GREEN AMERICA
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
MARCH 31, 2019

GREEN AMERICA
FINANCIAL STATEMENTS
MARCH 31, 2019

CONTENTS

Ad3ptus

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

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, 2019, 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, 2019, 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
October 17, 2019

GREEN AMERICA
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2019

ASSETS

CURRENT ASSETS		
Cash and cash equivalents	$	344,976
Certificate of deposit		12,842
Investment securities - short term (Note 11)		6,809
Accounts and other receivables, net of allowance for doubtful accounts of $20,974		476,974
Pledges receivable - short term, net (Note 3)		339,719
Prepaid expenses		39,278
Total current assets		1,220,598
PROPERTY AND EQUIPMENT		
Computer hardware and equipment		53,264
Software		88,803
Website		134,039
Less: accumulated depreciation and amortization		(186,365)
Net property and equipment		89,741
OTHER ASSETS		
Endowment Fund (Note 12)		10,082,233
Pledges receivable - long term, net (Note 3)		698,455
Total other assets		10,780,688
TOTAL ASSETS	$	12,091,027

See accompanying notes to financial statements.

GREEN AMERICA
STATEMENT OF FINANCIAL POSITION (CONTINUED)
MARCH 31, 2019

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$	212,409
Deferred revenue		949
Notes payable - current portion (Note 4)		290,060
Total current liabilities		503,418
LONG-TERM LIABILITIES		
Gift annuity liability (Note 6)		3,784
Notes payable - long term portion (Note 4)		36,441
Total long-term liabilities		40,225
TOTAL LIABILITIES		543,643
NET ASSETS		
Without donor restrictions		248,680
With donor restrictions (Note 10)		11,298,704
TOTAL NET ASSETS		11,547,384
TOTAL LIABILITIES AND NET ASSETS	$	12,091,027

See accompanying notes to financial statements.

GREEN AMERICA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Endowment contribution revenue	$ -	$ 9,508,852	$ 9,508,852
Individual member dues and contributions	1,403,986	1,344,175	2,748,161
Investment income, net (Note 11)	2,863	784,381	787,244
Business member dues and participant fees	567,448	-	567,448
Grants and sponsorships	69,085	295,000	364,085
Consulting revenue	212,500	-	212,500
Publications and events	82,785	-	82,785
In-kind donations (Note 9)	67,353	-	67,353
Other revenue	53,196	-	53,196
Royalties	48,034	-	48,034
Bequest revenue	6,013	-	6,013
Net assets released from restrictions (Note 10)	1,860,232	(1,860,232)	-
TOTAL REVENUE AND SUPPORT	4,373,495	10,072,176	14,445,671
EXPENSES			
Program services	3,921,832	-	3,921,832
Fundraising	465,845	-	465,845
Management and general	117,403	-	117,403
TOTAL EXPENSES	4,505,080	-	4,505,080
CHANGES IN NET ASSETS	(131,585)	10,072,176	9,940,591
NET ASSETS, BEGINNING OF YEAR	380,265	1,226,528	1,606,793
NET ASSETS, END OF YEAR	$ 248,680	$ 11,298,704	$ 11,547,384

See accompanying notes to financial statements.

GREEN AMERICA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2019

	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	$ 199,011	$ 902,614	$ 726,006	$ -	$ 1,827,631	$ 252,288	$ 66,718	$ 2,146,637
Consulting and professional services	43,471	82,243	237,617	70,953	434,284	15,613	4,820	454,717
Employee benefits	31,665	145,475	125,900	100	303,140	40,511	10,732	354,383
Occupancy	45,199	112,475	45,655	-	203,329	26,987	7,128	237,444
Postage and shipping	51,593	116,971	11,995	184	180,743	19,824	6,270	206,837
Printing and copying	46,127	101,550	19,999	189	167,865	18,717	6,172	192,754
Program awards and grants	20,000	1,000	-	148,375	169,375	-	500	169,875
Payroll taxes	15,974	68,668	55,782	-	140,424	19,384	5,127	164,935
Program meetings and events	-	-	143,975	-	143,975	91	37	144,103
Travel	9,190	16,439	73,919	2,866	102,414	6,858	1,783	111,055
Technology	18,423	18,147	30,057	4,273	70,900	8,975	1,853	81,728
Bank and credit card fees	10,073	24,399	10,580	892	45,944	3,834	831	50,609
Depreciation and amortization	7,277	14,779	18,548	-	40,604	3,456	748	44,808
Marketing	1,286	1,341	406	-	3,033	35,742	46	38,821
Telephone and internet	4,554	14,249	6,608	-	25,411	3,508	927	29,846
Other expenses	2,535	6,149	6,461	155	15,300	6,213	2,814	24,327
Bad debt expense	3,677	7,470	9,374	-	20,521	1,746	379	22,646
Interest expense	3,401	6,908	8,670	-	18,979	1,615	350	20,944
Office supplies	519	3,959	2,876	85	7,439	439	158	8,036
Loss on disposal of assets	93	190	238	-	521	44	10	575
TOTALS	$ 514,068	$ 1,645,026	$ 1,534,666	$ 228,072	$ 3,921,832	$ 465,845	$ 117,403	$ 4,505,080

See accompanying notes to financial statements.

GREEN AMERICA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$	9,940,591
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation and amortization		44,808
Loss on disposal of assests		575
Change in allowance for doubtful accounts		(8,635)
Donation of stock		(416,129)
Donation of stock - Endowment fund		(9,508,852)
Member loan conversion to contribution		(426)
Capitalized interest on member loans		12,082
Realized and unrealized gain on investments		(1,825)
Realized gain on Endowment Fund		(784,381)
Distributions from Endowment Fund		211,000
(Increase) decrease in operating assets		
Accounts receivable and other receivables		(219,165)
Pledges receivables		57,500
Prepaid expenses		(379)
Increase (decrease) in operating liabilities		
Accounts payable and accrued liabilities		36,507
Gift annuity liability		117
Deferred revenue		(383)
Net cash used in operating activities		(636,995)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments		423,228
Purchase of computer hardware, equipment and software		(31,749)
Net cash provided by investing activities		391,479
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on loans		(19,458)
Principal payments on Green America loan program		(6,409)
Net cash used in financing activities		(25,867)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(271,383)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		616,359
CASH AND CASH EQUIVALENTS, END OF YEAR	$	344,976
SUPPLEMENTARY CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	$	9,291

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 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.

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.

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

Climate & 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 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.

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 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 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.

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:

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. 2019 is the last year of this program.

NOTE 1 – NATURE OF ACTIVITIES (continued)

Center for Sustainability Solutions:

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

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 Working Groups jointly lead the following initiatives:

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.

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, 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.

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 amends the requirement for financial statements and notes in Topic 958, *Not-for-Profit Entities*, require an NFP to:

1) Report amounts for net assets with restrictions and net assets without restrictions, as well as the currently required amount for total net assets.
2) Presents 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 requires 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 requires disclosure of those netted expenses.
6) Use, in the absence of explicit 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 restrictions to net assets without 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. The Organization has adopted the update and applied its provisions retrospectively.

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>Nets assets without donor restrictions</u> – 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.

<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.

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, 2019 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.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2019, 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, 2019, 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 October 17, 2019, 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, 23% in the second year and 27% 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	$ 428,827	$ 759,347	$ 1,188,174
Less: Discount to net present value	-	(60,892)	(60,892)
Allowance for uncollectible pledges	(89,108)	-	(89,108)
Total	(89,108)	(60,892)	(150,000)
Net pledges receivable	$ 339,719	$ 698,455	$ 1,038,174

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.	$ 269,606
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.	56,895
Total	326,501
Less: current portion	(290,060)
Long-term portion	$ 36,441

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

Years	Amount
2020	$ 290,060
2021	21,500
2022	14,941
Total	$ 326,501

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:

2020	$	224,920
2021		233,916
2022		99,053
Total minimum lease payments	$	557,889

Occupancy expense for the year ended March 31, 2019 was $237,444.

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, 2019, the gift annuity liability was $3,784.

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, 2019 was $35,322.

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 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, 2019. Borrowings under the line of credit are subject to certain financial covenants and restrictions on indebtedness and other related items. As of March 31, 2019, 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 2%; the line of credit agreement expires on November 27, 2019. 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, 2019, in the opinion of management, the Organization was in compliance with all financial covenants.

The Organization has applied for a renewal of both of the line of credits with Beneficial State Bank.

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 $67,353 for the year ended March 31, 2019.

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at March 31, 2019:

Subject to the passage of time:	
Pledges receivable - sustainers (Note 3)	$ 1,038,174
Subject to expenditure for specified purpose:	
General Programs	135,000
Solar Circle	20,104
Fair Trade/Fair Labor	10,317
Treesisters	9,636
The Connection Partners	3,240
Total	178,297
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)	10,082,233
Total net assets with donor restrictions	$ 11,298,704

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, 2019:

Time restrictions expired:	
Pledges received - sustainers	$ 482,176
Purpose restrictions accomplished:	
Carbon Farming Program	231,963
Endowment	211,000
Food Programs	180,000
General Programs	149,085
Treesisters	148,375
Center for Sustainability Solutions	106,065
KINS Program: Collaboration for a Thriving Earth	99,472
Clean Electronics	80,739
Better Paper Project	60,000
Standards, Verification and Recognition	59,500
Midwest Grains	50,528
Solar Circle	1,329
Total	1,378,056
Total restrictions released	$ 1,860,232

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.

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, 2019.

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, 2019, investments in corporate common stocks are reported at fair value.

NOTE 11 – INVESTMENT SECURITIES (continued)

The following table sets forth, by level within the fair value hierarchy, the Organization's assets at fair value as of March 31, 2019:

	Assets at Fair Value as of March 31, 2019			
	Level 1	Level 2	Level 3	Total
Common stocks:				
Consumer goods	$ 630	$ -	$ -	$ 630
Technology	554	-	-	554
Utilities	271	-	-	271
Basic materials	257	-	-	257
Financial	-	5,097	-	5,097
Total	$ 1,712	$ 5,097	$ -	$ 6,809

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

Interest and dividend income	$ 1,149
Net realized and unrealized gains	1,714
Total	$ 2,863

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 that 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.

NOTE 12 – DONOR RESTRICTED ENDOWMENT FUND (continued)

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 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

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

NOTE 12 – DONOR RESTRICTED ENDOWMENT FUND (continued)

Investment Policy:

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 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 prudency 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 or until authorization to make other withdrawals is received by the donors. As of March 31, 2019, the Organization's endowment fund consists of a donor-restricted endowment of $10,082,233 invested in U.S. Treasury money market funds.

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ -	$ -
Contributions	-	9,508,852	9,508,852
Investment income:			
Gain on sale of stock, gross	211,000	491,634	702,634
Interest and dividends	-	81,884	81,884
Stock sale processing fees	-	(137)	(137)
Investment income, net	211,000	573,381	784,381
Distributions	(211,000)	-	(211,000)
Endowment net assets, end of year	$ -	$ 10,082,233	$ 10,082,233

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	$	344,976
Certificate of Deposits		12,842
Investment securities- short term (Note 11)		6,809
Accounts and other receivables, net		476,974
Pledges receivable – short term, net (Note 3)		339,719
Endowment Fund (Note 12)		10,082,233
Financial assets available at March 31, 2019		11,263,553
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:		
Restricted by donor for specific purpose (Note 10)		(178,297)
Endowment Fund (Note 12)		(10,082,233)
Financial assets available for general expenditures within one year	$	1,003,023

The Organization is substantially supported by 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. In addition, in the event of an unanticipated liquidity need, the Organization also could draw upon $350,000 of the available lines of credit (as further discussed in Note 8).

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.