

Global Forest Generation

**FINANCIAL STATEMENTS
and
INDEPENDENT AUDITOR'S REPORT**

for the years ended June 30, 2022 and June 30, 2021

Independent Auditor's Report

To Board of Directors
Global Forest Generation

Opinion

I have audited the accompanying statements of financial position of Global Forest Generation as of June 30, 2022 and 2021, the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Global Forest Generation as of June 30, 2022 and 2021, 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.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Global Forest Generation, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management 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, 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 Global Forest Generation's ability to continue as a going concern for the period of one year from the date of this report.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, I:

- 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 Global Forest Generation'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Global Forest Generation's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

A handwritten signature in black ink, appearing to read 'Helen Nelson', with a stylized flourish at the end.

Helen Nelson, CPA

Hancock, Maryland

November 7, 2022

Global Forest Generation
Statement of Financial Position
as of June 30, 2022 and June 30, 2021

Assets	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents		
Bank Accounts	\$ 117,885	\$ 73,893
Money Market	128,268	27,644
	<hr/>	<hr/>
Total Cash and Cash Equivalents	\$ 246,153	\$ 101,536
Investments	414,559	126,596
Grants Receivable	1,439,400	652,103
Prepaid Expenses	1,502	296
Vendor Deposit	10,760	
Property and Equipment, Net	5,508	
	<hr/>	<hr/>
Total Assets	<u>\$ 2,117,882</u>	<u>\$ 880,532</u>
Liabilities and Net Assets		
Liabilities:		
Accounts Payable	\$ 9,457	\$ 997
	<hr/>	<hr/>
Total Liabilities	\$ 9,457	\$ 997
Net Assets:		
Without Donor Restrictions	\$ 422,127	\$ 132,202
With Donor Restrictions	1,686,298	747,333
	<hr/>	<hr/>
Total Net Assets	\$ 2,108,425	\$ 879,535
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Total Liabilities & Net Assets	<u>\$ 2,117,882</u>	<u>\$ 880,532</u>

The accompanying notes are an integral part of these financial statements.

Global Forest Generation
Statement of Activities
for the year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Support			
Contributions of Cash and Other Financial Assets			
Individuals	\$ 490,723	\$ 5,000	\$ 495,723
Corporations and Foundations	1,158,718	2,258,705	3,417,423
Total Contributions of Cash and Other Financial Assets	\$ 1,649,441	\$ 2,263,705	\$ 3,913,146
Contributions of Nonfinancial Assets	1,024		1,024
Interest and Dividends	3,553		3,553
Gain (Loss) on Investments	(95,637)		(95,637)
Support Provided by expiring purpose time and restrictions*	1,324,740	(1,324,740)	-
Total Revenues, Gains, and Support	\$ 2,883,121	\$ 938,965	\$ 3,822,086
Expenses			
Program Services			
Accion Andina Administration	\$ 157,179	\$ -	\$ 157,179
Accion Andina Implementation	2,034,607		2,034,607
Conservation	116,818		116,818
Communications	70,136		70,136
Total Program Services	2,378,740	-	2,378,740
Supporting Services			
Management and General	115,801		115,801
Fund Raising	98,655		98,655
Total Supporting Services	214,456	-	214,456
Total Expenses	\$ 2,593,196	\$ -	\$ 2,593,196
Change in Net Assets	\$ 289,925	\$ 938,965	\$ 1,228,890
Net Assets at Beginning of Year	\$ 132,202	\$ 747,333	\$ 879,535
Net Assets at End of Year	\$ 422,127	\$ 1,686,298	\$ 2,108,425

*see note 2, Revenue and Expense Recognition

Global Forest Generation
Statement of Activities
for the year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Support			
Contributions of Cash and Other Financial Assets			
Individuals	\$ 487,561	\$ 101,085	\$ 588,646
Corporations and Foundations	831,961	680,647	1,512,608
Total Contributions of Cash and Other Financial Assets	\$ 1,319,522	\$ 781,732	\$ 2,101,254
Contributions of Nonfinancial Assets	-		-
Interest and Dividends	2,001		2,001
Gain (Loss) on Investments	7,632		7,632
Support Provided by expiring time and purpose restrictions*	215,853	(215,853)	-
Total Revenues, Gains, and Support	\$ 1,545,009	\$ 565,879	\$ 2,110,888
Expenses			
Program Services			
Accion Andina Administration	\$ 133,526	\$ -	\$ 133,526
Accion Andina Implementation	1,294,062		1,294,062
Conservation	36,000		36,000
Communications	35,352		35,352
Total Program Services	1,498,940	-	1,498,940
Supporting Services			
Management and General	51,293		51,293
Fund Raising	50,116		50,116
Total Supporting Services	101,409	-	101,409
Total Expenses	\$ 1,600,349	\$ -	\$ 1,600,349
Change in Net Assets	\$ (55,340)	\$ 565,879	\$ 510,539
Net Assets at Beginning of Year	\$ 187,542	\$ 181,454	\$ 368,996
Net Assets at End of Year	\$ 132,202	\$ 747,333	\$ 879,535

*see note 2, Revenue and Expense Recognition

Global Forest Generation
Statement of Cash Flows
for the years ended June 30, 2022 and June 30, 2021

	<u>2022</u>	<u>2021</u>
Operating activities:		
Cash inflows for operations:		
Contributions	\$ 3,125,849	\$ 1,504,151
Interest and Dividends	3,553	2,001
Realized Gains (Losses) on investments	5,899	7,632
Cash outflows for operations:		
Payments to employees, consultants	(372,168)	(191,135)
Payments to vendors	<u>(2,212,368)</u>	<u>(1,414,906)</u>
 Net Cash (used) provided by operating activities	 <u>\$ 550,765</u>	 <u>\$ (92,257)</u>
Investing activities:		
Transfer of funds for vendor deposit	\$ (10,760)	\$ -
Purchase of equipment	(5,889)	-
Net proceeds from (purchases) sales of investments	<u>(389,499)</u>	<u>(126,596)</u>
 Net Cash (used) provided by investing activities	 <u>\$ (406,148)</u>	 <u>\$ (126,596)</u>
 Net Increase (Decrease) in Cash	 <u>\$ 144,617</u>	 <u>\$ (218,853)</u>
 Cash at Beginning of Year	 \$ 101,536	 \$ 320,389
 Cash at End of Year	 \$ 246,153	 \$ 101,536

Global Forest Generation
Statement of Functional Expenses
for the year ended June 30, 2022

	PROGRAM SERVICES				SUPPORTING SERVICES		TOTAL
	Accion Andina Capacity Building	Accion Andina Implementation	Conservation	Communi- cations	Management and General	Fund Raising	
EXPENSES							
Program Implementation	\$ 107,674	\$ 2,032,995	\$ 36,000	\$ -	\$ -	\$ -	\$ 2,176,669
Payroll Expenses	3,613		75,746	38,874	44,421	67,506	230,160
Consultant and Professional Fees	38,343	1,550	1,830	22,388	59,798	18,099	142,008
Travel	5,701		3,226	2,286	405	9,815	21,433
Website				900		300	1,200
Dues and Subscriptions	768	62		5,354	4,313	2,350	12,847
Meetings and Trainings	1,080					509	1,589
Insurance					1,762		1,762
Registration					50		50
Investment Management Fees					2,354		2,354
Office Costs			16	334	2,317	76	2,743
Depreciation					381		381
TOTAL EXPENSES	\$ 157,179	\$ 2,034,607	\$ 116,818	\$ 70,136	\$ 115,801	\$ 98,655	\$ 2,593,196

Global Forest Generation
Statement of Functional Expenses
for the year ended June 30, 2021

	PROGRAM SERVICES				SUPPORTING SERVICES		TOTAL
	Accion Andina Administration	Accion Andina Implementation	Conservation	Communi-cations	Management and General	Fund Raising	
EXPENSES							
Program Administration	\$ 64,163	\$ 31,199	\$ 36,000	\$ -	\$ -	\$ -	\$ 131,362
Program Implementation	5,000	1,256,613					1,261,613
Payroll Expenses	2,064			16,250	2,451	21,767	42,532
Consultant and Professional Fees	61,673	6,250		17,561	41,870	21,249	148,603
Travel					57		57
Dues and Subscriptions	626			1,541	3,566	1,600	7,333
Insurance					1,378		1,378
Registration						5,500	5,500
Office Costs					1,972		1,972
TOTAL EXPENSES	\$ 133,526	\$ 1,294,062	\$ 36,000	\$ 35,352	\$ 51,293	\$ 50,116	\$ 1,600,349

Global Forest Generation
Notes to Financial Statements
For the years ended June 30, 2022 and June 30, 2021

1. Description of Organization

Global Forest Generation (GFG), a nonprofit organization formed in 2018, engages in large-scale restoration of threatened forests which play a critical role in preserving water, protecting biodiversity, storing carbon, and sustaining local livelihoods. GFG identifies and brings together the best native forest projects across entire ecosystems, providing strategic, technical, and financial support to grassroots conservation leaders and their communities. GFG's first major restoration program, Acción Andina, is empowering its local partners in Latin America to restore high altitude forest ecosystems that span seven Andean nations. The initiative aims to protect and restore one million hectares of threatened high Andean, *Polylepis* forest ecosystems in Argentina, Bolivia, Chile, Colombia, Ecuador, Peru, and Venezuela over 25 years. In addition, GFG proactively informs and shapes policy for a global audience on where and how to have the greatest and most enduring conservation and social impact through restoration of native forest ecosystems.

2. Significant Accounting Policies

Global Forest Generation prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by GFG are described subsequently to enhance the usefulness and understandability of the financial statements.

Basis of Accounting

GFG prepares its financial statements using the accrual basis of accounting, which follows GAAP. Revenue is recognized when earned, and expenses are recognized when the obligation is incurred.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, GFG's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. GFG's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Global Forest Generation
Notes to Financial Statements
For the years ended June 30, 2022 and June 30, 2021

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of GFG, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. All donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions could be perpetual in nature; GFG must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Cash and Cash Equivalents

Cash equivalents are short term, highly liquid investments with original maturities of three months or less.

Global Forest Generation
Notes to Financial Statements
For the years ended June 30, 2022 and June 30, 2021

Accounts and Grants Receivable

Grants receivable are unconditional promises to give that are recognized as grants when the promise is received. Accounts and grants receivable are expected to be collected in less than one year are reported at net realizable value. At June 30, 2022 and 2021, all receivables were considered collectible, therefore no allowance for doubtful accounts has been recognized.

Contributions of Nonfinancial Assets

Global Forest Generation receives some contributions of nonfinancial assets. These in-kind donations of materials and services are valued at fair market value at the date of donation. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

GFG benefits greatly from the personal services provided by volunteers who donate their time and skills. All services donated by volunteers during the years ended June 30, 2022 and 2021 did not meet the criteria described in the previous paragraph, and are not included in these financial statements.

Donations of goods are further described in Note 8.

Revenue and Expense Recognition

Contributions, including unconditional promises to give, are recognized when pledged or received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions.

All expenses are reported when incurred regardless of when paid. All expenses show as decreases in net assets without donor restrictions in the Statement of Financial Activities, and the release from restriction, either through the passage of time or meeting purpose restricted spending, show as a transfer from restricted to unrestricted in the Statement of Financial Activities. If restricted funds are recognized and spent within the same

Global Forest Generation
Notes to Financial Statements
For the years ended June 30, 2022 and June 30, 2021

period, then those revenues and expenses are reported as an increase and decrease in net assets without donor restrictions.

Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year.

Conditional promises, such as those with very specific requirements that must be met, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met. GFG did have signed conditional contracts for grants that are not recognized as income or receivables in these financial statements because of the conditions. Specifically, there is a total of \$150,080 due from a foundation that had not been posted as either income or receivables as of June 30, 2021, and these funds were received and spent in the year ended June 30, 2022. Another \$600,000 in conditional funds were pledged from the same donor during the year ended June 30, 2022, and that money was not posted as income or receivables because of the conditions. It is expected that the funding will be received and conditions met during the year that will end June 30, 2023, and the funds will show as income then.

Expense Allocation

The cost of providing the GFG's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied.

Consultant and payroll costs are allocated based on estimates by employees, consultants and management of time spent on programs, administrative tasks, and fundraising.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization. Fundraising costs are expensed as

Global Forest Generation
Notes to Financial Statements
For the years ended June 30, 2022 and June 30, 2021

incurred, even though they may result in contributions received in future years.

Statement of Cash Flows

The statement of cash flows is presented in the direct method, presenting revenues and expenditures on a cash basis.

Property and Equipment

Property and equipment are recorded at cost as of the date of acquisition or fair market value as of the date of contribution. Depreciation is provided over the estimated useful lives of the related assets on a straight-line basis. Computer equipment is depreciated over a three-year period. Global Forest Generation has a policy of expensing fixed asset purchases of less than \$500. Repairs and maintenance which do not significantly add to the value of assets are expensed as incurred. See Note 10 for further information.

Adoption of New Accounting Standards

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, effective for fiscal years beginning after June 15, 2021. GFG adopted the new standard effective July 1, 2021. This standard requires a change in the presentation in the Statement of Financial Activities, with a separate line item required for in-kind donations. It also requires a change in disclosures, including additional information on the monetization or utilization of donated assets, valuation techniques, and other information. GFG did not have any contributions of nonfinancial assets in the year ended June 30, 2021, so no restatement was necessary. GFG did have contributions of nonfinancial assets in the year ended June 30, 2022, and this information is presented as required, and additional disclosures are in Note 8.

In February 2016, the FASB issued ASU 2016-02 *Leases (Topic 842)* to increase transparency and comparability about leases among entities. The new guidance requires lessees to recognize a lease liability and a corresponding lease asset for virtually all lease contracts. It also requires additional disclosures about leasing arrangements. ASU No. 2016-02, as

Global Forest Generation
Notes to Financial Statements
For the years ended June 30, 2022 and June 30, 2021

amended by 2021-05, is effective for nonpublic entities for fiscal years beginning after December 15, 2021 with early implementation allowed. ASU No. 2016-02 originally specified a modified retrospective transition method which requires the entity to initially apply the new lease standard at the beginning of the earliest period presented in the financial statements. In July 2018, FASB issued ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*, providing a second, optional transition method that allows the entity to apply the new standard at the adoption date and recognize the cumulative effect adjustment to the opening balance in the net assets in the period of adoption. The Organization holds no leases, but will follow the guidance should it take on a lease.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2022 and June 30, 2021 are:

Financial assets:	2022	2021
Cash and cash equivalents	\$246,153	\$101,536
Accounts and grants receivable	<u>1,439,400</u>	<u>652,103</u>
Total financial assets:	\$1,685,553	\$753,639
Less financial assets held to meet non-operational donor-imposed restrictions:	<u>(1,686,298)</u>	<u>(747,333)</u>
Amount available for general expenditures within one year	<u>\$ (745)</u>	<u>\$ 6,306</u>

Global Forest Generation does have a policy that excess funds are placed in an investment account, and as of June 30, 2022 and 2021 those funds are available in addition to funds shown in the above table, as shown below:

Mutual Fund Investments Available	\$414,559	\$126,596
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Global Forest Generation
Notes to Financial Statements
For the years ended June 30, 2022 and June 30, 2021

4. Income Tax Status

Global Forest Generation is an exempt organization operating under Section 501(c)(3) of the Internal Revenue Code, and is exempt from Federal and State taxes on any net income derived from activities related to its exempt purpose. This code section enables GFG to accept donations that qualify as charitable contributions to the donor. GFG is taxed on net income from any unrelated business activities. The organization did not engage in any unrelated business activities and, accordingly, no income tax expense has been recognized. Management has determined that no significant uncertain tax positions qualify for either recognition or disclosure in the accompanying financial statements.

5. Fair Value Measurements

GFG reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

- *Level 1.* Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.

- *Level 2.* Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets in markets that are not active;
 - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
 - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

- *Level 3.* Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value if observable inputs are not available.

**Global Forest Generation
Notes to Financial Statements
For the years ended June 30, 2022 and June 30, 2021**

All of GFG's assets and liabilities are considered to be Level 1, and investments were valued at the closing quoted price in an active market.

6. Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period.

On June 30, 2022, the total of net assets with donor restrictions was \$1,686,298, which represents purpose-related restrictions of \$246,898 for the unspent portion of grants received from foundations, and \$1,439,400, which represents time-related restrictions for funds pledged, but not yet received. Of this amount, \$935,400 also has purpose-related restrictions, and \$504,000 has the time-related restrictions only.

On June 30, 2021, the total of net assets with donor restrictions was \$747,333, which represents purpose-related restrictions from the unspent portion of funds from four different donors in the amount of \$95,230, and time restricted funds for grants promised, but not yet received, in the amount of \$652,103 from four granting organizations.

7. Commitments and Contingencies

In March 2020 and again in March 2022 Global Forest Generation entered into agreements with Ecosistemas Andinos (ECOAN) that cross over fiscal years. The agreements provide for payments from GFG to ECOAN for services related to the Acción Andina project (Note 1). There have been multiple modifications to the agreements, and the most recent modifications made in April and August 2022, with expectations to provide \$2,631,397 during the period from January 1, 2022 to March 31, 2023 and \$244,446 during the period from July 1, 2022 to June 30, 2023. The agreements call for specific deliverables with corresponding payments.

Amounts due under the agreements between ECOAN and its partners are not payable if sufficient funds are not available. Fundraising efforts by GFG are based upon Acción Andina partners' budgets, which are scrupulously analyzed and refined by GFG and ECOAN staff. While some advance commitments have been received when the written agreements are made with ECOAN, diligent

Global Forest Generation
Notes to Financial Statements
For the years ended June 30, 2022 and June 30, 2021

efforts by GFG are required to raise the necessary funds after the agreements are signed in order to make timely payments.

8. Contributions of Nonfinancial Assets

During the years ended June 30, 2022 and 2021, GFG received many hours of service from dedicated volunteers, but those services did not meet the standards for inclusion in the financial statements, as described in Note 2.

During the year ended June 30, 2022, GFG received a donation of the use for lodging for purposes of program-related travel, which is included in these financial statements at the fair market value at the date of the donation. During the year ended June 30, 2021, GFG did not receive any reportable in-kind donations of goods or services.

Details on the in-kind contribution for the year ended June 30, 2022 are as follows:

	<u>Revenue Recognized</u>	<u>Utilization/ Monetization</u>	<u>Donor Restrictions</u>
Lodging	\$1,024	used by GFG	none

9. Investments

Global Forest Generation maintains an investment account, and the investments in the account were comprised as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Money Market	\$ 128,268	\$ 27,644
Equity Mutual Funds	234,976	83,927
Fixed Income Mutual Funds	<u>179,583</u>	<u>42,669</u>
Total Investment Account	\$ 542,827	\$ 154,240

Global Forest Generation
Notes to Financial Statements
For the years ended June 30, 2022 and June 30, 2021

10. Property and Equipment

Global Forest Generation purchased three computers and one phone during the fiscal year ended June 30, 2022 for use by staff. The equipment is being depreciated over a three-year period, and the total purchase price was \$5,889.46. Depreciation during the year was \$381.10, and the net value of the equipment is shown on the balance sheet at the value of \$5,508.36.

GFG owned no equipment during the fiscal year ended June 30, 2021.

11. Credit Risk

GFG maintains cash deposit accounts with a bank insured by the Federal Deposit Insurance Corporation (FDIC). The cash balance held in the bank exceeded the insurable level frequently during the year that ended June 30, 2022. GFG has not experienced any credit losses on its cash to date as it relates to FDIC insurance limits, and management believes the risk of loss to be minimal. The bank balances as of both June 30, 2022 and June 30, 2021 were below the FDIC insured limit of \$250,000.

GFG keeps some funds in an investment account, some of which is invested in a money market, with the balance invested in mutual funds. The funds in the investment account are subject to loss of principal due to market fluctuations.

12. Related Parties

George Fenwick, was the President of the board of directors until December 31, 2021, and is married to Rita Fenwick, who was in the role of Chief Executive Officer until December 31, 2021. Both stepped away from their long-time roles at the same time. Rita Fenwick worked initially as a volunteer, but began drawing a modest salary in March 2021, which ended upon her departure. The roles were filled with new people, and there are currently no related parties.

13. Rent

GFG works on a virtual basis and has no physical office and pays no rent.

Global Forest Generation
Notes to Financial Statements
For the years ended June 30, 2022 and June 30, 2021

14. COVID-19

As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen. To date, GFG has been fortunate that the impact on its operation and finances has been minimal. GFG has determined that at this time that the financial position and results of operations as of and for the years ended June 30, 2022 and 2021 should not be adjusted to reflect the impact of COVID-19's spread.

15. Subsequent Events

Subsequent events have been evaluated through November 7, 2022, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.