GREEN AMERICA
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
MARCH 31, 2021

GREEN AMERICA
FINANCIAL STATEMENTS
MARCH 31, 2021

CONTENTS

Adeptus

Adeptus Partners, LLC
Accountants | Advisors
3311 Olney Sandy Spring Road
Olney, MD 20832
phone 301.929.9700
fax 301.929.9701
www.AdeptusCPAs.com

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, 2021, 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

Adeptus

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, 2021, 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 3, 2021

GREEN AMERICA
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2021

ASSETS

CURRENT ASSETS		
Cash and cash equivalents	$	3,382,296
Investment securities - short term (Note 12)		7,213
Accounts and other receivables, net of allowance for doubtful accounts of $12,425		303,324
Pledges receivable - short term, net (Note 3)		422,823
Prepaid expenses		69,273
Total current assets		4,184,929
PROPERTY AND EQUIPMENT		
Computer hardware and equipment		51,320
Software		88,803
Website		138,069
Less: accumulated depreciation and amortization		(227,310)
Net property and equipment		50,882
OTHER ASSETS		
Endowment Fund (Note 13)		10,909,775
Pledges receivable - long term, net (Note 3)		672,965
Deposits		9,246
Total other assets		11,591,986
TOTAL ASSETS	$	15,827,797

See accompanying notes to financial statements.

GREEN AMERICA

STATEMENT OF FINANCIAL POSITION (CONTINUED)

MARCH 31, 2021

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$	287,053
Deferred revenue		2,447
Notes payable - current portion (Note 4)		310,215
Total current liabilities		599,715
LONG-TERM LIABILITIES		
Note payable - Paycheck Protection Program (Note 4)		500,000
Gift annuity liability (Note 6)		6,538
Total long-term liabilities		506,538
TOTAL LIABILITIES		1,106,253
NET ASSETS		
Without donor restrictions		2,686,713
With donor restrictions (Note 11)		12,034,831
TOTAL NET ASSETS		14,721,544
TOTAL LIABILITIES AND NET ASSETS	$	15,827,797

See accompanying notes to financial statements.

GREEN AMERICA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Individual member dues and contributions	$ 2,048,722	$ 2,068,894	$ 4,117,616
Dividends, Interest and net investment gains, net (Note 12 and Note 13)	3,258	2,230,702	2,233,960
Business member dues, donations and participant fees	464,167	-	464,167
Grants	324,680	188,000	512,680
Consulting revenue	282,000	-	282,000
Advertising and sponsorships	52,270	-	52,270
In-kind donations (Note 9)	112,729	-	112,729
Other revenue	50,426	-	50,426
Royalties	46,484	-	46,484
Bequest revenue	252,412	-	252,412
Net assets released from restrictions (Note 11)	3,139,641	(3,139,641)	-
TOTAL REVENUE AND SUPPORT	6,776,789	1,347,955	8,124,744
EXPENSES			
Program services	4,160,293	-	4,160,293
Fundraising	446,306	-	446,306
Management and general	170,354	-	170,354
TOTAL EXPENSES	4,776,953	-	4,776,953
CHANGES IN NET ASSETS	1,999,836	1,347,955	3,347,791
NET ASSETS, BEGINNING OF YEAR	686,877	10,686,876	11,373,753
NET ASSETS, END OF YEAR	$ 2,686,713	$ 12,034,831	$ 14,721,544

See accompanying notes to financial statements.

GREEN AMERICA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2021

	Program Services					Supporting Services		
	Green Business Program	Consumer Action Program	Center for Sustainability Program	All Other Programs	Total Programs	Fundraising	Management and General	Total
Salaries	$ 214,387	$ 1,070,264	$ 569,605	$ -	$ 1,854,256	$ 229,138	$ 72,627	$ 2,156,021
Consulting and professional services	43,403	34,536	524,458	10,317	612,714	22,779	9,904	645,397
Program awards and grants	103	572	845	482,928	484,448	433	97	484,978
Employee benefits	25,904	129,039	73,496	-	228,439	27,797	8,808	265,044
Occupancy	27,066	23,246	155,562	-	205,874	22,465	8,370	236,709
Postage and shipping	44,754	37,516	128,873	-	211,143	19,196	5,940	236,279
Printing and copying	41,892	39,604	105,196	-	186,692	15,053	4,799	206,544
Payroll taxes	15,767	78,714	41,892	-	136,373	16,852	5,343	158,568
Technology	14,032	8,275	63,114	-	85,421	9,413	2,699	97,533
Marketing	6,106	3,629	24,310	-	34,045	37,392	1,098	72,535
Bank and credit card fees	-	-	-	703	703	27,288	27,287	55,278
Other expenses	2,250	4,282	14,368	-	20,900	8,989	7,403	37,292
Interest expense	4,218	3,622	24,264	-	32,104	3,506	1,291	36,901
Telephone and internet	3,014	2,588	17,523	-	23,125	2,505	923	26,553
Depreciation and amortization	2,883	2,476	16,583	-	21,942	2,396	883	25,221
Bad debt expense	-	-	-	-	-	-	12,172	12,172
Program meetings and events	-	-	11,000	-	11,000	-	-	11,000
Office supplies	539	2,093	4,330	-	6,962	679	411	8,052
Travel	500	776	2,876	-	4,152	425	299	4,876
TOTALS	$ 446,818	$ 1,441,232	$ 1,778,295	$ 493,948	$ 4,160,293	$ 446,306	$ 170,354	$ 4,776,953

See accompanying notes to financial statements.

GREEN AMERICA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	
Changes in net assets	$ 3,347,791
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation and amortization	25,221
Loss on disposal of assets	249
Change in allowance for doubtful accounts	3,627
Contribution of investment	(737,900)
Realized and unrealized loss on short term investments	14
Net realized and unrealized gains on endowment fund	(2,230,702)
(Increase) decrease in operating assets	
Accounts receivable and other receivables	356,679
Pledges receivables	(58,806)
Prepaid expenses	(17,432)
Deposits	(9,246)
Increase in operating liabilities	
Accounts payable and accrued liabilities	37,416
Gift annuity liability	(328)
Deferred revenue	(2,885)
Net cash provided by operating activities	713,698
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sales of investments	742,719
Distributions from endowment fund	491,430
Purchase of computer hardware, equipment and software	(10,950)
Net cash provided by investing activities	1,223,199
CASH FLOWS FROM FINANCING ACTIVITIES:	
Lines of credit repayment	(350,000)
Principal payments on loans	(21,407)
Proceeds from loan - Payment Protection Program	500,000
Capitalization of member loan interest	13,782
Net cash provided by financing activities	142,375
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,079,272
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,303,024
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 3,382,296
SUPPLEMENTARY CASH FLOW INFORMATION:	
Cash paid during the year for:	
Interest	$ 36,434

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, investors, supply chains, 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.

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 predatory 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 campaign 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 major online retail giants such as Amazon.com., and encourages manufacturers 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. 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.

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.

NOTE 1 – NATURE OF ACTIVITIES (continued)

Center for Sustainability Solutions (continued):

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

Soil & Climate Alliance: Works to accelerate farming practices that increase soil health and carbon sequestration as part of the global climate change solution. Initiatives 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 in the Midwest.

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.

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:

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

<u>Net assets with donor restrictions</u> – 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.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2021 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.

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.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Materials, Equipment and Services (continued)

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 and where the vast majority of cash was protected by The Federal Deposit Insurance Corporation (FDIC).

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, 2021, management has determined that it did not have a tax liability.

The Organization's management evaluates tax positions and recognizes a tax liability 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, 2021, 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.

Recent Accounting Pronouncements

ASU Update No. 2014-09 Revenue from Contracts with Customers

In May 2014, the FASB issued ASU Update No. 2014-09, (Topic 606) Revenue from Contracts with Customers. This ASU is a comprehensive new revenue recognition model that requires an organization to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. This updated guidance impacts not-for-profit entities that have revenue transactions other than contributions. This standard was adopted by the Organization effective April 1, 2020. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognized revenue, and therefore no changes in the previously issued financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements (continued)

ASU Update 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.

ASU Update No. 2018-08

In June 2018, the FASB issued ASU Update No. 2018-08, (Topic 958) Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This ASU provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The ASU also provides additional guidance to help determine whether a contribution is conditional or unconditional. This standard was adopted by the Organization effective April 1, 2020. This ASU provides organizations with the option of applying the clarified guidance in the initial year of implementation on a prospective basis; therefore, the Organization has not restated its opening net assets for the year presented.

Subsequent Event Evaluation

The Organization has evaluated events and transactions for potential recognition or disclosure through September 3, 2021, 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 1 Year	Due in 2 – 3 Years	Total
Pledges receivable - sustainers	$ 454,166	$ 799,566	$ 1,253,732
Less: Discount to net present value	-	(63,914)	(63,914)
Allowance for uncollectible pledges	(31,343)	(62,687)	(94,030)
Total	(31,343)	(126,601)	(157,944)
Net pledges receivable	$ 422,823	$ 672,965	$ 1,095,788

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.	$	295,180
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.		15,035
Total		310,215
Less: current portion		(310,215)
Long-term portion	$	-

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

Years		Amount
2022	$	310,215

The Organization received a loan from Beneficial State Bank in the amount of $500,000 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated April 10, 2020, and may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll and other expenses described in the CARES Act. The loan bears interest at a rate of 1% and is payable in monthly installments of principal and interest over 24 months beginning 10 months after the end of the measurement period. The loan may be repaid at any time with no prepayment penalty. Subsequent to year end, the Organization was notified that its application for full forgiveness of the first round of Paycheck Protection Program loan in the amount of $500,000 was approved by the Small Business Administration.

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%. Effective February 4, 2021, the Organization amended the office space operating lease agreement to secure post-pandemic rental rates and to reflect space needs. Commencing September 1, 2021, the operating lease expiration date is August 31, 2026 and monthly base rent is $9,426 with an annual escalation of 3.5%.

NOTE 5 – LEASE OBLIGATIONS AND COMMITMENTS (continued)

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

2022	$	166,939
2023		115,421
2024		119,461
2025		123,642
2026		127,970
Thereafter		54,083
Total minimum lease payments	$	707,516

Occupancy expense for the year ended March 31, 2021 was $236,709.

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, 2021, the gift annuity liability was $6,538.

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 contributions for the year ended March 31, 2021 was $33,490.

NOTE 8 – LINE OF CREDIT

The Organization has a revolving line of credit with Beneficial State Bank for $350,000 with interest at U.S. prime rate plus 0.75%; the line of credit agreement expires on January 4, 2023. Borrowings are collateralized by substantially all assets of the Organization. As of March 31, 2021, there was no outstanding balance on the line of credit. Borrowings under the line of credit are subject to certain financial covenants and restrictions on indebtedness and other related items. As of March 31, 2021, in the opinion of management, the Organization was in compliance with all financial covenants.

NOTE 9 – DONATED SERVICES

The Organization received in-kind contributions of various professional services that are recorded in the accompanying Statement of Activities. For the year ended March 31, 2021 such in-kind contributions consisted of the following:

Legal and consulting services	$	112,729

NOTE 10 – ALLOCATION OF JOINT COSTS

For the year ended March 31, 2021, the organization incurred joint costs of $389,028 which were associated with direct mail, electronic mail, print publications, its website, and other marketing activity. Of that total, $339,831 was allocated to program activity, $37,436 was allocated to fundraising, and $11,761 was allocated to management/administrative activities.

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at March 31, 2021:

Subject to the passage of time:	
Pledges receivable - sustainers (Note 3)	$ 1,095,788
Subject to expenditure for specified purpose:	
Soil Carbon Initiative	3,390
TreeSisters	6,789
Solar Circle	19,089
Total net assets subject to expenditure for specified purpose	29,268
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 13)	10,909,775
Total net assets with donor restrictions	$ 12,034,831

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, 2021:

Time restrictions expired:	
Pledges received - sustainers	$ 491,687
Purpose restrictions accomplished:	
Endowment transferred for operations	491,430
Treesisters	483,631
Agriculture Network	467,500
Climate Safe Lending	463,293
General Programs	395,180
Soil Carbon Initiative	144,300
Food Programs	140,317
Clean Electronics Production	39,303
Climate	23,000
Total	2,647,954
Total restrictions released	$ 3,139,641

NOTE 12 – 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.

NOTE 12 – INVESTMENT SECURITIES (continued)

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, 2021.

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, 2021, 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, 2021:

	Assets at Fair Value as of March 31, 2021			
	Level 1	Level 2	Level 3	Total
Common stocks:				
Consumer goods	$ 876	$ -	$ -	$ 876
Technology	482	-	-	482
Utilities	294	-	-	294
Basic materials	193	-	-	193
Retail	271	-	-	271
Financial	-	5,097	-	5,097
Total	$ 2,116	$ 5,097	$ -	$ 7,213

NOTE 12 – INVESTMENT SECURITIES (continued)

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

Interest and dividend income	$ 8,367
Net realized and unrealized losses	(5,109)
Total	$ 3,258

NOTE 13 – 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.

NOTE 13 – DONOR RESTRICTED ENDOWMENT FUND (continued)

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, renewal energy, and sustainable agriculture – we view this as a unified strategy
- Human rights and fair labor
- Community wealth building and financial inclusion and anti-racism initiatives

Investment Policy:

Exclusionary Screens:

Strict Avoidance:

- Firearm producers
- Fur
- Military weapons
- Nuclear power
- Fossil fuels, including the entire fossil fuel energy sector and major banks financing the fossil fuel 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.

NOTE 13 – DONOR RESTRICTED ENDOWMENT FUND (continued)

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.

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, 2021.

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.

NOTE 13 – DONOR RESTRICTED ENDOWMENT FUND (continued)

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

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, 2021			
	Level 1	Level 2	Level 3	Total
Bonds:				
Corporate Bonds	$ 1,081,219	$ -	$ -	$ 1,081,219
Municipal Bonds	680,117	-	-	680,117
Fixed Income Bonds	-	288,553	-	288,553
Certificate of Deposit:	295,482	-	-	295,482
Common stocks:				
Corporate Stocks	5,580,818	-	-	5,580,818
REIT	205,332	50,847	-	256,179
Mutual Funds:				
Money Market Funds	401,179	-	-	401,179
Stock Funds	279,238	-	-	279,238
Bond Funds	2,046,990	-	-	2,046,990
Total	$ 10,570,375	$ 339,400	$ -	$ 10,909,775

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

Interest and dividend income	$ 131,363
Net realized and unrealized gains	2,186,153
Investment management fees	(86,814)
Total	$ 2,230,702

The maturities of debt securities and certificate of deposit are as follows as of March 31, 2021:

Due in one year or less	$ -
Due in one to five years	1,577,057
Due in more than five years	768,314
Total	$ 2,345,371

NOTE 13 – DONOR RESTRICTED ENDOWMENT FUND (continued)

For the year ended March 31, 2021, the Organization had the following endowment-related activities:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 9,170,503	$ 9,170,503
Contributions	-	-	-
Investment income:			
Net realized and unrealized gains	-	2,186,153	2,186,153
Interest and dividends	-	131,363	131,363
Transfer-in (out)	491,430	(491,430)	-
Investment management fees	-	(86,814)	(86,814)
Investment income, net	491,430	1,739,272	2,230,702
Appropriation of endowment assets for expenditure	(491,430)	-	(491,430)
Endowment net assets, end of year	$ -	$ 10,909,775	$ 10,909,775

NOTE 14 – FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS

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

Financial assets, at year-end	
Cash and cash equivalents	$ 3,382,296
Investment securities- short term (Note 12)	7,213
Accounts and other receivables, net	303,324
Pledges receivable (Note 3)	1,095,788
Endowment Fund (Note 13)	10,909,775
Financial assets available at March 31, 2021	15,698,396
Less those unavailable for general expenditures within one year, due to donor-imposed restrictions:	
Pledges receivable - long term, net (Note 3)	(672,965)
Restricted by donor for specific purpose (Note 11)	(29,268)
Endowment Fund (Note 13)	(10,909,775)
Financial assets available for general expenditures within one year	$ 4,086,388

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.

NOTE 15 – 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 16 – UNCERTAINTIES

The COVID-19 pandemic has developed rapidly during 2020 and 2021, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity, the Organization might experience negative results and liquidity restraints. The exact impact on Organization's activities for the remainder of 2021 and thereafter cannot be predicted at this time. Management believes it has sufficient cash reserves to maintain operations for the foreseeable future.