

FINANCIAL STATEMENTS

Digital Green

DIGITAL GREEN FOUNDATION

**FOR THE YEARS ENDED
MARCH 31, 2020 AND 2019**

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 financial statements of the Digital Green Foundation (the Foundation), which comprise the statements of financial position as of March 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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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Opinion

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of March 31, 2020 and 2019, and the changes in its net assets, its functional expenses and its 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 24, 2020, on our consideration of the 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 the Foundation's internal control over financial reporting and compliance.

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

September 24, 2020

DIGITAL GREEN FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2020 AND 2019

ASSETS

| | <u>2020</u> | <u>2019</u> |
|--------------------------------|----------------------------|----------------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 7,511,758 | \$ 4,211,667 |
| Grants receivable | 434,507 | 656,551 |
| Advances and other receivables | 24,480 | 63,260 |
| Prepays and other assets | <u>39,258</u> | <u>-</u> |
| Total current assets | <u>8,010,003</u> | <u>4,931,478</u> |
| FIXED ASSETS | | |
| Furniture and equipment | 11,054 | 16,645 |
| Vehicles | 86,445 | - |
| Less: Accumulated depreciation | <u>(18,085)</u> | <u>(8,184)</u> |
| Net fixed assets | <u>79,414</u> | <u>8,461</u> |
| NONCURRENT ASSETS | | |
| Security deposits | <u>31,189</u> | <u>170,537</u> |
| TOTAL ASSETS | <u>\$ 8,120,606</u> | <u>\$ 5,110,476</u> |

LIABILITIES AND NET ASSETS

| | | |
|--|----------------------------|----------------------------|
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 464,940 | \$ 257,034 |
| Refundable advances | <u>1,721,353</u> | <u>53,353</u> |
| Total liabilities | <u>2,186,293</u> | <u>310,387</u> |
| NET ASSETS | | |
| Without donor restrictions | 1,260,780 | 508,888 |
| With donor restrictions | <u>4,673,533</u> | <u>4,291,201</u> |
| Total net assets | <u>5,934,313</u> | <u>4,800,089</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 8,120,606</u> | <u>\$ 5,110,476</u> |

DIGITAL GREEN FOUNDATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

| | 2020 | | |
|---|---|------------------------------------|----------------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| SUPPORT AND REVENUE | | | |
| Grants and contributions: | | | |
| Government | \$ 2,779,039 | \$ - | \$ 2,779,039 |
| Foundations and individuals | 422,840 | 5,304,170 | 5,727,010 |
| Contracts | 534,153 | - | 534,153 |
| Interest | 278 | - | 278 |
| In-kind contributions | 3,632 | - | 3,632 |
| Other revenue | 1,393 | - | 1,393 |
| Currency gain | - | 159,797 | 159,797 |
| Net assets released from donor restrictions | <u>5,081,635</u> | <u>(5,081,635)</u> | <u>-</u> |
| Total support and revenue | <u>8,822,970</u> | <u>382,332</u> | <u>9,205,302</u> |
| EXPENSES | | | |
| Program Services | 6,832,472 | - | 6,832,472 |
| Management and General | <u>1,238,606</u> | <u>-</u> | <u>1,238,606</u> |
| Total expenses | <u>8,071,078</u> | <u>-</u> | <u>8,071,078</u> |
| Change in net assets before other item | 751,892 | 382,332 | 1,134,224 |
| OTHER ITEM | | | |
| Reclassification of net assets | <u>-</u> | <u>-</u> | <u>-</u> |
| Change in net assets | 751,892 | 382,332 | 1,134,224 |
| Net assets at beginning of year | <u>508,888</u> | <u>4,291,201</u> | <u>4,800,089</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 1,260,780</u> | <u>\$ 4,673,533</u> | <u>\$ 5,934,313</u> |

| 2019 | | |
|---|------------------------------------|----------------------------|
| Without Donor Restrictions | With Donor Restrictions | Total |
| \$ 3,981,952 | \$ - | \$ 3,981,952 |
| 200,420 | 2,263,245 | 2,463,665 |
| 390,461 | - | 390,461 |
| 1,095 | - | 1,095 |
| 63,310 | - | 63,310 |
| - | - | - |
| - | 127,435 | 127,435 |
| <u>5,010,719</u> | <u>(5,010,719)</u> | <u>-</u> |
| <u>9,647,957</u> | <u>(2,620,039)</u> | <u>7,027,918</u> |
| | | |
| 7,570,303 | - | 7,570,303 |
| <u>1,621,471</u> | <u>-</u> | <u>1,621,471</u> |
| <u>9,191,774</u> | <u>-</u> | <u>9,191,774</u> |
| | | |
| 456,183 | (2,620,039) | (2,163,856) |
| | | |
| <u>249,143</u> | <u>(249,143)</u> | <u>-</u> |
| | | |
| 705,326 | (2,869,182) | (2,163,856) |
| <u>(196,438)</u> | <u>7,160,383</u> | <u>6,963,945</u> |
| | | |
| <u>\$ 508,888</u> | <u>\$ 4,291,201</u> | <u>\$ 4,800,089</u> |

See accompanying notes to financial statements.

DIGITAL GREEN FOUNDATION

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

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2019

| | Program Services | Management and General | Total Expenses |
|-------------------------------------|-----------------------------|---------------------------------------|---------------------------|
| Salaries and benefits | \$ 2,305,193 | \$ 956,803 | \$ 3,261,996 |
| Professional fees | 35,843 | 75,309 | 111,152 |
| Rent and utilities | 162,024 | 81,666 | 243,690 |
| Accounting and audit | - | 45,425 | 45,425 |
| Insurance | - | 9,155 | 9,155 |
| Travel | 616,151 | 73,227 | 689,378 |
| Workshops and training | 304,662 | - | 304,662 |
| Communication expense | 4,323 | 4,535 | 8,858 |
| Consulting fees | 248,870 | 149,408 | 398,278 |
| Postage and delivery | 408 | 1,298 | 1,706 |
| Supplies | 326 | 1,329 | 1,655 |
| Subscriptions and publications | 1,004 | 164 | 1,168 |
| Meetings and conventions | 20,587 | 7,131 | 27,718 |
| Bank fees and finance charges | (588) | 934 | 346 |
| Equipment, maintenance and support | 34,788 | 50,572 | 85,360 |
| Subawards | 3,535,128 | - | 3,535,128 |
| Project equipment | 119,272 | - | 119,272 |
| Other project costs | 118,553 | - | 118,553 |
| Depreciation | - | 6,426 | 6,426 |
| In-kind contributions | 63,310 | - | 63,310 |
| Miscellaneous and unallowable costs | 449 | 158,089 | 158,538 |
| TOTAL | \$ 7,570,303 | \$ 1,621,471 | \$ 9,191,774 |

DIGITAL GREEN FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

| | <u>2020</u> | <u>2019</u> |
|---|----------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Changes in net assets | \$ 1,134,224 | \$ (2,163,856) |
| Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 18,085 | 6,426 |
| Loss on disposal of fixed assets | 8,461 | - |
| Decrease (increase) in: | | |
| Grants receivable | 222,044 | 1,528,767 |
| Advances and other receivables | 38,780 | (7,543) |
| Prepays and other assets | (39,258) | - |
| Security deposits | 139,348 | 18,722 |
| Increase in: | | |
| Accounts payable and accrued liabilities | 207,906 | 65,576 |
| Refundable advances | <u>1,668,000</u> | <u>514</u> |
| Net cash provided (used) by operating activities | <u>3,397,590</u> | <u>(551,394)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property and equipment | <u>(97,499)</u> | <u>(7,623)</u> |
| Net cash used by investing activities | <u>(97,499)</u> | <u>(7,623)</u> |
| Net increase (decrease) in cash and cash equivalents | 3,300,091 | (559,017) |
| Cash and cash equivalents at beginning of year | <u>4,211,667</u> | <u>4,770,684</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 7,511,758</u> | <u>\$ 4,211,667</u> |

DIGITAL GREEN FOUNDATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The 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 the 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, 2020 and 2019, the Foundation transferred \$1,515,215 and \$1,362,234, respectively, to the Trust (under grant award agreements). In addition, as of March 31, 2020 and 2019, the Foundation maintained an obligation to the Trust in the amount of \$147,921 and \$211,249, respectively.

Basis of presentation -

The accompanying 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. 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 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.

DIGITAL GREEN FOUNDATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

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

New accounting pronouncements adopted -

During 2019, the Foundation early-adopted ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities. Analysis of the various provisions of this standard resulted in no significant changes in the way the Foundation recognized revenue; however, the presentation and disclosures of revenue have been enhanced. The Foundation has elected to opt out of all (or certain) disclosures not required for nonpublic entities and also elected a modified retrospective approach for implementation.

Also during 2019, the Foundation adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improve guidance to better distinguish between conditional and unconditional contributions. The Foundation adopted the ASU using a modified prospective basis.

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 \$337,332 and \$98,858 as of March 31, 2020 and 2019, 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 Statements of Financial Position at the spot exchange rate in effect as of March 31, 2020 and 2019. 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 as a currency gain or loss resulted in currency gains of \$159,797 and \$127,435, respectively, for the years ended March 31, 2020 and 2019. Such gains are presented under support and revenue in the accompanying Statements of Activities and Changes in Net Assets.

Grants receivable -

Grants receivable at March 31, 2020 and 2019 are recorded at their net realizable value, which approximates fair value. As of March 31, 2020 and 2019, 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, 2020 and 2019.

DIGITAL GREEN FOUNDATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

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 -

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

Uncertain tax positions -

For the years ended March 31, 2020 and 2019, 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 financial statements.

Revenue recognition -

The majority of the Foundation's revenue is received through contributions from 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 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, 2020, the Foundation has received conditional commitments for support totaling \$11,997,024, which has not been recorded in the accompanying financial statements. As of March 31, 2020, the Foundation has received cash under conditional commitments for support totaling \$1,721,353, which has been recorded as refundable advances in the accompanying financial statements.

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 years ended March 31, 2020 and 2019, the Foundation received \$3,632 and \$63,310 of donated professional accounting and advertising services at no cost.

DIGITAL GREEN FOUNDATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

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

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 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 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 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. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at March 31, 2020 and 2019:

| | <u>2020</u> | <u>2019</u> |
|---|----------------------------|----------------------------|
| Community Videos for Agricultural Extension | \$ - | \$ 2,635,872 |
| Community Videos for Nutrition Education | 23,118 | 189,242 |
| Digital Data Sharing Platform | 4,650,415 | 1,295,650 |
| Mobile Application for Farmer Access to Markets | - | 170,437 |
| TOTAL NET ASSETS WITH DONOR RESTRICTIONS | <u>\$ 4,673,533</u> | <u>\$ 4,291,201</u> |

DIGITAL GREEN FOUNDATION

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019**

2. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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:

| | 2020 | 2019 |
|--|---------------------|---------------------|
| Community Videos for Agricultural Extension | \$ 2,635,872 | \$ 4,361,719 |
| Community Videos for Nutrition Education | 228,407 | 444,709 |
| Digital Data Sharing Platform | 2,046,919 | 36,219 |
| Mobile Application for Farmer Access to Markets | 170,437 | 168,072 |
| TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS | \$ 5,081,635 | \$ 5,010,719 |

3. CONTINGENCY

The 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 2020. 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.

4. LIQUIDITY AND AVAILABILITY

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

| | 2020 | 2019 |
|---|---------------------|-------------------|
| Cash and cash equivalents | \$ 7,511,758 | \$ 4,211,667 |
| Grants receivable | 434,507 | 656,551 |
| Advances and other receivables | 24,480 | 63,260 |
| Financial assets available within one year | 7,970,745 | 4,931,478 |
| Less: Donor restricted funds | (4,673,533) | (4,291,201) |
| FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR | \$ 3,297,212 | \$ 640,277 |

The Foundation has a policy to structure its financial assets to be available and liquid as its obligations become due. As of March 31, 2020 and 2019, the Foundation has financial assets available to meet cash needs for general expenditures for a period of five and one months, respectively.

DIGITAL GREEN FOUNDATION

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019**

5. LEASE COMMITMENTS

The Foundation has entered into a lease agreement for office space in New Delhi, India. The lease was set to end on April 12, 2026 but was terminated early in August 2020. The Foundation has entered into a separate lease for office space under a short-term agreement set to expire on April 9, 2021.

The Foundation also leases office space in Addis Ababa, Ethiopia under an agreement currently set to expire on March 31, 2021.

The Foundation also maintains leases for space in San Francisco, California on a month-to-month basis.

Following is a schedule of future lease commitments, denominated in U.S. Dollars:

| | | |
|---|-----------|----------------------|
| Year Ended March 31, 2021 | \$ | 49,440 |
| Year Ended March 31, 2022 | | <u>99</u> |
| TOTAL FUTURE MINIMUM LEASE COMMITMENTS | \$ | <u>49,539</u> |

Rent expense, including utilities, for the years ended March 31, 2020 and 2019 totaled \$104,296 and \$243,690, respectively.

6. 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, 2020 and 2019 totaled \$41,491 and \$50,098, respectively.

7. SUBSEQUENT EVENTS

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through September 24, 2020, the date the financial statements were issued.