

GREEN EMPOWERMENT

Financial Statements
For the Year Ended December 31, 2021
(With Comparative Totals For the Year Ended December 31, 2020)

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DOUGALL CONRADIE LLC
CERTIFIED PUBLIC ACCOUNTANTS

Geoffrey Dougall, CPA
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Independent Auditor's Report

**To the Board of Directors
Green Empowerment
Portland, Oregon**

Opinion

We have audited the accompanying financial statements of Green Empowerment (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Green Empowerment as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Green Empowerment and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Green Empowerment's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Green Empowerment's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Green Empowerment's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Green Empowerment's 2020 financial statements, and we expressed an unqualified opinion on those financial statements in our report dated May 3, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Dougall Corradie LLC

Portland, Oregon
May 19, 2022

GREEN EMPOWERMENT

STATEMENT OF FINANCIAL POSITION

December 31, 2021

(With Comparative Totals for December 31, 2020)

	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 438,045	\$ 379,743
Investments	626,114	594,641
Grants and contributions receivable	65,095	177,331
Prepaid expenses	7,806	6,052
Total assets	\$ 1,137,060	\$ 1,157,767
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 4,088	\$ 5,546
Accrued vacation	6,257	13,289
Grants payable	398,052	394,944
Deferred revenue	48,101	136,036
Total current liabilities	456,498	549,815
Long-term liabilities:		
Notes payable	-	-
Total liabilities	456,498	549,815
Net assets:		
Without restrictions		
Designated by the Board of Directors	300,000	300,000
Undesignated	24,789	(56,177)
Total net assets without restrictions	324,789	243,823
Net assets with restrictions	355,773	364,129
Total net assets	680,562	607,952
Total liabilities and net assets	\$ 1,137,060	\$ 1,157,767

The accompanying notes are an integral part of these financial statements

GREEN EMPOWERMENT

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2021
(With Comparative Totals for December 31, 2020)

	2021			2020 Total
	Without Restrictions	With Restrictions	Total	
Revenues:				
Grants and contributions	\$ 654,031	\$ 811,694	\$ 1,465,725	\$ 1,587,589
Program revenues	105,658	-	105,658	15,274
In-kind contributions	82,860	-	82,860	104,090
Investment and interest income	2,633	36,685	39,318	34,590
Other income	474	-	474	6,827
Total revenues	845,656	848,379	1,694,035	1,748,370
Net assets released from restriction	856,735	(856,735)	-	-
Total revenues	1,702,391	(8,356)	1,694,035	1,748,370
Expenses:				
Program services	1,432,915	-	1,432,915	1,503,154
Management and general	136,169	-	136,169	70,024
Fundraising	52,341	-	52,341	74,118
Total expenses	1,621,425	-	1,621,425	1,647,296
Change in net assets	80,966	(8,356)	72,610	101,074
Net assets, beginning of year	243,823	364,129	607,952	506,878
Net assets, end of year	<u>\$ 324,789</u>	<u>\$ 355,773</u>	<u>\$ 680,562</u>	<u>\$ 607,952</u>

The accompanying notes are an integral part of these financial statements

GREEN EMPOWERMENT

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021
(With Comparative Totals for December 31, 2020)

	2021			Total	2020 Total
	Program Services	Management and General	Fundraising		
Payroll expenses	\$ 403,220	\$ 73,213	\$ 26,457	\$ 502,890	\$ 414,379
Grants and related expenses	575,700	-	-	575,700	832,438
Program travel and expenses	264,369	-	-	264,369	27,452
Donated materials and services	80,520	2,340	-	82,860	104,090
Professional services	48,185	36,317	15,856	100,358	192,453
Education and training	690	2,348	69	3,107	-
Communication	4,642	705	271	5,618	6,161
Event expense	13,076	399	-	13,475	3,248
Bank charges	4,352	3,962	2,332	10,646	15,095
Occupancy	14,419	2,472	949	17,840	17,280
Office expense	386	4,857	1,781	7,024	1,124
Insurance	-	5,242	-	5,242	7,347
Postage	513	92	171	776	321
Travel	14,194	-	146	14,340	11,803
Information technology	5,946	3,204	340	9,490	3,027
Printing and publications	2,448	363	3,952	6,763	10,312
License fees	255	655	17	927	766
	<u>\$1,432,915</u>	<u>\$ 136,169</u>	<u>\$ 52,341</u>	<u>\$1,621,425</u>	<u>\$1,647,296</u>

The accompanying notes are an integral part of these financial statements

GREEN EMPOWERMENT

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2021
(With Comparative Totals for December 31, 2020)

	2021	2020
Increase (Decrease) in Cash and Cash Equivalents		
Change in net assets	\$ 72,610	\$ 101,074
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Net loss (gain) on investments and expenses	(36,565)	(32,276)
Forgiveness of note payable	-	(73,397)
Change in assets and liabilities:		
Grants and contribution receivable	112,236	(135,922)
Prepaid expenses	(1,754)	3,261
Accounts payable	(1,458)	(9,741)
Accrued vacation	(7,032)	2,480
Grants payable	3,108	394,944
Deferred revenue	(87,935)	125,536
Net cash provided by operating activities	53,210	375,959
Cash flows from investing activities:		
Purchase of investments	(6,018)	(515,102)
Distribution from investments	11,110	257,000
Net cash provided by (used in) investing activities	5,092	(258,102)
Cash flows from financing activities:		
Advance from note payable	-	73,397
Principal payment on note payable	-	(25,544)
Net cash provided by financing activities	-	47,853
Net change in cash and cash equivalents	58,302	165,710
Cash and cash equivalents, beginning of year	379,743	214,033
Cash and cash equivalents, end of year	\$ 438,045	\$ 379,743
Summary of non-cash financing activities:		
Forgiveness of note payable	\$ -	\$ 73,397

The accompanying notes are an integral part of these financial statements

GREEN EMPOWERMENT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

NOTE A – ORGANIZATION

Green Empowerment (“the Organization”) is a nonprofit corporation organized in 1997 which provides developing world access to clean water, electricity through renewable energy, and sustainable solutions. Support comes from private and public entities.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies applied in the preparation of the accompanying financial statements follows.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization 's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

Cash and cash equivalents include accounts with financial institutions covered by the Federal Deposit Insurance Corporation (FDIC) of \$250,000. For purposes of the statement of cash flows, the Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. At times during the year cash balances may exceed FDIC insurance limits. The Organization cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

GREEN EMPOWERMENT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables consist of amounts due from grants and contributions or for service fees and are recognized as revenue when the grant or contribution is awarded the Organization or when the service is provided. The Organization uses the allowance method to account for uncollectible accounts. Management has determined that the risk of loss for uncollectible balances is not significant and no allowance was deemed necessary at December 31, 2021.

Grants and Contributions

Grants and contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Gifts-In-Kind

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. All in-kind contributions of services and materials are recorded at their estimated fair values. During the year ended December 31, 2021 the Organization recognized \$82,860 in in-kind contributions of professional services. These are presented as contributions revenue on the statement of activities and changes in net assets.

Investments

Investments are reflected on the statement of financial position at fair value with changes in unrealized gains and losses resulting from changes in fair value reflected in the statement of activities. Interest income is reported as earned.

Furnishings and Equipment

Furnishings and equipment are recorded at purchase cost. Acquisitions, renovations and repairs which increase the value of assets and have an estimated useful life in excess of one year are capitalized. All expenditures for repairs and maintenance which do not appreciably extend the useful life or increase the value of the assets are expensed in the period in which the cost is incurred.

GREEN EMPOWERMENT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization depreciates furnishings and equipment over its estimated useful life using the straight-line method for financial reporting purposes, which is generally between 3 and 5 years.

Advertising Costs

Advertising is expensed as incurred.

Income Taxes

The Organization received a tax determination letter indicating that it qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under section 509(a)(1). Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

The Organization’s federal and state income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, the federal and state income tax returns have a three year statute of limitations.

Fair Value of Financial Instruments

Due to the short-term nature of cash equivalents, prepaid expenses and other assets, accounts payable and accrued liabilities, their fair value approximates carrying value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional expense basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that were allocated include the following:

Salaries and benefits	Time and effort
Occupancy	Time and effort
Professional services	Time and effort
Office expenses	Time and effort
Insurance	Time and effort

GREEN EMPOWERMENT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summarized Financial Information for 2020

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organization’s financial statements for the year ended December 31, 2020, from which the summarized information was derived.

NOTE C – AVAILABILITY AND LIQUIDITY

The following represents the Organization’s financial assets at December 31, 2021:

Financial assets at year end:		
Cash and cash equivalents	\$	438,045
Investments		626,114
Grants and contributions receivable		<u>65,095</u>
 Total financial assets available		 <u>1,129,254</u>
 Less amounts not available to be used within one year:		
Net assets without restrictions - board designated		(300,000)
Net assets with donor restrictions		<u>(355,773)</u>
 Total net assets with restrictions		 <u>(655,773)</u>
 Financial assets available to meet general expenditures over the next twelve months	\$	<u><u>473,481</u></u>

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. The Organization’s cash needs are expected to be met on a monthly basis from regular revenue sources. The Organization has net assets designated by the Board of Directors available if necessary. In general, the Organization maintains sufficient financial assets on hand to meet normal operating expenditures and to reserve for future needs.

GREEN EMPOWERMENT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

NOTE D – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at December 31, 2021:

Checking and undeposited accounts	\$	93,938
Money market accounts		<u>344,107</u>
	\$	<u><u>438,045</u></u>

NOTE E – FURNISHINGS AND EQUIPMENT

Major classes of furnishings and equipment consist of the following at December 31, 2021:

Furniture and equipment	\$	4,040
Less accumulated depreciation		<u>(4,040)</u>
	\$	<u><u>-</u></u>

There was no depreciation expense for the year ended December 31, 2021.

NOTE F – FOREIGN CURRENCY TRANSACTIONS

During the year ended December 31, 2021 the Organization recognized a gain on foreign currency of \$234, included in other income on the statement of activities and changes in net assets.

NOTE G – INVESTMENTS

ASC 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, maximizes the use of observable inputs, and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent resources while unobservable inputs reflect estimates about market data.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level I: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level II: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level III: Unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

GREEN EMPOWERMENT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

NOTE G – INVESTMENTS, Continued

The following table sets forth carrying amounts and estimated fair values for financial instruments at December 31, 2021:

	Level I	Level II	Level III	Total
Mutual funds	\$ 363,122	\$ -	\$ -	\$ 363,122
Money market and cash funds	114,849	-	-	114,849
Equity investments	3,019	-	-	3,019
Fixed income funds	145,124	-	-	145,124
Total investments	\$ 626,114	\$ -	\$ -	\$ 626,114

The following table summarizes net investment gains and losses for the year ended December 31, 2021:

	Without Restrictions	With Restrictions	Total
Interest and dividends	\$ 1,193	\$ 9,457	\$ 10,650
Net unrealized gains/losses	(1,249)	29,848	28,599
Investment fees and expenses	(64)	(2,620)	(2,684)
	\$ (120)	\$ 36,685	\$ 36,565

NOTE H – NOTES PAYABLE

The Organization was lent \$25,544 in 2017 from a Foundation for a three year program, ending on December 25, 2020, to provide microloans in order to purchase and install solar powered lighting and energy systems for household and small business refrigeration uses in Nicaragua using charitable micro lending program as a cost recovery mechanism. 80% of the interest received from borrowers are to be used to operate the microfinance program. The remaining 20% of the interest received from borrowers are to be used to increase the amount of capital available to be re-lent as microcredit loans. There was no interest rate indicated per the loan agreement. Upon termination of the program, the Organization will pay to the Foundation all funds on hand from the program. The note payable balance was paid back as of December 31, 2020.

During the year ended December 31, 2020, the Organization was granted a loan from Columbia Bank in the aggregate amount of \$73,397 pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, administered by a Small Business Administration (SBA) approved partner. Under the terms of the CARES Act, each borrower can apply for forgiveness for all or a portion of the PPP Loan.

During the year ended December 31, 2020, the Organization initially recorded the loan as a loan payable and subsequently recognized grant revenue of \$73,397 once the PPP loan was forgiven by the SBA.

GREEN EMPOWERMENT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

NOTE I – LEASE

The Organization leases office space under a month-to-month operating lease agreement that requires monthly rental payments. Rent expense for the year ended December 31, 2021 was \$17,840.

NOTE J – CONCENTRATIONS

At December 31, 2021 one grantor accounted for approximately 35% of total grants receivable.

NOTE K – NET ASSETS

At December 31, 2021 the Organization has \$355,773 in net assets that are restricted to be used for specific projects, the amounts will be released from restriction as the funds are spent in the future.

The Organization also has \$300,000 of net assets designated by the board of directors for future use.

NOTE L – SUBSEQUENT EVENTS

The Organization has evaluated for subsequent events through May 19, 2022, which is the date the financial statements were available to be issued, noting no events requiring recording or disclosure in the financial statements for the year ended December 31, 2021.