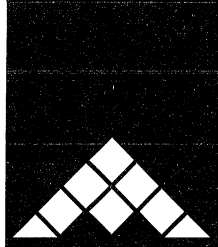


**GREEN AMERICA
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
MARCH 31, 2020**

GREEN AMERICA
FINANCIAL STATEMENTS
MARCH 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Green America
Washington, DC

Report on the Financial Statements

We have audited the accompanying financial statements of Green America (a nonprofit organization), which comprise the statement of financial position as of March 31, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

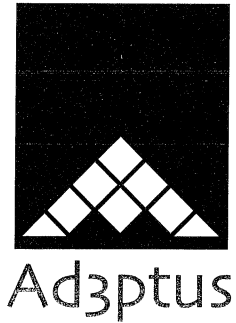
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

Offices:

Maryland
New York City
Long Island
New Jersey



INDEPENDENT AUDITOR'S REPORT (continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Green America as of March 31, 2020, 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.

Adeptus Partners, LLC

ADEPTUS PARTNERS, LLC
Certified Public Accountants

Olney, Maryland
September 23, 2020

GREEN AMERICA
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2020

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 1,303,024
Investment securities - short term (Note 11)	12,047
Accounts and other receivables, net of allowance for doubtful accounts of \$8,797	663,630
Pledges receivable - short term, net (Note 3)	400,696
Prepaid expenses	<u>51,841</u>
 Total current assets	 <u>2,431,238</u>
 PROPERTY AND EQUIPMENT	
Computer hardware and equipment	50,276
Software	88,803
Website	138,069
Less: accumulated depreciation and amortization	<u>(211,746)</u>
 Net property and equipment	 <u>65,402</u>
 OTHER ASSETS	
Endowment Fund (Note 12)	9,170,503
Pledges receivable - long term, net (Note 3)	<u>636,286</u>
 Total other assets	 <u>9,806,789</u>
 TOTAL ASSETS	 <u>\$ 12,303,429</u>

See accompanying notes to financial statements.

GREEN AMERICA
STATEMENT OF FINANCIAL POSITION (CONTINUED)
MARCH 31, 2020

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable and accrued liabilities	\$ 249,639
Deferred revenue	5,332
Lines of credit (Note 8)	350,000
Notes payable - current portion (Note 4)	<u>302,898</u>
Total current liabilities	<u>907,869</u>
LONG-TERM LIABILITIES	
Gift annuity liability (Note 6)	6,866
Notes payable - long term portion (Note 4)	<u>14,941</u>
Total long-term liabilities	<u>21,807</u>
TOTAL LIABILITIES	<u>929,676</u>
NET ASSETS	
Without donor restrictions	686,877
With donor restrictions (Note 10)	<u>10,686,876</u>
TOTAL NET ASSETS	<u>11,373,753</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 12,303,429</u></u>

See accompanying notes to financial statements.

GREEN AMERICA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Individual member dues and contributions	\$ 1,384,927	\$ 1,588,852	\$ 2,973,779
Investment loss, net (Note 11 and Note 12)	(1,569)	(411,730)	(413,299)
Business member dues and participant fees	475,408	-	475,408
Grants	142,675	935,125	1,077,800
Consulting revenue	275,000	-	275,000
Publications and sponsorships	68,913	-	68,913
In-kind donations (Note 9)	68,431	-	68,431
Other revenue	58,048	-	58,048
Royalties	56,542	-	56,542
Bequest revenue	3,633	-	3,633
Net assets released from restrictions (Note 10)	<u>2,724,075</u>	<u>(2,724,075)</u>	<u>-</u>
TOTAL REVENUE AND SUPPORT	<u>5,256,083</u>	<u>(611,828)</u>	<u>4,644,255</u>
EXPENSES			
Program services	4,179,353	-	4,179,353
Fundraising	471,341	-	471,341
Management and general	<u>167,192</u>	<u>-</u>	<u>167,192</u>
TOTAL EXPENSES	<u>4,817,886</u>	<u>-</u>	<u>4,817,886</u>
CHANGES IN NET ASSETS	438,197	(611,828)	(173,631)
NET ASSETS, BEGINNING OF YEAR	<u>248,680</u>	<u>11,298,704</u>	<u>11,547,384</u>
NET ASSETS, END OF YEAR	<u>\$ 686,877</u>	<u>\$ 10,686,876</u>	<u>\$ 11,373,753</u>

See accompanying notes to financial statements.

GREEN AMERICA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2020

	Program Services				Supporting Services			Total
	Green Business Program	Consumer Action Program	Center for Sustainability Program	All Other Programs	Total Programs	Fundraising	Management and General	
Salaries	\$ 254,353	\$ 912,149	\$ 648,492	\$ 3,100	\$ 1,818,094	\$ 239,151	\$ 75,389	\$ 2,132,634
Program awards and grants	20,064	55	14,201	457,385	491,705	520	40	492,265
Consulting and professional services	28,474	42,421	358,224	13,378	442,497	19,019	7,782	469,298
Employee benefits	37,833	135,076	100,488	458	273,855	36,758	11,333	321,946
Postage and shipping	50,812	38,348	122,070	-	211,230	24,831	7,958	244,019
Occupancy	30,231	25,691	153,829	-	209,751	23,788	7,136	240,675
Printing and copying	42,060	39,606	97,193	-	178,859	19,641	6,341	204,841
Payroll taxes	20,857	74,796	53,176	254	149,083	19,610	6,182	174,875
Program meetings and events	-	538	106,554	-	107,092	-	-	107,092
Technology	15,544	8,591	56,287	60	80,482	16,653	3,381	100,516
Travel	7,821	7,426	70,622	1,015	86,884	5,740	4,055	96,679
Marketing	6,090	3,587	19,347	-	29,024	23,850	1,263	54,137
Bank and credit card fees	-	-	-	128	128	23,961	24,547	48,636
Depreciation and amortization	5,039	4,282	25,117	-	34,438	4,000	1,000	39,438
Telephone and internet	3,337	2,836	16,820	-	22,993	2,630	807	26,430
Interest expense	3,158	2,684	15,744	-	21,586	2,500	750	24,836
Other expenses	1,753	2,616	8,737	-	13,106	7,850	3,470	24,426
Office supplies	622	3,881	3,641	-	8,144	598	293	9,035
Bad debt expense	-	-	-	-	-	-	5,359	5,359
Loss on disposal of assets	54	80	268	-	402	241	106	749
TOTALS	\$ 528,102	\$ 1,304,663	\$ 1,870,810	\$ 475,778	\$ 4,179,353	\$ 471,341	\$ 167,192	\$ 4,817,886

See accompanying notes to financial statements.

GREEN AMERICA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:	
Changes in net assets	\$ (173,631)
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation and amortization	39,438
Loss on disposal of assets	749
Change in allowance for doubtful accounts	(12,176)
Donation of stocks	(696,544)
Realized and unrealized gain on investments	(129)
Net realized and unrealized losses on endowment fund	411,730
(Increase) decrease in operating assets	
Accounts receivable and other receivables	(174,480)
Pledges receivables	1,192
Prepaid expenses	(12,560)
Increase in operating liabilities	
Accounts payable and accrued liabilities	37,230
Gift annuity liability	3,082
Deferred revenue	4,383
	<u> </u>
Net cash used in operating activities	<u>(571,716)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sales of investments	691,435
Distributions from endowment fund	500,000
Maturity of certificate of deposit	12,842
Purchase of computer hardware, equipment and software	(15,853)
	<u> </u>
Net cash provided by investing activities	<u>1,188,424</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Lines of credit	350,000
Principal payments on loans	(20,453)
Donation of interest and principal on loans	(1,073)
Capitalization of member loan interest	12,866
	<u> </u>
Net cash provided by financing activities	<u>341,340</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	958,048
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>344,976</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 1,303,024</u></u>
SUPPLEMENTARY CASH FLOW INFORMATION:	
Cash paid during the year for:	
Interest	<u><u>\$ 27,521</u></u>

See accompanying notes to financial statements.

GREEN AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 1 – NATURE OF ACTIVITIES

Nature of Activities

Green America ("the Organization") was incorporated on December 1, 1989, under the laws of the District of Columbia. Green America is a non-profit charitable and membership organization that educates its members and the public about the role that public and private enterprise can play in solving today's social and environmental problems. To serve this purpose, Green America conducts a number of activities designed to educate the American public about the important role that businesses and individuals can play in creating an economy based on justice, cooperation, environmental health, and social responsibility. Green America carries out its mission within three key areas: Consumer Education, Innovative Green Business Programs, and the Center for Sustainability Solutions, a program focused on supply chain solutions to social and environmental problems. Green America's primary publications are: Green American Magazine, Your Green Life, and the Guide to Social Investing & Better Banking (a digital resource).

Description of Programs

Consumer Education:

Green Living – Through publications, websites, email newsletters and social media, provides public education on green living, including reducing energy and resource use, avoiding toxins, reusing and recycling, including:

Green American – A magazine covering the social and environmental issues of our time.

Action E Newsletter – Provides green living information and opportunities to take action for a green economy and corporate responsibility.

Guide to Social Investing & Better Banking – A guide to help people make green investing and banking decisions.

Your Green Life – tips and strategies for greening your life, purchases, and investments.

Climate and Clean Energy – The Climate & Energy Program gives people tools to reduce their own carbon footprint while encouraging the most polluting corporations to do the same. The program mobilizes consumers, investors, businesses, and industry experts to encourage key state, local, federal and business decision makers to adopt the policies and regulations needed to bring solar and wind energy to scale and institute energy efficiency measures everywhere. The program encourages major corporations to reduce fossil fuel use and other climate pollutants such as refrigerants and switch to clean energy and other climate-friendly alternatives. The program has also developed the idea of Clean Energy Victory Bonds and educates the public about the importance of new financing mechanisms for renewable energy and energy efficiency.

Skip the Slip – Skip the Slip works to encourage retailers to shift from offering consumers toxic paper receipts that should not be recycled to providing digital receipts or no receipt options, and providing non-toxic paper receipts to customers that request them.

GREEN AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 1 – NATURE OF ACTIVITIES (continued)

Consumer Education: (continued)

Socially and Environmentally Responsible Investing and Banking – The Socially and Environmentally Responsible Investing and Banking Program exposes banks that prey on consumers through high-interest credit cards and other predatory loan practices, and that finance the fossil fuel industry. The Community Investing program successfully promotes community investing solutions that provide financial services and opportunities to economically disadvantaged communities that are underserved by traditional financial institutions. The Break Up with Your Mega-Bank and Get a Better Bank campaigns are conducted to educate consumers about the impact banks and credit cards have on people and the planet. The Organization also provides education on fossil fuel divestment and clean energy investment for consumers interested in using investment strategies to mitigate climate change.

Labor Justice – The Labor Justice program reaches out to consumers across the nation through our publications, websites, and events to spur demand for fair trade and responsibly-produced products. Green America also opposes the worst labor conditions through its campaigns. Green America conducts the Toxic Textiles and End Smartphone Sweatshop campaigns to educate the public about worker and environmental exposure to toxins in supply chains and to put pressure on companies to end this exposure. The program also calls out labor abuses in the cocoa sector, and at Amazon.com, and encourages manufacturers improve labor conditions in their supply chains.

Food Campaign – The purpose of this program is to accelerate the shift of the food system from industrial agriculture to regenerative, organic, local, sustainable foods. The current focus of this program is on promoting regenerative agriculture that nourishes the soil and sequesters carbon emissions. The Climate Victory Gardens campaign encourages all Americans to plant a garden using regenerative agriculture practices.

Policy & Advocacy – This program educates and engages the public and policymakers on key green economy issues such as energy and climate change, toxic chemical control, support for minimum wage increases, and upholding and strengthening federal regulations that protect human and environmental health among other issues.

Innovative Green Business Programs:

Greenpages.org – A directory of green businesses to help consumers find businesses that help grow the green economy.

Green Business Network – Helps green businesses grow, thrive, and learn how to adopt the most rigorous sustainability practices.

Green Business Webinars – Green Business Webinars are held throughout the year for our business members and allies.

People & Planet Award – This award program highlights a different aspect of the green economy such as energy efficiency, waste reduction, fair supply chain, and sustainable foods. This program ended in October 2019.

GREEN AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 1 – NATURE OF ACTIVITIES (continued)

Center for Sustainability Solutions:

Works on bringing innovative green economy solutions to scale, including supply chain solutions. Innovation networks include:

Clean Electronics Production Network: Works to remove toxic chemicals from the electronic supply chain.

Solar Circle: Works to accelerate the adoption of solar energy to be 50% of energy by 2050.

Climate Safe Lending: Works to accelerate banking sector phase out of fossil fuel lending and focus on renewable energy and regenerative agriculture lending.

Regenerative Supply Working Group: Works to increase the supply of non-GMO and organic, regenerative ingredients as a pathway to a more diverse, resilient and sustainable food systems that creates better long-term outcomes for farmers, consumers and the environment.

Carbon Farming: Works to accelerate farming practices that increase soil health and carbon sequestration as part of the global climate change solution.

The Agriculture Working Groups:

The agriculture networks jointly lead initiatives which include:

Advanced Soil Health Management Systems: Validation and strategies for adoption of innovative soil solutions to speed soil regeneration.

Rewarding Farmers: Advancing effective instruments to support the financial transition to innovative soil health practices.

Soil Carbon Initiative: Standard protocol to verify soil health outcomes and facilitate investment in and adoption of soil health improvement strategies.

Regional Regenerative Supply Collaboration (formerly the Midwest Grains Initiative): Works to increase the supply of grains that are produced with best practices for water quality, soil health and carbon sequestration.

Soil SuperHeroes: Public campaign to build the narrative that soil health is essential for climate and food system solutions.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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 the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

GREEN AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements

ASU 2016-02 Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). This update requires an entity to recognize lease assets and lease liabilities on the statement of financial position and to disclose key information about the entity's leasing arrangements. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022, with early adoption permitted. A modified retrospective approach is required. Management is currently evaluating the impact of adoption of ASU 2016-02 on the Organization's financial statements.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets. Net assets of the Organization and changes therein are classified and reported as follows:

Nets assets without donor restrictions – Net assets that are not subject to stipulations. The Board of Directors will, at times, designate unrestricted net assets for a particular purpose of the Organization. These net assets are shown separately on the statement of financial position, if any.

Net assets with donor restrictions – Net assets subject to stipulations that will be met either by actions of the Organization and/or the passage of time. Other donors impose restrictions that are perpetual.

Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments, with an initial maturity of three months or less, to be cash.

Accounts Receivable

Accounts receivable are stated at their net realizable values. Management evaluates the collectability of its accounts receivable based on certain factors, such as historical collection and aging categories. Accounts receivable are written off when deemed uncollectible. In management's opinion, all receivables, less the allowance for doubtful accounts, are considered fully collectible.

Revenue Recognition

Deferred revenue at March 31, 2020 represents amounts collected in advance under terms of various contracts within the scope of the Organization's mission. Revenue from these contracts is generally recognized when all revenue recognition criteria under the terms of the contracts have been met.

Promises to Give / Pledges

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are 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 as net assets without donor restrictions.

GREEN AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Short-term Investments

The Organization considers all investments with an original maturity greater than three months and less than twelve months to be short-term investments. Investments with a maturity date of less than three months at the statement of financial position date held with the intent of renewal are recorded as short-term investments.

Property and Equipment

Property and equipment are stated at cost. The Organization capitalizes expenditures on property and equipment in excess of \$500. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets, which range between 3 and 7 years.

Membership Dues (Contributions)

The Organization records all membership dues as contributions, therefore, all membership dues are immediately recognized as revenue without donor restrictions in the period received. Management records dues as revenue upon receipt since they believe that the benefits received by its members are negligible. The dues are non-refundable and membership is available to the general public.

Donated Materials, Equipment and Services

Donated materials and equipment are recorded as contributions at their estimated values at the date of receipt. The Organization recognizes donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions as net assets without donor restrictions at that time.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash equivalents. The Organization places its cash equivalents with high-quality institutions and, by policy, limits the amount of credit exposure to any one institution.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Costs that can be identified with particular programs or support functions are charged directly to that program or function. Salaries and related costs have been allocated among the programs and supporting services based upon management's best estimates of the proportion of these costs applicable to each program. Other costs have been allocated to program services and to support services based upon management's best estimates.

GREEN AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Organization has received a tax determination letter from the Internal Revenue Service stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code and is thus exempt from Federal and State income taxes. The Organization, otherwise exempt from Federal and State income taxation, is nonetheless subject to taxation at corporate tax rates at both the Federal and State levels on its unrelated business income. Exemption from other state taxes, such as real and personal property tax, is separately determined. For the year ended March 31, 2020, management has determined that it did not have a tax liability.

The Organization's management evaluates tax positions and recognizes a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Organization's management has analyzed its tax positions, and has concluded that as of March 31, 2020, there are no uncertain tax positions that would require recognition or disclosure. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Subsequent Event Evaluation

The Organization has evaluated events and transactions for potential recognition or disclosure through September 23, 2020, the date the financial statements were available to be issued.

NOTE 3 – PLEDGES RECEIVABLE

In 1993, the Organization established a sustainer pledge program whereby individuals pledge a monthly contribution on an ongoing basis. Contributors can cancel their pledge at any time. The asset account *Pledges Receivable* represents the estimated future monthly pledges receivable from sustainers based upon guidelines developed by management. Since a contributor's pledge has no predetermined fixed duration period, management estimates the monthly pledge amount from sustainers to continue for a three-year period based upon a 15% attrition rate in the first year, 22% in the second year and 28% in the third year.

The three-year duration period and yearly attrition rates have been established by management based upon historic information and projected statistical results, and there is no guarantee that these estimates will be fully achieved.

Pledges receivable from sustainers are due as follows:

	Due in <u>1 Year</u>	Due in <u>2 – 3 Years</u>	<u>Total</u>
Pledges receivable - sustainers	\$ 430,354	\$ 756,027	\$ 1,186,381
Less: Discount to net present value	-	(60,426)	(60,426)
Allowance for uncollectible pledges	<u>(29,658)</u>	<u>(59,315)</u>	<u>(88,973)</u>
Total	<u>(29,658)</u>	<u>(119,741)</u>	<u>(149,399)</u>
Net pledges receivable	<u>\$ 400,696</u>	<u>\$ 636,286</u>	<u>\$ 1,036,982</u>

GREEN AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 4 – NOTES PAYABLE

Notes payable – Green America Loan Program, individual loans from members of the Organization. The note periods range from one month to five years at fixed and variable rates up to prime plus 1.5%. Note extensions are commonly exercised in accordance with terms of note agreements, the majority of which are automatic renewals and have been renewing since the program’s inception. \$ 281,397

Note payable to Renewal Partners, payable in monthly installment of \$1,903 including interest at the annual rate of 5%, with unpaid remaining principal of \$1,895 due on November 15, 2021. The original term of the note is 5 years. 36,442

Total	317,839
Less: current portion	(302,898)
Long-term portion	<u>\$ 14,941</u>

The following is a summary of annual maturities of notes payable as of March 31:

Years	Amount
2021	302,898
2022	<u>14,941</u>
Total	<u>\$ 317,839</u>

NOTE 5 – LEASE OBLIGATIONS AND COMMITMENTS

The Organization has an operating lease agreement for its office space in Washington, DC which expires on August 31, 2021, with a monthly base rent of \$19,049 and an annual escalation of 4%.

Future minimum annual lease payments under operating leases as of March 31 are as follows:

2021	\$ 233,916
2022	<u>99,053</u>
Total minimum lease payments	<u>\$ 332,969</u>

Occupancy expense for the year ended March 31, 2020 was \$240,675.

NOTE 6 – GIFT ANNUITY LIABILITY

The Organization entered into a gift annuity agreement that requires disbursement of funds to a donor in consideration of the assets transferred by the donor to the Organization. As of March 31, 2020, the gift annuity liability was \$6,866.

NOTE 7 – RETIREMENT PLAN

The Organization provides a defined contribution retirement plan that covers all full-time and part-time employees. Total retirement plan employer contribution for the year ended March 31, 2020 was \$33,608.

GREEN AMERICA
 NOTES TO FINANCIAL STATEMENTS
 MARCH 31, 2020

NOTE 8 – LINES OF CREDIT

The Organization has a revolving line of credit with Beneficial State Bank for \$200,000 with interest at U.S. prime rate plus 0.75%; the line of credit agreement expires on November 26, 2021. Borrowings are collateralized by substantially all assets of the Organization. As of March 31, 2020, the outstanding balance on the line of credit was \$200,000. Borrowings under the line of credit are subject to certain financial covenants and restrictions on indebtedness and other related items. As of March 31, 2020, in the opinion of management, the Organization was in compliance with all financial covenants.

The Organization has a non-revolving line of credit with Beneficial State Bank for \$150,000 with interest at U.S. prime plus 0.75%; the line of credit agreement provides that if any portion of the line is unpaid as of December 20, 2020, the unpaid portion will convert to a 5 year term loan with a maturity date of August 20, 2025. If the line of credit is repaid in full prior to December 20, 2020, the line of credit under the current loan agreement will expire. As of March 31, 2020, the outstanding balance on the line of credit was \$150,000. Borrowings are collateralized by substantially all assets of the Organization. Borrowings under the line of credit are subject to certain financial covenants and restrictions on indebtedness and other related items. As of March 31, 2020, in the opinion of management, the Organization was in compliance with all financial covenants.

Green America accessed both lines of credit as of March 31, 2020, as an additional reserve of cash in light of possible economic uncertainties which may ensue from the pandemic.

NOTE 9 – DONATED SERVICES

The Organization receives donations of various professional services. The value of these donated services is included in the financial statements, and the corresponding expense amount was \$68,431 for the year ended March 31, 2020.

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at March 31, 2020:

Subject to the passage of time:

Pledges receivable - sustainers (Note 3)	<u>\$ 1,036,982</u>
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Subject to expenditure for specified purpose:

Soil Carbon Initiative	22,691
Climate Safe Lending	423,293
TreeSisters	4,001
Fair Labor	10,317
Solar Circle	<u>19,089</u>

Total	<u>479,391</u>
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Subject to appropriation and expenditure

when a specific event occurs:

Endowment Fund, up to 5% of January 1 balance can be used by Organization each year for general operations (Note 12)	<u>9,170,503</u>
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Total net assets with donor restrictions	<u>\$ 10,686,876</u>
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GREEN AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of the passage of time or other events specified by the donor, for the year ended March 31, 2020:

Time restrictions expired:

Pledges received - sustainers	\$ <u>461,645</u>
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Purpose restrictions accomplished:

Endowment transferred for operations	500,000
Treesisters	457,427
General Programs	377,679
Climate Safe Lending	241,832
Carbon Farming Program	219,640
Food Programs	100,871
Soil Carbon Initiative	96,338
Clean Electronics Production	94,495
Midwest Grains	75,000
Better Paper Project	50,000
Center for Sustainability Solutions	26,995
KINS Program: Collaboration for a Thriving Earth	9,872
Climate Victory Gardens	8,000
The Connection Partners	3,240
Solar Circle	1,015
Regenerative Agriculture	<u>26</u>
Total	<u>2,262,430</u>

Total restrictions released	\$ <u>2,724,075</u>
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NOTE 11 – INVESTMENT SECURITIES

The Organization follows a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value of its investment securities. The hierarchy gives the highest priority to unadjusted quoted prices in active markets 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 are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

GREEN AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 11 – INVESTMENT SECURITIES (continued)

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at March 31, 2020.

Common Stocks: Valued at the closing price reported on the active market on which the individual stocks are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments are comprised of investments in corporate common stocks. Realized gains and losses are determined using the specific identification method. At March 31, 2020, investments in corporate common stocks are reported at fair value.

The following table sets forth, by level within the fair value hierarchy, the Organization's assets at fair value as of March 31, 2020:

	Assets at Fair Value as of March 31, 2020			
	Level 1	Level 2	Level 3	Total
Common stocks:				
Consumer goods	\$ 634	\$ -	\$ -	\$ 634
Technology	644	-	-	644
Utilities	268	-	-	268
Basic materials	5,404	-	-	5,404
Financial	-	5,097	-	5,097
	-	5,097	-	5,097
Total	\$ 6,950	\$ 5,097	\$ -	\$ 12,047

Investment return from investments without donor restrictions is summarized as follows:

Interest and dividend income	\$ 2,099
Net realized and unrealized gains	(3,668)
Total	\$ (1,569)

GREEN AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 12 – DONOR RESTRICTED ENDOWMENT FUND

The Organization has interpreted the District of Columbia - enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions:

- a) the original value of gifts donated to the donor-restricted endowment,
- b) the original value of subsequent gifts to the donor-restricted endowment, and
- c) accumulation to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund is classified as donor-restricted assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment fund:

- 1) The duration and preservation of the fund
- 2) The purposes of the Organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Organization
- 7) The investment policies of the Organization.

Investment Policy:

The Organization's objective is to manage investment risk and to optimize investment returns within acceptable risk parameters and subject to the organization's socially responsible investment impact goals (see screening criteria below). The Organization's investment policy in general is long-term. The goals of the investment policy are to provide for the ongoing income needs, financial stability, and conservative growth of capital to meet future needs of the Organization and to enhance the purchasing power of funds held for future expenditures. The Organization has established a portfolio policy, which can be adjusted from time to time, and is designed to serve for long-term horizons based upon long-term expected returns.

The Green America Board has established impact guidelines for the portfolio reflecting the mission of Green America. Exclusionary screens will be applied on a "best efforts" basis and only applied to separately managed accounts. The Endowment Committee and Wealth manager will seek out mutual funds, ETFs, or private funds meeting as many of the exclusionary screens and positive impact goals as possible.

Green America's portfolio screening criteria are as follows:

Impact Priorities

- Climate, renewable energy, and sustainable agriculture – we view this as a unified strategy
- Human rights and fair labor
- Community wealth building and financial inclusion

GREEN AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 12 – DONOR RESTRICTED ENDOWMENT FUND (continued)

Investment Policy: (continued)

Exclusionary Screens:

Strict Avoidance:

- Firearm producers
- Fur
- Military weapons
- Nuclear power
- Fossil fuels, including the entire fossil fuel energy sector
- Predatory lending and products/services
- Mining industry
- GMOs

Avoidance:

- Alcohol
- Gambling
- Adult Entertainment
- Tobacco
- Treasuries (limit exposure)
- Animal testing

Industry/company-specific exclusions:

- Mining companies
- Agri-chemical companies
- Select firearm distributors

In addition, from time to time individual companies will be excluded upon review of separately managed account holdings at the Endowment Committee discretion.

Spending Policy:

The Organization has adopted spending policies for the donor-restricted endowment fund that attempt to provide a predictable stream of funding to programs while maintaining purchasing power.

Per the Endowment agreement, the Organization is permitted to withdraw from the Endowment account an amount of up to 5% of the Account balance as of January 1 in any given year. The Organization considers the prudence of that withdrawal within the context of its annual operating budget and cash forecasts. After such permitted withdrawals have been taken, the balances in the account are restricted for a period of 30 years from the date of the gift or until authorization to make other withdrawals is received from the donors.

GREEN AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 12 – DONOR RESTRICTED ENDOWMENT FUND (continued)

The Organization follows a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value of its endowment investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets 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 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at March 31, 2020.

Bonds: Valued at the closing price reported on the active market.

Certificate of Deposit: Valued using cost plus accrued interest method which approximates fair value.

Common Stocks: Valued at the closing price reported on the active market on which the individual stocks are traded.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the Organization at year end.

GREEN AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 12 – DONOR RESTRICTED ENDOWMENT FUND (continued)

The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments are comprised of investments in bonds, certificate of deposit, common stocks and mutual funds. Realized gains and losses are determined using the specific identification method.

Assets at Fair Value as of March 31, 2020				
	Level 1	Level 2	Level 3	Total
Bonds:				
Corporate Bonds	\$ 1,195,884	\$ -	\$ -	\$ 1,195,884
Municipal Bonds	514,775	-	-	514,775
Fixed Income Bonds	-	288,572	-	288,572
Certificate of Deposit:	288,619	-	-	288,619
Common stocks:				
Corporate Stocks	2,664,961	-	-	2,664,961
REIT	124,202	22,573	-	146,775
Mutual Funds:				
Money Market Funds	412,965	-	-	412,965
Stock Funds	126,502	-	-	126,502
Bond Funds	3,531,450	-	-	3,531,450
Total	\$ 8,859,358	\$ 311,145	\$ -	\$ 9,170,503

Investment return from investments with donor restrictions is summarized as follows:

Interest and dividend income	\$ 186,805
Net realized and unrealized losses	(547,478)
Investment management fees	(51,057)
Total	\$ (411,730)

The maturities of debt securities and certificate of deposit are as follows as of March 31, 2020:

Due in one year or less	\$ 422,370
Due in one to five years	1,206,616
Due in more than five years	658,864
Total	\$ 2,287,850

GREEN AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 12 – DONOR RESTRICTED ENDOWMENT FUND (continued)

For the year ended March 31, 2020, the Organization had the following endowment-related activities:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 10,082,233	\$ 10,082,233
Contributions	-	-	-
Investment income:			
Net realized and unrealized loss	-	(547,478)	(547,478)
Interest and dividends	-	186,805	186,805
Transfer-in (out)	500,000	(500,000)	-
Investment management fees	-	(51,057)	(51,057)
Investment income, net	500,000	(911,730)	(411,730)
Appropriation of endowment assets for expenditure	(500,000)	-	(500,000)
Endowment net assets, end of year	\$ -	\$ 9,170,503	\$ 9,170,503

NOTE 13 – FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS

The Organization's financial assets available within one year of the accompanying statement of financial position for general expenditures are as follows:

Financial assets, at year-end	
Cash and cash equivalents	\$ 1,303,024
Investment securities- short term (Note 11)	12,047
Accounts and other receivables, net	663,630
Pledges receivable – short term, net (Note 3)	400,696
Endowment Fund (Note 12)	9,170,503
Financial assets available at March 31, 2020	11,549,900

Less those unavailable for general expenditures within one year, due to donor-imposed restrictions:

Restricted by donor for specific purpose (Note 10)	(479,390)
Endowment Fund (Note 12)	(9,170,503)

Financial assets available for general expenditures within one year \$ 1,900,007

The Organization receives a significant amount of restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

GREEN AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 14 – CONTINGENCIES

From time to time, the Organization may become involved in legal claims arising in the ordinary course of its activities. Management reports that there are currently no known legal claims facing the Organization. In the opinion of management, the outcome of any legal proceedings would be covered by the Organization's insurance policies, subject to normal deductibles, and accordingly, would not have a material effect on its financial position or changes in net assets.

NOTE 15 – SUBSEQUENT EVENTS

In December 2019, a novel strain of coronavirus (COVID-19) was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Organization's employees, grantors, contributors and others all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Organization's financial condition or changes in net assets is uncertain, although management believes it has sufficient cash reserves to maintain operations for the foreseeable future.

In April 2020, the Organization obtained a loan under U.S. Small Business Administration Paycheck Protection Program for \$500,000. The term of the loan is 24 months and interest rate is fixed at 1% per year. Principal and interest payments are deferred for six months with \$28,138 due monthly beginning seven months from the commencement date of the loan. The Organization's management believes that, as of September 23, 2020, the conditions for fulfillment of the U.S. Small Business Administration Paycheck Protection Program's loan forgiveness criteria have been substantially achieved.