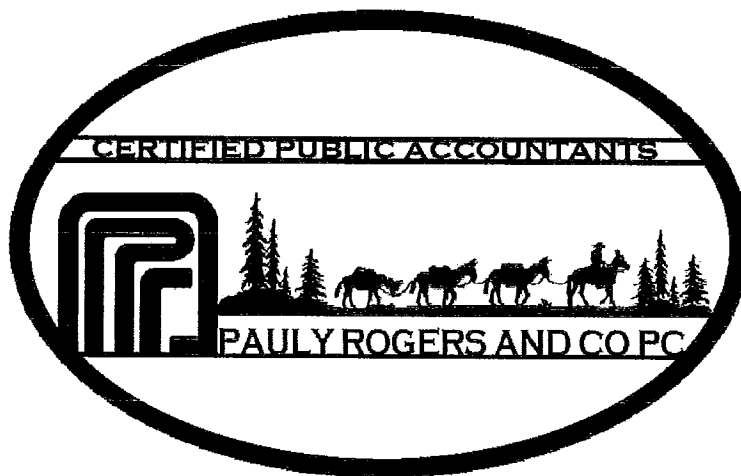


**GREEN EMPOWERMENT
PORTLAND, OREGON**

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010



12700 SW 72nd Ave.
Tigard, OR 97223

**GREEN EMPOWERMENT
PORTLAND, OREGON**

**DECEMBER 31, 2010 & 2009
FINANCIAL REPORT**

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GREEN EMPOWERMENT

December 31, 2010

BOARD OF DIRECTORS

Michael Royce, President

Kathy Fry, Treasurer

Francie Royce, Secretary

Katrina Yuen, Director

David Van't Hof, Director

Carolee Lee, Director

Richard Benner, Director

All board members receive mail at the address below:

ADMINISTRATION

Anna Garwood,
Executive Director

140 SW Yamhill St.
Portland, OR 97223

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GREEN EMPOWERMENT

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

-
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
 - (503) 620-2632 • FAX (503) 684-7523

March 9, 2011

To the Board of Directors
Green Empowerment
Portland, Oregon

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of financial position of Green Empowerment, the statements of activities and changes in net assets and cash flows, as of and for the years ended December 31, 2010 and 2009, as listed in the table of contents. These financial statements are the responsibility of Green Empowerment's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Green Empowerment, as of December 31, 2010 and 2009, and the results of operations and changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Supplementary Information, as listed on the table of contents, is not a required part of the financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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PAULY, ROGERS AND CO., P.C.

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GREEN EMPOWERMENT
PORTLAND, OREGON

STATEMENTS OF FINANCIAL POSITION
December 31, 2010 and 2009

	2010	2009
ASSETS:		
Cash and Cash Equivalents	\$ 73,481	\$ 738,719
Investments	596,976	-
Prepaid Expenses	2,562	7,199
Total Current Assets	673,019	745,918
Furniture and Equipment, net	533	799
Total Assets	\$ 673,552	\$ 746,717
 LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts Payable	\$ -	\$ 39
Payroll Liabilities	5,067	804
Credit Cards Payable	930	979
Total Liabilities	5,997	1,822
 Net Assets:		
Unrestricted net assets	15,017	53,027
Temporarily restricted net assets	652,538	691,868
Total Net Assets	667,555	744,895
Total Liabilities and Net Assets	\$ 673,552	\$ 746,717

See Accompanying Notes to the Financial Statements

**GREEN EMPOWERMENT
PORTLAND, OREGON**

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended December 31, 2010 and 2009

	2010			2009		
	Unrestricted	Temporarily Restricted	Total 2010	Unrestricted	Temporarily Restricted	Total 2009
SUPPORT AND REVENUE:						
Contributions	\$ 64,164	\$ 129,737	\$ 193,901	\$ 92,359	\$ 643,709	\$ 736,068
Grants	7,500	212,664	220,164	44,000	314,528	358,528
In Kind Donations	1,432	-	1,432	15,000	-	15,000
Investment Income (Including Realized & Unrealized Investment Gains/Losses)	744	23,578	24,322	646	2,396	3,042
Service Learning	12,443	79,403	91,846	14,803	65,006	79,809
Miscellaneous Income	-	-	-	3	-	3
Net Assets Released from Restrictions:						
Satisfaction of Purpose Restrictions	484,712	(484,712)	-	453,435	(453,435)	-
Total Support and Revenue	570,995	(39,330)	531,665	620,246	572,204	1,192,450
EXPENSES:						
Program Services	468,196	-	468,196	508,043	-	508,043
General and Administrative	66,749	-	66,749	39,445	-	39,445
Fund-Raising	74,060	-	74,060	26,413	-	26,413
Total Expenses	609,005	-	609,005	573,901	-	573,901
Change in Net Assets	(38,010)	(39,330)	(77,340)	46,345	572,204	618,549
Net Assets at Beginning of Year	53,027	691,868	744,895	6,682	119,664	126,346
Net Assets at End of Year	\$ 15,017	\$ 652,538	\$ 667,555	\$ 53,027	\$ 691,868	\$ 744,895

See Accompanying Notes to the Financial Statements

**GREEN EMPOWERMENT
PORTLAND, OREGON**

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2010 and 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (77,340)	\$ 618,549
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	266	227
(Increase) Decrease in:		
Prepaid Expenses	4,637	286
Increase (Decrease) in:		
Accounts Payable	(88)	199
Payroll Liabilities	4,263	(13,341)
	(68,262)	605,920
Net Cash Provided (Used) by Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(596,976)	-
Furniture and Equipment	-	(799)
	(596,976)	(799)
Net Cash Provided (Used) by Investing Activities		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Note Payable	-	(15,000)
	-	(15,000)
Net Cash Provided (Used) by Financing Activities		
Net Increase (Decrease) in Cash	(665,238)	590,121
Cash and Cash Equivalents at Beginning of Year	738,719	148,598
Cash Cash Equivalents at End of Year	\$ 73,481	\$ 738,719
SUPPLEMENTAL INFORMATION		
Cash used during the year for:		
Interest	\$ -	\$ -
Income Taxes	\$ -	\$ -

See accompanying notes to financial statements

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GREEN EMPOWERMENT

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Green Empowerment (the Organization) is a public charity organized in 1997 which provides villages in the developing world access to clean water, electricity through renewable energy, and sustainable solutions. It is based in Portland, Oregon. Support comes from private and public entities.

Income Tax Status

The Organization is a nonprofit corporation exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and is not a private foundation. No provision for federal income taxes is made in the accompanying financial statements, as there are no activities subject to unrelated business income tax. A provision for state filing fees is made in the accompanying financial statements.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Financial Statement Presentation

The accompanying financial statements were prepared in accordance with the Financial Accounting Standards Board, Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-For Profit Organizations*. Under SFAS No. 117, information regarding financial position and activities are reported according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions. Accordingly, the net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations that limit the use of donated assets.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions and/or the passage of time. This includes a quasi-endowment received in 2009. See Note 3 for further description regarding the quasi-endowment.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently. Generally, donors of these assets permit the use of all or a part of the income earned on related investments for general or specific purposes. There are no Permanently Restricted Net Assets.

The accompanying financial statements were also prepared in accordance with the Financial Accounting Standards Board, Statement of Accounting Standards, No. 116 *Accounting For Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

GREEN EMPOWERMENT

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Material and Services

Contributions of noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Furniture and Equipment

Acquisitions of property and equipment in excess of \$500 are capitalized. Capitalized property and equipment are recorded at cost if purchased and at fair value if donated. Depreciation of furniture and equipment is calculated using the straight-line method over the estimated useful lives of the assets which range from three to seven years.

Functional Expense Allocation

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Grants Receivable

Grants receivable represents grants that have been approved prior to year end, but remain unpaid as of year end. Conditional grants are recorded as receivable when the conditions on which they depend are substantially met. There were no grants receivable at December 31, 2010 or 2009.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Gifts of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Use of Estimates

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

GREEN EMPOWERMENT

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Valuation of Investments

The investments are stated at fair value, which is based on published market prices or the net asset values of shares held at year-end. The net appreciation in the fair value of investments includes realized and unrealized gains and losses on the fair value of investments. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded when earned. Dividends are recorded on the ex-dividend date.

The change in net unrealized appreciation/depreciation of investments held from the beginning of the year to the end of the year is included with realized gains/losses as net investment income/loss reported in the accompanying statements of activities.

FASB Statement No. 157, Fair Value Measurements, establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in an active market for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described as follows:

Level 1 – Quoted prices in active markets for identical securities

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, and others).

Level 3 – significant unobservable inputs

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market funds are stated at fair value which is substantially the same as cost. Investments in government bonds, corporate stocks, mutual funds and asset backed securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

GREEN EMPOWERMENT

NOTES TO THE FINANCIAL STATEMENTS

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2010 and 2009 (stated at cost) are summarized as follows:

	2010	2009
Checking	\$ 5,564	\$ 7,601
Money Market (Variable Interest)	67,917	731,118
Total	\$ 73,481	\$ 738,719

Financial instruments which are potentially subject to credit risk consist principally of cash equivalents and receivables. The bank balances as of December 31, 2010 and 2009 were \$73,482 and \$125,484, all of which were insured by the FDIC.

3. INVESTMENTS

At December 31, 2010, the following table presents total investments within the fair value hierarchy (see Note 2).

	Assets at Fair Value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Money Markets	\$ 52,327	\$ -	\$ -	\$ 52,327
Government Bonds	165,375	-	-	165,375
Corporate Stocks	5,875	-	-	5,875
Mutual Funds	282,815	-	-	282,815
Asset Backed Securities	90,584	-	-	90,584
Total	\$ 596,976	\$ -	\$ -	\$ 596,976

At December 31, 2009, no investments were held.

For the years ended December 31, 2010 and 2009, the following table presents total investment income.

Investment Income as of the Years Ended		
	December 31, 2010	December 31, 2009
Dividends and Interest	\$ 26,033	\$ -
Realized Gain on Investments	-	3,042
Net Appreciation of Investments	(1,711)	-
	\$ 24,322	\$ 3,042

A significant portion of the investment balance for 2010 included a contribution that was set up as a quasi-endowment. The agreement indicated that the goal is to maintain the principal balance of the investment, though it is not required. All use of funds from the quasi-endowment account are approved by the trustee of the quasi-endowment.

GREEN EMPOWERMENT

NOTES TO THE FINANCIAL STATEMENTS

4. FIXED ASSETS

The changes in fixed assets are as follows:

	Balance 1/1/2010	Additions	Deletions	Balance 12/31/2010
Furniture and Equipment	\$ 11,165	\$ -	\$ -	\$ 11,165
Accumulated Depreciation	(10,366)	(266)	-	(10,632)
Fixed Assets, Net	<u>\$ 799</u>			<u>\$ 533</u>

5. IN KIND DONATIONS

The value of donated services included as donations in the financial statements, and the corresponding expenses, for the years ended December 31, 2010 and 2009, are as follows:

Program:	2010	2009
Executive Director Salary	\$ -	\$ -
Other Professional Services	-	-
Materials	1,432	15,000
Rent	-	-
	<u>\$ 1,432</u>	<u>\$ 15,000</u>

GREEN EMPOWERMENT

NOTES TO THE FINANCIAL STATEMENTS

6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for various green energy projects and are accounted for in the following funds:

	2010	2009
Aaron Liss	\$ 50	\$ -
Andina 2009 and prior	-	1,644
Andina 2010	1,453	(20)
Annenberg Water Filters	-	5,338
Aprotec	-	879
Atkinson Foundation	1,205	-
Beans for Streams ATDER-BL Nica	-	450
Ben Linder Memorial Fund	3,448	4,739
Blacksburg 2009	-	(367)
Borneo	2,685	40
Burma Fund	3,529	-
Caitlin Peake internship Nica/A	-	3,600
Chorro Blanco	-	1,430
Corozo Water	-	9,000
Dave Lindoo Internship	318	-
DC Power Colaboration	5,150	5,150
Development Department funds (coon)	-	25,000
EC MAP 2009	-	(1,137)
El Jocote	2,790	-
Global Giving Clean Water	240	355
Global Giving MH Power	1,300	1,539
Global Giving MH Power YAMOG	178	379
Global Giving Wind	1,282	1,282
Havurah Shalom	30,250	2,625
Individual Donations NI	825	475
Individual Donations PE	800	750
Individual Donations PH	120	120
International Foundation DESEA Water Project	-	10,000
Invidiv - Ann Down	320	1,295
Jason Wedding Donations	100	-
Light 4 Villages Fund	-	104
Long Lawen, Taub Project	22	-
Lorax Analytics	-	5,000
SunPower Madagascar	6,250	-
SunPower Malaysia	6,250	-
MAP 2009 BT	-	(574)
MAP PH 2009	-	(574)
McCargar	6,401	5,000
El Bote - Res Fund	1,500	-
Power to the People	-	210
Presidio 2010	-	11,923
	\$ 76,467	\$ 95,655
Subtotal Temporarily Restricted Net Assets	\$ 76,467	\$ 95,655

GREEN EMPOWERMENT

NOTES TO THE FINANCIAL STATEMENTS

6. TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

Subtotal page 8	76,467	95,655
PSU to Nicaragua	-	11,885
Q'ero project	-	100
Phillip Beard Donation	7,500	-
Putman Foundation	25,000	-
Reuss Fund	555,821	502,396
RedBiolac	(12,275)	-
SolarWorld Nicaragua - Corozo	-	705
Technical Training	-	2,300
Toyota Environmental Year 3	-	65,000
Visrin Vichitvadakan	25	-
Water for Village Fund	-	243
WISIONS Biodigester	-	13,584
Total Temporarily Restricted Net Assets	<u>\$ 652,538</u>	<u>\$ 691,868</u>

7. OPERATING LEASES

The office space is a month-to-month rental arrangement through a sublease with Swanson, Thomas, and Coon for \$1,000 per month. Rental expense for the years ended December 31, 2010 and 2009 was \$12,000 and \$12,000, respectively.

8. PREPAID EXPENSES

Prepaid expenses include unexpired insurance premiums at December 31, 2010 and 2009, on insurance policies expiring through 2011 and 2010, respectively, and advances paid to employees at December 31, 2010 and 2009, for expenses to be incurred in 2011 and 2010, respectively. Prepaid expenses are expensed as they are used. Unexpired insurance premiums at December 31, 2010 and 2009 were \$2,562 and \$2,260, respectively. Employee advances at December 31, 2010 and 2009 were \$0 and \$4,939, respectively.

9. SUBSEQUENT EVENTS

All subsequent events through March 9, 2011, the issue date of the financial statements, have been evaluated. No subsequent events were identified by management that needed to be disclosed in the financial statements.

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GREEN EMPOWERMENT

SUPPLEMENTARY INFORMATION

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GREEN EMPOWERMENT
PORTLAND, OREGON

SCHEDULE OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2010

	<u>Program</u>	<u>General and Administrative</u>	<u>Fund- Raising</u>	<u>Total 2010</u>
Salaries and Related Expenses	\$ 141,834	\$ 41,246	\$ 50,820	\$ 233,900
Contract Services	5,730	9,360	-	15,090
Education	1,380	-	270	1,650
Donated Equipment	1,432	-	-	1,432
Grants and Related Expenses	272,718	-	-	272,718
Communications	3,050	-	-	3,050
Fundraising Expenses	-	-	10,469	10,469
Bank Charges	-	2,484	-	2,484
Rent Expense	12,000	-	-	12,000
Office Expenses	2,756	-	-	2,756
Postage	5,124	-	573	5,697
Auto, Travel, Parking	34,888	-	343	35,231
Computer and Information	2,956	-	-	2,956
Printing and Publications	7,581	-	1,346	8,927
License Fees	379	-	-	379
Depreciation	-	266	-	266
Indirect	(23,632)	13,393	10,239	-
Total Expenses	\$ 468,196	\$ 66,749	\$ 74,060	\$ 609,005

GREEN EMPOWERMENT
PORTLAND, OREGON

SCHEDULE OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2009

	<u>Program</u>	<u>General and Administrative</u>	<u>Fund- Raising</u>	<u>Total 2009</u>
Salaries and Related Expenses	\$ 155,748	\$ 19,838	\$ 18,156	\$ 193,742
Contract Services	3,937	8,579	-	12,516
Education	800	-	900	1,700
Donated Equipment	15,000	-	-	15,000
Grants and Related Expenses	252,598	-	-	252,598
Communications	3,731	-	-	3,731
Fundraising Expenses	-	-	-	-
Bank Charges	920	1,972	-	2,892
Rent Expense	12,000	-	-	12,000
Office Expenses	8,611	6	359	8,976
Postage	434	-	1,287	1,721
Auto, Travel, Parking	52,773	-	-	52,773
Computer and Information	290	-	-	290
Printing and Publications	14,315	296	573	15,184
License Fees	433	-	118	551
Depreciation	-	227	-	227
Indirect	(13,547)	8,527	5,020	-
Total Expenses	\$ 508,043	\$ 39,445	\$ 26,413	\$ 573,901