kind Donations   | -                             | 59,455                     | 59,455               | -                             | -                          | -                    |
| Program Service Fees  | 3,250                         | -                          | 3,250                | -                             | -                          | -                    |
| Paycheck Protection Program Loan Forgiveness                            | 335,743                       | -                          | 335,743              | -                             | -                          | -                    |
| Other Revenue   | 16,382                        | -                          | 16,382               | 24,479                        | -                          | 24,479               |
| Net Assets Released From Restrictions                                   | 8,765,571                     | (8,765,571)                | -                    | 6,003,563                     | (6,003,563)                | -                    |
| Total Revenue, Gains and Other Support                                  | <u>14,094,281</u>             | <u>6,069,615</u>           | <u>20,163,896</u>    | <u>12,684,589</u>             | <u>186,487</u>             | <u>12,871,076</u>    |
| <b>EXPENSES AND LOSSES</b>  |                               |                            |                      |                               |                            |                      |
| Program Services  | 11,251,024                    | -                          | 11,251,024           | 11,227,623                    | -                          | 11,227,623           |
| Management and General  | 511,438                       | -                          | 511,438              | 602,175                       | -                          | 602,175              |
| Fundraising   | 1,056,578                     | -                          | 1,056,578            | 1,038,799                     | -                          | 1,038,799            |
| Total Expenses  | <u>12,819,040</u>             | <u>-</u>                   | <u>12,819,040</u>    | <u>12,868,597</u>             | <u>-</u>                   | <u>12,868,597</u>    |
| Change in Net Assets, Before Foreign<br>Currency Translation Adjustment | 1,275,241                     | 6,069,615                  | 7,344,856            | (184,008)                     | 186,487                    | 2,479                |
| Change in Foreign Currency Translation Adjustment                       | <u>65,277</u>                 | <u>-</u>                   | <u>65,277</u>        | <u>3,682</u>                  | <u>-</u>                   | <u>3,682</u>         |
| <b>CHANGE IN NET ASSETS</b>   | 1,340,518                     | 6,069,615                  | 7,410,133            | (180,326)                     | 186,487                    | 6,161                |
| Net Assets - Beginning 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>    |
| <b>NET ASSETS - END OF YEAR</b>   | <u>\$ 7,024,856</u>           | <u>\$ 10,974,215</u>       | <u>\$ 17,999,071</u> | <u>\$ 5,684,338</u>           | <u>\$ 4,904,600</u>        | <u>\$ 10,588,938</u> |

**GLOBAL GREENGRANTS FUND  
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED JUNE 30, 2021 AND 2020**

|                                     | 2021                 |                           |                     |                      |
|-------------------------------------|----------------------|---------------------------|---------------------|----------------------|
|                                     | Program<br>Services  | Supporting Services       |                     | Total                |
|                                     |                      | Management<br>and General | Fundraising         |                      |
| Grants                              | \$ 9,038,461         | \$ -                      | \$ -                | \$ 9,038,461         |
| Salaries and Wages                  | 1,180,673            | 256,302                   | 712,531             | 2,149,506            |
| Payroll Taxes and Employee Benefits | 260,854              | 96,595                    | 189,004             | 546,453              |
| Training and Recruitment            | 5,200                | 1,995                     | 10,537              | 17,732               |
| Travel                              | 17,546               | 3,443                     | 1,560               | 22,549               |
| Advisory Board Fees                 | 266,700              | -                         | -                   | 266,700              |
| Professional Fees                   | 336,749              | 96,956                    | 61,695              | 495,400              |
| Occupancy                           | 25,085               | 17,961                    | 22,414              | 65,460               |
| Other                               | 119,756              | 38,186                    | 58,837              | 216,779              |
| <b>Total Expenses by Function</b>   | <b>\$ 11,251,024</b> | <b>\$ 511,438</b>         | <b>\$ 1,056,578</b> | <b>\$ 12,819,040</b> |

  

|                                     | 2020                 |                           |                     |                      |
|-------------------------------------|----------------------|---------------------------|---------------------|----------------------|
|                                     | Program<br>Services  | Supporting Services       |                     | Total                |
|                                     |                      | Management<br>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              |
| <b>Total Expenses by Function</b>   | <b>\$ 11,227,623</b> | <b>\$ 602,175</b>         | <b>\$ 1,038,799</b> | <b>\$ 12,868,597</b> |

**GLOBAL GREENGRANTS FUND  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2021 AND 2020**

|  | 2021         | 2020         |
|--|--------------|--------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |              |              |
| Change in Net Assets   | \$ 7,410,133 | \$ 6,161     |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities: |              |              |
| Depreciation and Amortization  | 16,011       | 18,179       |
| Realized and Unrealized Loss on Operating Investments  | 22,429       | 9,919        |
| Gain on Paycheck Protection Program Loan Forgiveness   | (335,743)    | -            |
| Changes in Operating Assets and Liabilities:   |              |              |
| Contributions Receivable   | (4,504,869)  | 825,647      |
| Other Receivables  | (11,506)     | 15,217       |
| Prepaid Expenses and Other Assets  | 6,515        | (29,900)     |
| Accounts Payable and Accrued Liabilities   | 35,729       | 27,937       |
| Deferred Revenue   | 24,703       | 99,264       |
| Grant Payable  | 38,185       | 15,833       |
| Net Cash Provided by Operating Activities  | 2,701,587    | 988,257      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |              |              |
| Purchases of Investments   | (3,979,305)  | (3,955,495)  |
| Proceeds from Sales of Investments   | 4,232,266    | 3,886,292    |
| Purchases of Property and Equipment  | (19,439)     | (9,450)      |
| Net Cash Provided (Used) by Investing Activities   | 233,522      | (78,653)     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |              |              |
| Proceeds from Paycheck Protection Program Loan   | 377,150      | 335,743      |
| Net Cash Provided by Financing Activities  | 377,150      | 335,743      |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>   | 3,312,259    | 1,245,347    |
| Cash and Cash Equivalents - Beginning of Year  | 6,131,245    | 4,885,898    |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>   | \$ 9,443,504 | \$ 6,131,245 |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>  |              |              |
| Donated Facility Lease   | \$ 59,455    | \$ -         |



**GLOBAL GREENGRANTS FUND  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**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 consolidated 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, 2021 AND 2020**

**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, 2021, and 2020, 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, 2021 and 2020.

**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 3 to 5 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, 2021 AND 2020**

**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, 2021 or 2020.

**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, 2021 and 2020 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, 2021 AND 2020**

**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, 2021 or 2020. Contributed goods are recorded at fair value at the date of donation.

**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, 2021 AND 2020**

**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 \$7,207,000 and \$4,684,000 in excess of federally insured limits as of June 30, 2021 and 2020, respectively.

The Organization also has several foreign currency accounts at a financial institution not covered by FDIC insurance. At June 30, 2021 and 2020, the amount in these accounts was approximately \$1,011,000 and \$1,358,000, 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, 2021 and 2020. 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.

**GLOBAL GREENGRANTS FUND  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**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 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:

|   | 2021         | 2020         |
|---|--------------|--------------|
| Cash and Cash Equivalents   | \$ 9,443,504 | \$ 6,131,245 |
| Investments   | 2,135,283    | 2,410,673    |
| Contributions Receivable  | 7,115,585    | 2,610,716    |
| Other Receivables   | 25,612       | 14,106       |
| Subtotal  | 18,719,984   | 11,166,740   |
| Less:   |              |              |
| Donor Restricted Net Assets   | (10,974,215) | (4,904,600)  |
| Financial Assets Available to Meet General<br>Expenditures Over the Next Year | \$ 7,745,769 | \$ 6,262,140 |

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, 2021 AND 2020**

**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:

|                         | 2021                |  |   |   | Investments Measured at NAV |
|-------------------------|---------------------|--|---|---|-----------------------------|
|                         | Total               | Fair Value Measurements Using:                                 |   |   |                             |
| ASSETS                  |                     | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |                             |
| Investments:            |                     |  |   |   |                             |
| Certificates of Deposit | \$ 984,281          | \$ -   | \$ 984,281                                    | \$ -                                      | \$ -                        |
| Tax-Exempt Bonds        | 105,158             | -  | 105,158                                       | -   | -                           |
| Corporate Bonds         | 357,146             | -  | 357,146                                       | -   | -                           |
| U.S. Treasury Bills     | 688,698             | 688,698  | -   | -   | -                           |
| Total                   | <u>\$ 2,135,283</u> | <u>\$ 688,698</u>  | <u>\$ 1,446,585</u>                           | <u>\$ -</u>                               | <u>\$ -</u>                 |

**GLOBAL GREENGRANTS FUND**  
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**NOTE 3 FAIR VALUE OF MEASUREMENT OF INVESTMENTS (CONTINUED)**

|                                      | 2020   |   |   |  |                                   |
|--------------------------------------|--|---|---|--|-----------------------------------|
|                                      | Fair Value Measurements at Report Date Using |   |   |  |                                   |
|                                      | Total  | Quoted<br>Prices in<br>Active Markets<br>for Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Investments<br>Measured at<br>NAV |
| <b>ASSETS</b>                        |  |   |   |  |                                   |
| Investments:                         |  |   |   |  |                                   |
| Certificates of Deposit              | \$ 1,373,366                                 | \$ -  | \$ 1,373,366  | \$ -   | \$ -                              |
| U.S. Government Agency<br>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>                       |

**NOTE 4 INVESTMENT INCOME**

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

|                                  | 2021             | 2020             |
|----------------------------------|------------------|------------------|
| Interest Income                  | \$ 41,101        | \$ 97,199        |
| Net Realized and Unrealized Loss | (22,429)         | (9,919)          |
| Investment Fees                  | (4,819)          | (4,763)          |
| Total Investment Income, Net     | <u>\$ 13,853</u> | <u>\$ 82,517</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               |
|--------------------------------|-------------------|---------------------|---------------------|
| 2022                           | \$ 608,930        | \$ 2,576,470        | \$ 3,185,400        |
| 2023                           | 205,344           | 1,709,841           | 1,915,185           |
| 2024                           | -                 | 1,380,000           | 1,380,000           |
| 2025                           | -                 | 355,000             | 355,000             |
| 2026                           | -                 | 280,000             | 280,000             |
| Total Contributions Receivable | <u>\$ 814,274</u> | <u>\$ 6,301,311</u> | <u>\$ 7,115,585</u> |



**GLOBAL GREENGRANTS FUND**  
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**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>2021</u>      | <u>2020</u>      |
|--------------------------------|------------------|------------------|
| Computer Hardware              | \$ 88,834        | \$ 69,394        |
| Computer Software              | 73,995           | 73,996           |
| Office Furniture and Equipment | 10,370           | 10,370           |
| Leasehold Improvement          | <u>42,057</u>    | <u>42,057</u>    |
| Property and Equipment         | 215,256          | 195,817          |
| Less: Accumulated Depreciation | <u>(174,777)</u> | <u>(158,766)</u> |
| Property and Equipment, Net    | <u>\$ 40,479</u> | <u>\$ 37,051</u> |

Depreciation expense for the years ended June 30, 2021 and 2020 was \$16,011 and \$18,179, respectively.

**NOTE 7 LEASE COMMITMENTS**

The Organization leases office space under a noncancelable operating lease that expired 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, 2021 and 2020. The Organization renewed the lease for office space in May 2021, to begin on July 1, 2021 for a two-year period. 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.

Future minimum lease commitments are as follows:

| <u>Year Ending June 30,</u>            | <u>Amount</u>    |
|--|------------------|
| 2022                                   | \$ 24,526        |
| 2023                                   | <u>25,212</u>    |
| Total Future Minimum Lease Commitments | <u>\$ 49,738</u> |

**GLOBAL GREENGRANTS FUND  
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**NOTE 8 PAYCHECK PROTECTION PROGRAM (PPP) LOAN**

**First Draw PPP Loan**

In fiscal year 2020, the Organization received a loan in the amount of \$335,743 to fund payroll, rent and utilities through the federal Paycheck Protection Program. This loan had stipulations that allowed the amounts owed to be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program administered by the U.S. Small Business Administration. The loan originated on May 29, 2020, at a 1% fixed interest rate. On May 26, 2021, the Organization was notified that the SBA approved full forgiveness for the entire amount of its PPP Loan. Accordingly, the Organization recognized \$335,743 of Paycheck Protection Program Loan Forgiveness revenue related to this agreement during the year ended June 30, 2021, which represents the entire amount of the PPP loan as management believes that all the related performance barriers have been met.

**Second Draw PPP Loan**

The Organization received a second loan in the amount of \$377,150 to fund payroll, rent and utilities through the federal Paycheck Protection Program. This loan may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program administered by the U.S. Small Business Administration. The loan originated on March 25, 2021, at a 1% fixed interest rate. If terms for complete forgiveness are not met, payments are deferred for the first 12 months and then 48 monthly payments are required until paid in full on March 25, 2026. The amount outstanding of the loan as of June 30, 2021 was \$377,150. See Note 14 for additional information regarding forgiveness.

**NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS**

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

|   | <u>2021</u>          | <u>2020</u>         |
|---|----------------------|---------------------|
| Subject to Expenditure for Specific Purpose:<br>Specific Programs and Regions | \$ 3,860,996         | \$ 2,293,884        |
| Subject to Expenditure for Specific Purpose:<br>For Periods after June 30     | <u>7,113,219</u>     | <u>2,610,716</u>    |
| Total Net Assets With Donor Restrictions                                      | <u>\$ 10,974,215</u> | <u>\$ 4,904,600</u> |

**GLOBAL GREENGRANTS FUND**  
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**NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

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

|                                    | <u>2021</u>         | <u>2020</u>         |
|------------------------------------|---------------------|---------------------|
| Purpose Restrictions Accomplished: |                     |                     |
| Specific Programs and Regions      | \$ 5,542,902        | \$ 4,617,943        |
| Time Restrictions Expired:         |                     |                     |
| Passage of Specified Time          | <u>3,222,669</u>    | <u>1,385,620</u>    |
| Total Restrictions Released        | <u>\$ 8,765,571</u> | <u>\$ 6,003,563</u> |

**NOTE 10 BOARD-DESIGNATED NET ASSETS**

In 2014, the Organization established a Board-Designated Operating Reserve (the Reserve 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>2021</u>       | <u>2020</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 Organization's 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, 2021 and 2020.

**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 \$71,076 and \$63,499 for the years ended June 30, 2021 and 2020, respectively.

**GLOBAL GREENGRANTS FUND  
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**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, 2021 and 2020, approximately 66% and 50%, respectively, of the total contributions receivable balance was outstanding from one and four donors, respectively. During the years ended June 30, 2021 and 2020, one donor comprised 23% and 11%, 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 2022 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 May 12, 2022, the date the financial statements were available to be issued.

**Major Contributions**

On October 11, 2021, the Organization received a \$10 million transformation gift from a foundation to be used to carry out the mission of the Organization. In addition, the Organization also received a \$3.6 million gift from a different foundation on December 3, 2021.

**Second Draw PPP Loan Forgiveness**

On April 18, 2022, the SBA processed the Organization's PPP Loan forgiveness application and notified POW's lender that Organization's PPP Loan qualified for full forgiveness, a total of \$377,150. Loan proceeds were received by the bank from the SBA on this date. Therefore, the Organization was legally released from the debt related to its PPP Loan.

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