

CONSOLIDATED FINANCIAL STATEMENTS

Digital Green

DIGITAL GREEN FOUNDATION

**FOR THE YEARS ENDED
MARCH 31, 2021 AND 2020**

DIGITAL GREEN FOUNDATION

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Digital Green Foundation
San Francisco, California

We have audited the accompanying consolidated financial statements of Digital Green Foundation and Subsidiary (together, "the Foundation"), which comprise the consolidated statements of financial position as of March 31, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

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

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

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Opinion

In our opinion, based on our audit, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Foundation as of March 31, 2021 and 2020, and the consolidated changes in its net assets, functional expenses and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2021, on our consideration of Digital Green Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Digital Green Foundation's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

September 14, 2021

DIGITAL GREEN FOUNDATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2021 AND 2020

ASSETS		<u>2021</u>	<u>2020</u>
CURRENT ASSETS			
Cash and cash equivalents	\$ 11,370,127	\$ 7,511,758	
Grants receivable	45,086	434,507	
Advances and other receivables	88,744	24,480	
Prepays and other assets	<u>65,825</u>	<u>39,258</u>	
Total current assets	<u>11,569,782</u>	<u>8,010,003</u>	
FIXED ASSETS			
Furniture and equipment	12,717	11,054	
Vehicles	66,543	86,445	
Less: Accumulated depreciation	<u>(32,908)</u>	<u>(18,085)</u>	
Net fixed assets	<u>46,352</u>	<u>79,414</u>	
NONCURRENT ASSETS			
Security deposits	<u>6,608</u>	<u>31,189</u>	
TOTAL ASSETS	<u>\$ 11,622,742</u>	<u>\$ 8,120,606</u>	
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Loan payable	\$ 10,872	\$ -	
Accounts payable and accrued liabilities	923,913	464,940	
Refundable advances	<u>493,096</u>	<u>1,721,353</u>	
Total current liabilities	<u>1,427,881</u>	<u>2,186,293</u>	
NONCURRENT LIABILITIES			
Loan payable, net of current portion	<u>202,328</u>	<u>-</u>	
Total liabilities	<u>1,630,209</u>	<u>2,186,293</u>	
NET ASSETS			
Without donor restrictions	1,770,562	1,260,780	
With donor restrictions	<u>8,221,971</u>	<u>4,673,533</u>	
Total net assets	<u>9,992,533</u>	<u>5,934,313</u>	
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,622,742</u>	<u>\$ 8,120,606</u>	

DIGITAL GREEN FOUNDATION

**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020**

	<u>2021</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Grants and contributions:			
Government	\$ 2,278,575	\$ -	\$ 2,278,575
Foundations and individuals	981,428	8,126,484	9,107,912
Contracts	148,786	-	148,786
Interest	715	-	715
In-kind contributions	19,319	-	19,319
Other revenue	9,595	-	9,595
Currency gain	-	87,371	87,371
Net assets released from donor restrictions	<u>4,665,417</u>	<u>(4,665,417)</u>	<u>-</u>
Total support and revenue	<u>8,103,835</u>	<u>3,548,438</u>	<u>11,652,273</u>
EXPENSES			
Program Services	6,528,103	-	6,528,103
Management and General	<u>1,065,950</u>	<u>-</u>	<u>1,065,950</u>
Total expenses	<u>7,594,053</u>	<u>-</u>	<u>7,594,053</u>
Change in net assets	509,782	3,548,438	4,058,220
Net assets at beginning of year	<u>1,260,780</u>	<u>4,673,533</u>	<u>5,934,313</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,770,562</u>	<u>\$ 8,221,971</u>	<u>\$ 9,992,533</u>

2020		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 2,779,039	\$ -	\$ 2,779,039
422,840	5,304,170	5,727,010
534,153	-	534,153
278	-	278
3,632	-	3,632
1,393	-	1,393
-	159,797	159,797
<u>5,081,635</u>	<u>(5,081,635)</u>	<u>-</u>
<u>8,822,970</u>	<u>382,332</u>	<u>9,205,302</u>
6,832,472	-	6,832,472
<u>1,238,606</u>	<u>-</u>	<u>1,238,606</u>
<u>8,071,078</u>	<u>-</u>	<u>8,071,078</u>
751,892	382,332	1,134,224
<u>508,888</u>	<u>4,291,201</u>	<u>4,800,089</u>
<u>\$ 1,260,780</u>	<u>\$ 4,673,533</u>	<u>\$ 5,934,313</u>

DIGITAL GREEN FOUNDATION

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2021**

	Program Services	Management and General	Total Expenses
Salaries and benefits	\$ 2,039,838	\$ 703,133	2,742,971
Professional fees	386,488	147,893	534,381
Rent and utilities	59,575	18,219	77,794
Accounting and audit	4,944	2,250	7,194
Insurance	2,211	24,446	26,657
Travel	122,052	1,167	123,219
Workshops and training	72,598	37	72,635
Communication expense	9,664	3,743	13,407
Consulting fees	661,182	111,600	772,782
Postage and delivery	40	602	642
Supplies	5,634	5,912	11,546
Subscriptions and publications	2,300	-	2,300
Meetings and conventions	7,543	2,512	10,055
Bank fees and finance charges	1,004	1,189	2,193
Equipment, maintenance and support	52,406	38,972	91,378
Subawards	3,067,035	-	3,067,035
Other project costs	97	-	97
In-kind contributions	19,319	-	19,319
Depreciation	14,173	4,275	18,448
TOTAL	\$ 6,528,103	\$ 1,065,950	\$ 7,594,053

DIGITAL GREEN FOUNDATION

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2020**

	Program Services	Management and General	Total Expenses
Salaries and benefits	\$ 1,862,631	\$ 553,309	2,415,940
Professional fees	290	42,916	43,206
Rent and utilities	71,228	33,068	104,296
Accounting and audit	-	71,500	71,500
Insurance	68	18,913	18,981
Travel	462,358	72,483	534,841
Workshops and training	45,950	3,972	49,922
Communication expense	3,094	4,929	8,023
Consulting fees	620,643	341,645	962,288
Postage and delivery	-	376	376
Supplies	380	12,226	12,606
Meetings and conventions	28,931	11,160	40,091
Bank fees and finance charges	-	3,023	3,023
Equipment, maintenance and support	124,884	47,314	172,198
Subawards	3,365,661	-	3,365,661
Project equipment	75,864	-	75,864
Other project costs	162,084	-	162,084
In-kind contributions	832	2,800	3,632
Loss on disposal of assets	-	8,461	8,461
Depreciation	7,574	10,511	18,085
TOTAL	\$ 6,832,472	\$ 1,238,606	\$ 8,071,078

DIGITAL GREEN FOUNDATION

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 4,058,220	\$ 1,134,224
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	18,448	18,085
Loss on disposal of fixed assets	-	8,461
Forgiveness of debt	(212,500)	-
Loss on currency devaluation of capital assets	16,483	-
Decrease (increase) in:		
Grants receivable	389,421	222,044
Advances and other receivables	(64,264)	38,780
Prepays and other assets	(26,567)	(39,258)
Security deposits	24,581	139,348
Increase (decrease) in:		
Accounts payable and accrued liabilities	458,973	207,906
Refundable advances	<u>(1,228,257)</u>	<u>1,668,000</u>
Net cash provided by operating activities	<u>3,434,538</u>	<u>3,397,590</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(1,869)</u>	<u>(97,499)</u>
Net cash used by investing activities	<u>(1,869)</u>	<u>(97,499)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds received	<u>425,700</u>	<u>-</u>
Net cash provided by financing activities	<u>425,700</u>	<u>-</u>
Net increase in cash and cash equivalents	3,858,369	3,300,091
Cash and cash equivalents at beginning of year	<u>7,511,758</u>	<u>4,211,667</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 11,370,127</u>	<u>\$ 7,511,758</u>

DIGITAL GREEN FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Digital Green Foundation (the Foundation) was incorporated in March 2008 as a non-profit public benefit corporation in California. The Foundation has registered offices in India and Ethiopia and also has activities in other countries undertaken in partnership with other organizations and consultants.

The Foundation is a global development organization that empowers smallholder farmers to lift themselves out of poverty by harnessing the collective power of technology and grassroots-level partnerships. The Foundation has joined forces with governments, private agencies and, most importantly, rural communities themselves to co-create scalable and cost-effective technologies that enable rural communities to access and share information with each other.

The Foundation originally focused on producing and screening locally relevant videos, which allowed farmers to share their knowledge with other farmers. The Foundation is bringing together digital channels and data to empower farmers to make better decisions and engage with others across the food and agricultural value chain to boost the value they realize from their harvests in a nutrition-sensitive, climate-resilient and inclusive manner.

The Foundation is affiliated with Digital Green Trust (the Trust), an Indian tax-exempt organization, based upon their common mission; however, the Foundation does not maintain significant influence or control over the Trust. The Foundation provides assistance to the Trust in order to further its programmatic purposes. During the years ended March 31, 2021 and 2020, the Foundation transferred \$1,235,164 and \$1,515,215, respectively, to the Trust (under grant award agreements). In addition, as of March 31, 2020, the Foundation maintained an obligation to the Trust in the amount of \$147,921. There was no balance owed or due between the Foundation and the Trust as of March 31, 2021.

On May 20, 2020, the Foundation received 97 shares of LOOP AGTECH PRIVATE LIMITED (Loop), an Indian private limited company from Loop Tech Inc., a Delaware C Corporation (that has since been dissolved). Loop was created with the intent to facilitate farmer market access interventions. An additional 3 shares of Loop are held by another senior member of the Foundation team. Additionally, the Foundation received a gift of \$16,507 from Loop Tech Inc. (in connection with this transaction), which has been presented as net assets with donor restrictions as of March 31, 2021. During the year ended March 31, 2021, Loop did not have any assets, liabilities or other financial activities.

Principles of consolidation -

The accounts of Digital Green Foundation have been consolidated with the accounts of Loop (collectively, "the Foundation") in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), FASB ASC 958-810, *Not-for-Profit Entities*, Consolidation, which require that owned, controlled and financially interrelated organizations be consolidated. All intercompany transactions and balances have been eliminated in consolidation.

Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

DIGITAL GREEN FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Basis of presentation (continued) -

Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statements of Activities and Changes in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

Cash and cash equivalents -

The Foundation considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Included in cash and cash equivalents is cash held in India and Ethiopia totaling \$112,286 and \$337,332 as of March 31, 2021 and 2020, respectively, which is uninsured. Management believes the risk in this situation is minimal.

Bank deposit accounts in the U.S. are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, the Foundation may maintain cash balances in excess of FDIC limits. Management believes such a risk is minimal.

Functional currency and exchange translation -

The functional currency of the Foundation is the U.S. Dollar. The financial statements and transactions of the Foundation's foreign operations (in India and Ethiopia) are maintained in local currency. Accordingly, assets and liabilities are translated into U.S. Dollars in the accompanying Consolidated Statements of Financial Position at the spot exchange rate in effect as of March 31, 2021 and 2020. Revenue and expense transactions in currencies other than U.S. Dollars are translated into U.S. dollars at the rates of exchange in effect during the month of the transaction.

The effect of the Foundation's currency translation has been recognized in the accompanying Consolidated Statements of Activities and Changes in Net Assets. Currency gains of \$87,371 and \$159,797 have been recognized under support and revenue for the years ended March 31, 2021 and 2020, respectively.

Grants receivable -

Grants receivable at March 31, 2021 and 2020 are recorded at their net realizable value, which approximates fair value. As of March 31, 2021 and 2020, management has evaluated all grants receivable and deemed them to be fully collectible. Accordingly, there is no allowance for doubtful accounts as of March 31, 2021 and 2020.

DIGITAL GREEN FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Fixed assets -

Fixed assets with an acquisition value in excess of \$5,000 are stated at cost and are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to ten years.

Income taxes -

Digital Green Foundation is exempt from U.S. income tax under Section 501(c)(3) of the Internal Revenue Code. Digital Green Foundation is not a private foundation. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements.

LOOP AGTECH PRIVATE LIMITED (Loop) is an Indian entity subject to tax in India based on its net taxable income. During the year ended March 31, 2021, Loop did not realize any tax expense.

Uncertain tax positions -

For the years ended March 31, 2021 and 2020, the Foundation has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

Revenue recognition -

The majority of the Foundation's revenue is received through awards and contributions from the United States Government, corporations, foundations and individuals. Contributions are recognized in the appropriate category of net assets in the period received. The Foundation performs an analysis of awards to determine if the revenue streams follow the contribution rules, or if they should be recorded as exchange transactions, depending upon whether the transactions are deemed reciprocal or nonreciprocal.

For contributions qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions and grants qualifying as contributions that are unconditional and have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

Contributions and grants qualifying as conditional contributions contain a right of return (and a release from obligation) coupled with a specific barrier (or barriers). Awards from the United States Government and pass-through entities are for direct and indirect program costs; these transactions are nonreciprocal and classified as conditional, and therefore are recognized as contributions when the revenue becomes unconditional. Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. As of March 31, 2021 and 2020, the Foundation has received conditional commitments for support totaling \$7,274,928 and \$11,997,024, respectively, which has not been recorded in the accompanying consolidated financial statements. As of March 31, 2021 and 2020, the Foundation has received cash under conditional commitments for support totaling \$493,096 and \$1,721,353, respectively, which has been recorded as refundable advances in the accompanying consolidated financial statements.

DIGITAL GREEN FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

In-kind contributions -

In-kind contributions consist of donated professional accounting and advertising services. In-kind contributions are recorded at their fair market value as of the date of the gift. During the year ended March 31, 2020, the Foundation received \$3,632 of donated professional accounting and advertising services at no cost. During the year ended March 31, 2021, the Foundation received \$19,319 of donated professional advertising services at no cost.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Foundation are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

New accounting pronouncements (not yet adopted) -

FASB issued ASU 2019-01, *Leases* (Topic 842), which changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosing key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

The Foundation plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its consolidated financial statements.

Economic uncertainties -

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact the Foundation's operations. The overall potential impact is unknown at this time.

2. LOAN PAYABLE

On March 6, 2021, the Foundation received loan proceeds in the amount of \$213,200 under the Paycheck Protection Program. The promissory note calls for monthly principal and interest payments amortized over the five-year term of the promissory note.

DIGITAL GREEN FOUNDATION

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

2. LOAN PAYABLE (Continued)

Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note qualifies for forgiveness by the Small Business Administration in whole or in part. The Foundation intends to use the proceeds for purposes consistent with the Paycheck Protection Program, and believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan. As of the date of this report, the Foundation has not applied for forgiveness. At such time when after filing for forgiveness and notification is received, the forgiven amount will be recorded as a contribution in the appropriate reporting period. Principal payments are due as follows:

Year Ending March 31,

2022		\$ 10,872
2023		50,908
2024		51,419
2025		51,936
2026		<u>48,065</u>
		<u>\$ 213,200</u>

Also during the year ended March 31, 2021, the Foundation obtained funding in the amount of \$212,500 under the Paycheck Protection Program that was forgiven and recorded as a contribution in the accompanying Consolidated Statement of Activities and Changes in Net Assets. The loan was provided in May 2020 and the Foundation met the conditions for forgiveness by the Small Business Administration. Forgiveness was obtained in January 2021.

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at March 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Community Videos for Nutrition Education	\$ -	\$ 23,118
Mobile Application for Farmer Access to Markets	122,166	-
Digital Data Sharing Platform	7,529,275	4,650,415
Digital Agricultural Extension	<u>570,530</u>	<u>-</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 8,221,971</u>	<u>\$ 4,673,533</u>

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

	<u>2021</u>	<u>2020</u>
Digital Agricultural Extension	\$ 298,875	\$ 2,635,872
Community Videos for Nutrition Education	121,401	228,407
Digital Data Sharing Platform	4,116,939	2,046,919
Mobile Application for Farmer Access to Markets	<u>128,202</u>	<u>170,437</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 4,665,417</u>	<u>\$ 5,081,635</u>

DIGITAL GREEN FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2021 AND 2020

4. CONTINGENCY

Digital Green Foundation receives assistance from various agencies of the United States Government. These awards are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The ultimate determination of amounts received under the United States Government awards is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2021. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from the government's review of these audits.

5. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Consolidated Statements of Financial Position date comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 11,370,127	\$ 7,511,758
Grants receivable	45,086	434,507
Advances and other receivables	<u>88,744</u>	<u>24,480</u>
Financial assets available within one year	11,503,957	7,970,745
Less: Donor restricted funds	<u>(8,221,971)</u>	<u>(4,673,533)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 3,281,986</u>	<u>\$ 3,297,212</u>

The Foundation has a policy to structure its financial assets to be available and liquid as its obligations become due. As of March 31, 2021 and 2020, the Foundation has financial assets available to meet cash needs for general expenditures for a period of five months.

6. LEASE COMMITMENTS

The Foundation leases office space in New Delhi, India under a short-term agreement set to expire on October 9, 2021. The Foundation also leases office space in Addis Ababa, Ethiopia under an agreement currently set to expire on March 31, 2022. Additionally, the Foundation leases office space in San Francisco, California on a month-to-month basis.

Rent expense, including utilities, for the years ended March 31, 2021 and 2020 totaled \$77,794 and \$104,296, respectively.

7. RETIREMENT PLAN

The Foundation provides retirement benefits to its U.S. employees through a defined contribution plan covering all full-time employees with one year of eligible experience. The Foundation provides a 4% match of each eligible employee's contribution. Contributions to the plan during the years ended March 31, 2021 and 2020 totaled \$44,138 and \$41,491, respectively.

DIGITAL GREEN FOUNDATION

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

8. SUBSEQUENT EVENTS

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