GREEN AMERICA
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
MARCH 31, 2018

GREEN AMERICA
FINANCIAL STATEMENTS
MARCH 31, 2018

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Green America

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, 2018, 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

Ad3ptus

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, 2018, 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 27, 2018

GREEN AMERICA
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2018

ASSETS

CURRENT ASSETS		
Cash and cash equivalents	$	629,090
Investment securities - short term (Note 11)		12,194
Accounts and other receivables, net of allowance for doubtful accounts of $25,296		239,300
Pledges receivable - short term, net (Note 3)		354,713
Prepaid expenses		38,899
Total current assets		1,274,196
PROPERTY AND EQUIPMENT		
Office furniture and equipment		56,618
Software		88,803
Website		113,265
Less: accumulated depreciation and amortization		(155,311)
Net property and equipment		103,375
OTHER ASSETS		
Pledges receivable - long term, net (Note 3)		750,835
TOTAL ASSETS	$	2,128,406

See accompanying notes to financial statements.

GREEN AMERICA

STATEMENT OF FINANCIAL POSITION (CONTINUED)

MARCH 31, 2018

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$	175,902
Deferred revenue		1,332
Notes payable - current portion (Note 4)		283,816
Total current liabilities		461,050
LONG-TERM LIABILITIES		
Gift annuity liability (Note 6)		3,667
Notes payable - long term portion (Note 4)		56,896
Total long-term liabilities		60,563
TOTAL LIABILITIES		521,613
NET ASSETS		
Unrestricted		380,265
Temporarily restricted (Note 10)		1,226,528
TOTAL NET ASSETS		1,606,793
TOTAL LIABILITIES AND NET ASSETS	$	2,128,406

See accompanying notes to financial statements.

GREEN AMERICA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2018

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Individual member dues and contributions	$ 1,282,381	$ 1,611,842	$ 2,894,223
Business member dues and participant fees	615,408	-	615,408
Grants and sponsorships	67,624	375,000	442,624
Consulting revenue	310,710	-	310,710
Publications and events	104,829	-	104,829
Royalties	61,924	-	61,924
Other revenue	41,110	-	41,110
In-kind donations (Note 9)	4,714	-	4,714
Investment income, net (Note 11)	2,933	-	2,933
Net assets released from restrictions (Note 10)	2,164,420	(2,164,420)	-
TOTAL REVENUE AND SUPPORT	4,656,053	(177,578)	4,478,475
EXPENSES			
Program services	3,920,422	-	3,920,422
Management and general	109,344	-	109,344
Fundraising	407,500	-	407,500
TOTAL EXPENSES	4,437,266	-	4,437,266
CHANGES IN NET ASSETS	218,787	(177,578)	41,209
NET ASSETS, BEGINNING OF YEAR	161,478	1,404,106	1,565,584
NET ASSETS, END OF YEAR	$ 380,265	$ 1,226,528	$ 1,606,793

See accompanying notes to financial statements.

GREEN AMERICA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2018

	Program Services	Management and General	Fundraising	Total
Salaries	$ 1,788,507	$ 61,810	$ 240,901	$ 2,091,218
Program awards and grants	411,357	30	290	411,677
Consulting and professional services	400,075	3,125	7,499	410,699
Employee benefits	272,274	9,424	37,075	318,773
Occupancy	195,219	6,530	25,385	227,134
Payroll taxes	137,460	4,751	18,515	160,726
Printing and copying	144,574	2,953	9,006	156,533
Postage and shipping	138,397	3,989	13,167	155,553
Program meetings and events	135,986	56	81	136,123
Technology	78,189	1,727	9,077	88,993
Travel	73,466	2,741	6,725	82,932
Bank and credit card fees	49,588	857	2,724	53,169
Depreciation and amortization	36,328	628	1,995	38,951
Telephone and internet	23,737	820	3,180	27,737
Interest expense	23,867	412	1,311	25,590
Marketing	-	-	24,234	24,234
Other expenses	4,298	9,369	5,986	19,653
Office supplies	6,314	108	306	6,728
Bad debt expense	786	14	43	843
TOTALS	$ 3,920,422	$ 109,344	$ 407,500	$ 4,437,266

See accompanying notes to financial statements.

GREEN AMERICA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:	
Changes in net assets	$ 41,209
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation and amortization	38,951
Change in allowance for doubtful accounts	(15,731)
Present value discount	8,878
Donation of stock	(512,963)
Member loan conversion to contribution	(911)
Capitalized interest on member loans	13,416
Realized and unrealized gain on investments	(2,345)
(Increase) decrease in operating assets	
Accounts receivable and other receivables	117,561
Pledges receivables	(9,968)
Prepaid expenses	(11,061)
Restricted cash under agency agreements	1,005
Deposits	967
Increase (decrease) in operating liabilities	
Accounts payable and accrued liabilities	17,249
Gift annuity liability	113
Deferred revenue	(6,843)
Funds due under agency agreements	(1,005)
Net cash used in operating activities	(321,478)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sale of investments	514,739
Purchase of furniture, equipment and software	(29,112)
Net cash provided by investing activities	485,627
CASH FLOWS FROM FINANCING ACTIVITIES:	
Principal payments on loans	(18,511)
Principal payments on Green America loan program	(89,956)
Net cash used in financing activities	(108,467)
NET INCREASE IN CASH AND CASH EQUIVALENTS	55,682
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	573,408
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 629,090
SUPPLEMENTARY CASH FLOW INFORMATION:	
Cash paid during the year for:	
Interest	$ 25,681

See accompanying notes to financial statements.

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 a society 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, National Green Pages, and the Guide to Social Investing & Better Banking.

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 decisions.

Climate & Energy – The Climate & Energy Program gives people tools to reduce their own carbon footprint while telling 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 also encourages major corporations to reduce fossil fuel use and switch to clean energy. 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.

Better Paper Project – The Better Paper Project works to foster collaboration among paper manufacturers, merchants, investors, businesses, nonprofits and consumers to encourage the production of socially and environmentally responsible paper.

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. 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 Megabank, Get a Better Bank, and Take Charge of Your Credit Card 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.

Fair Trade/Fair Labor – The Fair Trade/Fair Labor program reaches out to consumers across the nation through our publications, websites, and events to spur demand for fair trade products. Green America also opposes the worst labor conditions through its campaigns. Green America conducts an End Smartphone Sweatshop campaign to educate the public about worker and environmental exposure to toxins in the electronics supply chain and to put pressure on electronic companies to end this exposure. The program also calls out labor abuses in other industries (such as cocoa and apparel) and encourages manufacturers and retailers to 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.

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 support for mandatory federal labeling of genetically modified organisms, among other issues.

Innovative Green Business Programs:

National Green Pages – 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 sustainability practices.

Green Business Workshops – Green Business Workshops are held as part of the Green Festival Conferences, and online.

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.

NOTE 1 – NATURE OF ACTIVITIES (continued)

Center for Sustainability Solutions:

Works on bringing innovative green economy solutions to scale, including supply chain solutions:

Clean Electronics Production: 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.

Non-GMO Working Group: Works to increase the supply of non-GMO and organic 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.

Midwest Grains: Works to increase the supply of grains that are produced with best practices for water quality, soil health and carbon sequestration.

Northeast Dairy: Works to increase the supply of milk products that are produced with the best practices for water quality, soil health, carbon sequestration, animal welfare, and farmer and farm work economic sustainability.

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

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.

Basis of Presentation
Net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations. The Board of Directors will, at times, designate unrestricted net assets for a particular purpose of the Organization. These net assets, if any, are shown separately on the statement of financial position.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets – Net assets, if any, subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

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.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2018 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 unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets.

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 unrestricted revenue 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 unrestricted support unless the donor has restricted the donated asset to a specific purpose.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Materials, Equipment and Services (continued)

Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment are reported as restricted support. 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 temporarily restricted net assets as unrestricted net assets 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.

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, 2018, 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, 2018, 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. Management believes the Organization is no longer subject to income tax examination for years prior to 2015.

Recent Accounting Pronouncements

ASU 2016-02 Leases

In February 2016, the 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 balance sheet and to disclose key information about the entity's leasing arrangements. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, 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.

Recent Accounting Pronouncements (continued)

ASU 2016-14 Presentation of Financial Statements of Not-for-Profit Entities

The Financial Accounting Standards Board (FASB) added a project to its agenda to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's (NFP's) liquidity, financial performance, and cash flows. The main provisions of this update, which amend the requirements for financial statements and notes in Topic 958, Not-for-Profit Entities, require an NFP to:

1) Report amounts for net assets with donor restrictions and net assets without donor restrictions, as well as the currently required amount for total net assets.
2) Present on the face of the statement of activities the amount of the change in each of the two classes of net assets.
3) Continue to present on the face of the statement of cash flows the net amount for operating cash flows using either the direct or indirect method of reporting but no longer require the presentation or disclosure of the indirect method if using the direct method.
4) Provide enhanced disclosures about a number of qualitative and quantitative items.
5) Report investment return net of external and direct internal investment expenses and no longer require disclosure of those netted expenses.
6) Use, in the absence of explicit donor stipulations, the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset and reclassify any amounts from net assets with donor restrictions to net assets without donor restrictions for such long-lived assets that have been placed in service as of the beginning of the period of adoption.

The amendments in this update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 31, 2018. Early application of the amendments in this update is permitted. The amendments in this update should be applied on a retrospective basis in the year that the update is first applied. Management is currently evaluating the impact this update will have on the Organization's financial statements.

Subsequent Event Evaluation

The Organization has evaluated events and transactions for potential recognition or disclosure through September 27, 2018, 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 16% attrition rate in the first year, 22% attrition rate in the second year, and 27% attrition rate 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.

NOTE 3 – PLEDGES RECEIVABLE (continued)

Pledges receivable from sustainers are due as follows:

	Due in 1 Year	Due in 2 – 3 Years	Total
Pledges receivable - sustainers	$ 448,134	$ 797,540	$ 1,245,674
Less: Discount to net present value	-	(46,705)	(46,705)
Allowance for uncollectible pledges	(93,421)	-	(93,421)
Total	(93,421)	(46,705)	(140,126)
Net pledges receivable	$ 354,713	$ 750,835	$ 1,105,548

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.	$ 264,358
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.	76,354
Total	340,712
Less: current portion	(283,816)
Long-term portion	$ 56,896

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

Years	Amount
2019	$ 283,816
2020	20,454
2021	21,500
2022	14,942
	$ 340,712

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 $17,611 and an annual escalation of 4%.

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

2019	$	216,269
2020		224,920
2021		233,916
2022		99,053
Total minimum lease payments	$	774,158

Occupancy expense for the year ended March 31, 2018 was $227,134.

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, 2018, the gift annuity liability was $3,667.

NOTE 7 – RETIREMENT PLAN

The Organization provides a defined contribution pension plan under Section 403(b)(7) of the U.S. Internal Revenue Code. The plan covers all full-time and part-time employees. Total retirement plan contribution for the year ended March 31, 2018 was $34,892.

NOTE 8 – LINE 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 2% until August 20, 2018 and at U.S. prime rate plus 0.75% thereafter; the line of credit agreement expires on August 27, 2019. Borrowings are collateralized by substantially all assets of the Organization. There was no outstanding balance on the line of credit at March 31, 2018. Borrowings under the line of credit are subject to certain financial covenants and restrictions on indebtedness and other related items. As of March 31, 2018, in the opinion of management, the Organization was in compliance with all financial covenants.

Subsequent to March 31, 2018, the Organization opened a non-revolving line of credit with Beneficial State Bank for $150,000 with interest at U.S. prime rate plus 0.75% for any borrowing during the first year, and then interest at U.S. prime plus 2% for any borrowing thereafter; the line of credit agreement expires on August 20, 2024. 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.

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 $4,714 for the year ended March 31, 2018.

NOTE 10 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following as of March 31, 2018:

Sustainers Program	$	1,105,548
Midwest Grains		50,527
Carbon Farming Program		35,463
Solar Circle		21,433
Fair Trade/Fair Labor		10,317
The Connection Partners		3,240
Total	$	1,226,528

Temporarily restricted net assets released from restrictions consist of the following for the year ended March 31, 2018:

Sustainers Program	$	490,515
KINS Program: Collaboration for a Thriving Earth		481,353
General Programs		294,273
Carbon Farming Program		285,804
Center for Sustainability Solutions		234,995
Food Program		127,627
Midwest Grains		84,495
Better Paper Project		80,000
Clean Electronics		40,769
Healthy Food (GMO Inside)		20,000
Redirecting Investments		20,000
Solar Circle		4,589
Total	$	2,164,420

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.

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.

NOTE 11 – INVESTMENT SECURITIES (continued)

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, 2018.

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, 2018, 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, 2018:

	Assets at Fair Value as of March 31, 2018			
	Level 1	Level 2	Level 3	Total
Common stocks:				
Healthcare	$ 4,007	$ -	$ -	$ 4,007
Technology	1,875	-	-	1,875
Consumer goods	520	-	-	520
Basic materials	469	-	-	469
Utilities	226	-	-	226
Financial	-	5,097	-	5,097
Total	$ 7,097	$ 5,097	$ -	$ 12,194

Investment return is summarized as follows:

Interest and dividend income	$ 589
Net realized and unrealized gains	2,344
Total	$ 2,933

NOTE 12 – CONCENTRATION OF CREDIT RISK AND CASH IN BANKS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash equivalents. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At March 31, 2018, the Organization maintained cash balances of approximately $127,000 in excess of FDIC insured limits.

NOTE 13 – SUBSEQUENT EVENT

Subsequent to year end, Green America entered into a gift agreement which would establish an endowment fund. The initial fair value of the fund will be determined on the date that Green America receives the gift.

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.