

**Greenstand**  
**Audited Financial Statements**  
**For the year ended December 31, 2023**

# Greenstand

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Greenstand

### Opinion

I have audited the accompanying financial statements of Greenstand, a nonprofit organization, which comprises the statements of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greenstand as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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 Greenstand 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 opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 the Greenstand's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, I:

- Exercise professional judgement 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 Greenstand'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 I evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgement, there are conditions or events considered in the aggregate that raise substantial doubt about Greenstand'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.



Glen Allen, Virginia  
July 18, 2024

# Greenstand

## STATEMENTS OF FINANCIAL POSITION As of December 31, 2023

	<u>2023</u>
<b>Asset</b>	
<b>Current Asset</b>	
Cash and Cash equivalents	\$3,987
Account receivables	0
Other assets	15,834
<b>Total Current Assets</b>	<u>19,821</u>
<b>Total Assets</b>	<u><u>\$19,821</u></u>
<b>Liabilities and Net Asset</b>	
<b>Current Liabilities</b>	
Account payable	3,260
<b>Total current liabilities</b>	<u>3,260</u>
<b>Non-Current Liabilities</b>	
Related party Loan	186,557
<b>Total Non-Current Liabilities</b>	<u>186,557</u>
<b>Net Asset</b>	
Without donor restriction	(169,996)
<b>Total Equity</b>	<u>(169,996)</u>
<b>Total Liabilities and Equity</b>	<u><u>\$19,821</u></u>

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

# Greenstand

## STATEMENTS OF ACTIVITIES For the year ended December 31, 2023

	Without Donor Restriction	With Donor Restriction	Total
<b>Revenues</b>			
Donations	\$3,669	\$0	\$3,669
In-kind Contributions	695,529		695,529
Grants	33,253		33,253
Tree token sales	1,801		1,801
<b>Total Support and revenue</b>	<b>734,252</b>	<b>0</b>	<b>734,252</b>
<b>Expenses</b>			
Project	774,138		774,138
General and administrative	15,592		15,592
<b>Total Expenses</b>	<b>789,731</b>	<b>0</b>	<b>789,731</b>
Change in net assets	(55,478)		(55,478)
Net assets, beginning of year	(114,517)		(114,517)
Net assets, end of year	<b>(\$169,996)</b>	<b>\$0</b>	<b>(\$169,996)</b>

The accompanying notes are an integral part of these financial statement

# Greenstand

## STATEMENTS OF FUNCTIONAL EXPENSES For the year ended December 31, 2023

	<u>Project</u>	<u>General and administrative</u>	<u>Total</u>
Cloud infrastructure	\$70,339		\$70,339
Prdoduct deveelopment contractors	680,909		680,909
Project communications	13,501		13,501
Field labor and ground operations	5,799		5,799
Project travel	3,590		3,590
Bank fee		382	382
Business Licenses & Fees		30	30
office expenes		0	0
Legal and accounting services		3,139	3,139
Administrative services		11,343	11,343
Occupancy rent		574	574
website and marketing		54	54
Merchant fee		71	71
			0
Total Expenes	<u><b>\$774,138</b></u>	<u><b>\$15,592</b></u>	<u><b>\$789,731</b></u>

The accompanying notes are an integral part of these financial statements

# Greenstand

## STATEMENTS OF CASH FLOWS For the year ended December 31, 2023

	<b>2023</b>
<b>Cash flow from operating activities</b>	
Change in net assets	(\$55,478)
<b>(Increase) Decrease in asset:</b>	
Account receivables	0
Other assets	7,618
<b>Increase (decrease) in liabilities</b>	
Account payables	(3,179)
<b>Net cash used in operating activities</b>	<b>(51,040)</b>
<b>Cash flows from financing activities</b>	
Borrowings on related party note payables	46,649
<b>Net cash from financing activities</b>	<b>46,649</b>
<b>Net decrease or increase in cashflow</b>	<b>(4,390)</b>
Cash at Beginning of period	8,377
<b>Cash at end of period</b>	<b><u><u>\$3,986.82</u></u></b>

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

# Greenstand

## NOTES TO FINANCIAL STATEMENTS For the year ended December 31, 2023

### NOTE 1: Nature of operations

Greenstand (the "Organization"), is a nonprofit organization incorporated in the State of Alaska on February 8, 2015. The Organization is a U.S.-based 501(c)(3) nonprofit organization developing open-source technology to address climate change and alleviate poverty through digitizing environmental goods and services.

### NOTE 2: Summary of significant accounting policies

The accounting and reporting policies of the Organization conform to accounting principles generally accepted in the United States of America ("GAAP"). The Organization's fiscal year end is December 31.

#### Net asset classification

Contributions, grants, and the related net assets are classified based on the existence or absence of donor-imposed restrictions, as follows:

- Net assets without donor restrictions include those net assets whose use is not restricted by donor-imposed stipulations, even though their use may be limited in other respects, such as by contract or board designation.
- Net assets with donor restrictions include contributions restricted by the donor for specific purposes, time periods, or in perpetuity. When a purpose restriction is accomplished or a time restriction ends, net assets are released to net assets without donor restrictions. Net assets with restrictions also include contributions that donors have restricted in perpetuity.

#### Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. Restrictions fulfilled in the same time period in which the contribution is received are transferred to net assets without restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at their realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received.

Amortization of the discount is included as contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Contributed property and equipment are recorded at fair value at the date of donation. The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

# Greenstand

## NOTES TO FINANCIAL STATEMENTS

### For the year ended December 31, 2023

Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

#### **Grants**

Grants are recognized when the related services are provided, or allowable expenditures made.

#### **Use of estimates**

The preparation of financial statements in conformity with GAAP requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

#### **Cash and cash equivalents**

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

#### **Concentration of credit risks**

The Organization's financial instruments that are exposed to concentrations of credit risk primarily consist of its cash and cash equivalents. The Organization places its cash and cash equivalents with financial institutions of high credit worthiness. The Organization plans to assess the financial strength and credit worthiness of any parties to which it extends funds, and as such, it believes that any associated credit risk exposures are limited.

#### **Fair value of financial instruments**

Certain assets and liabilities of the Organization are carried at fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs.

Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

Level 1 – Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Include other inputs that are directly or indirectly observable in the marketplace. Level 3 – Unobservable inputs which are supported by little or no market activity.

# Greenstand

## NOTES TO FINANCIAL STATEMENTS

### For the year ended December 31, 2023

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The carrying values of the Organization's accounts receivable and accounts payable approximate their fair values due to the short-term nature of these assets and liabilities.

#### **Revenue recognition**

The Organization recognizes revenue from the sale of services in accordance with ASC 606, "Revenue Recognition" following the five steps procedure:

Step 1: Identify the contract(s) with customers

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to performance obligations

Step 5: Recognize revenue when or as performance obligations are satisfied

#### **In-kind Contributions**

The Organization pays for some services. However, the organization relies heavily on volunteer services requiring specific expertise. These services meet the criteria for recognition as contributed services.

#### **Other assets**

Other assets relate to Digital Ocean and AWS (HEI) credit balances. The organization use the credits to pay for services.

#### **Federal income tax**

The Organization is exempt from federal income taxes under §501(c)(3) of the Internal Revenue Code and classified as a public charity under §170(b)(1)(A)(ii). Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than- not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions as of December 31, 2023. The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

# Greenstand

## NOTES TO FINANCIAL STATEMENTS

### For the year ended December 31, 2023

#### Major customers and concentration of credit risk

The Organization had no major customer or vendor concentrations during 2023.

#### Recent accounting pronouncements

In February 2016, FASB issued Accounting Standards Update (“ASU”) 2016-02, Leases (Topic 842). This ASU requires a lessee to recognize a right-of-use asset and a lease liability under most operating leases in its balance sheet. The ASU is effective for annual and interim periods beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact on its financial statements.

The Organization does not believe that any other recently issued, but not yet effective, accounting standards could have a material effect on the accompanying financial statements. As new accounting pronouncements are issued, the Organization will adopt those that are applicable under the circumstances.

#### Functional allocation of expenses

The costs of the Organization’s programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### NOTE 3: Commitments and contingencies

The Organization is not currently involved with and does not know of any pending or threatening litigation against the Organization.

#### NOTE 4: Liquidity and availability of financial resources

The following reflects the Organization’s financial assets as of December 31, 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the financial position date. Amounts not available include amounts restricted for a donor specified purpose.

	<b>2023</b>
Financial assets, at year-end	\$19,821
Restricted by donor with time or purpose restrictions	<u>(169,996)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>(\$150,175)</u>

Net assets without donor restrictions consist of related party advances and revenue from general donations and unrestricted grants as recorded in the statements of activities. Net assets with donor restrictions consist of a grant from Deutsche Gesellschaft für Internationale Zusammenarbeit (“GIZ”) for the Natural Resources Stewardship Programme (“NatuReS”).

# Greenstand

## NOTES TO FINANCIAL STATEMENTS

### For the year ended December 31, 2023

#### **NOTE 5: Related party note payable**

The Organization has a note payable with a related party due on demand, bearing interest at the Applicable Federal Rate (4.82% on December 31, 2023). The note payable balance as of December 31, 2023, is \$164,057. The Organization also converted a contractor's accrued pay of \$22,500.00 into a long-term loan as of December 31, 2023.

#### **NOTE 6: Subsequent events**

The Organization has evaluated all events that have occurred after the statement of financial position date through July 18, 2024, the date these financial statements were available to be issued. Based upon the evaluation, the Organization did not identify any other recognized or non-recognized subsequent events that would have required adjustment or disclosure in the accompanying financial statements.

