

**GREEN AMERICA
(FORMERLY KNOWN AS
CO-OP AMERICA FOUNDATION, INC.)
FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

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METRO METRO & ASSOCIATES
A Professional Corporation
Certified Public Accountants
Olney, Maryland

This report consists of 18 pages.

GREEN AMERICA
(FORMERLY KNOWN AS CO-OP AMERICA FOUNDATION, INC.)
FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Green America (formerly known as Co-op America Foundation, Inc.)

We have audited the accompanying statements of financial position of Green America (a nonprofit organization) (formerly known as Co-op America Foundation, Inc.) ("the Organization") as of December 31, 2010 and 2009, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Green America (formerly known as Co-op America Foundation, Inc.) as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Metro Metro & Associates

METRO METRO & ASSOCIATES
A Professional Corporation
Certified Public Accountants

Olney, Maryland
July 18, 2011

GREEN AMERICA
(FORMERLY KNOWN AS CO-OP AMERICA FOUNDATION, INC.)
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2010 AND 2009

ASSETS

	2010	2009
CURRENT ASSETS		
Cash and cash equivalents	\$ 737,430	\$ 647,340
Accounts and employee receivables, net of allowance for doubtful accounts of \$42,832 and \$41,456 for 2010 and 2009, respectively	235,702	311,021
Pledges receivable, net of allowance for doubtful accounts of \$85,015 and \$80,085 for 2010 and 2009, respectively - current portion (Note 8)	333,179	322,920
Investments - short term	12,039	9,071
Inventory	60,355	31,855
Prepaid expenses	12,384	9,975
Total current assets	1,391,089	1,332,182
PROPERTY AND EQUIPMENT		
Office furniture and equipment	143,479	117,798
Software	84,836	42,618
Website	139,218	99,318
Less: accumulated depreciation and amortization	(180,247)	(136,543)
Software not yet placed in service	-	16,716
Net property and equipment	187,286	139,907
OTHER ASSETS		
Pledges receivable, net of present value discount of \$20,682 and \$45,008 for 2010 and 2009, respectively - long term portion (Note 8)	432,372	372,082
Notes receivable, net of present value discount of \$1,234 and \$462 for 2010 and 2009, respectively (Note 4)	23,766	24,538
Deposit	461	708
Total other assets	456,599	397,328
TOTAL ASSETS	\$ 2,034,974	\$ 1,869,417

See accompanying notes to financial statements.

GREEN AMERICA
(FORMERLY KNOWN AS CO-OP AMERICA FOUNDATION, INC.)
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS OF DECEMBER 31, 2010 AND 2009

LIABILITIES AND NET ASSETS

	2010	2009
CURRENT LIABILITIES		
Accounts payable and other accrued liabilities	\$ 275,663	\$ 334,674
Deferred revenue	82,968	68,410
Gift annuity liability - current portion (Note 5)	748	748
Notes payable - Green America loan program - current portion (Note 6)	262,326	204,771
Loan payable - current portion	48,490	-
Capital lease obligations - current portion (Note 7)	14,818	4,889
	685,013	613,492
LONG-TERM LIABILITIES		
Gift annuity liability - long-term portion (Note 5)	3,711	4,040
Notes payable - Green America loan program - long-term portion (Note 6)	122,976	182,468
Loan payable - long-term portion	157,092	-
Capital lease obligations - long-term portion (Note 7)	37,328	11,366
	321,107	197,874
Total long-term liabilities	321,107	197,874
TOTAL LIABILITIES	1,006,120	811,366
NET ASSETS		
Unrestricted	(45,994)	43,661
Temporarily restricted (Note 9)	1,074,848	1,014,390
	1,028,854	1,058,051
TOTAL NET ASSETS	1,028,854	1,058,051
TOTAL LIABILITIES AND NET ASSETS	\$ 2,034,974	\$ 1,869,417

See accompanying notes to financial statements.

GREEN AMERICA
(FORMERLY KNOWN AS CO-OP AMERICA FOUNDATION, INC.)
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			2009
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE & SUPPORT				
Individual member dues & contributions	\$ 1,050,394	\$ 830,769	\$ 1,881,163	\$ 1,870,289
Business member dues and contributions	220,367	-	220,367	274,428
Major gifts	203,734	5,000	208,734	397,860
Publications & events	370,954	15,000	385,954	493,277
Grants & sponsorships	250,121	348,688	598,809	1,084,750
Royalties	53,032	-	53,032	37,661
In-kind donations (Note 12)	29,179	-	29,179	89,105
Investment income (Note 11)	2,717	4	2,721	3,605
Other income	83,364	-	83,364	55,290
Net assets released from restrictions	1,139,003	(1,139,003)	-	-
TOTAL REVENUE & SUPPORT	3,402,865	60,458	3,463,323	4,306,265
EXPENSES				
Program services	3,023,952	-	3,023,952	3,807,942
Management and general	137,565	-	137,565	144,675
Fundraising	331,003	-	331,003	436,921
TOTAL EXPENSES	3,492,520	-	3,492,520	4,389,538
CHANGE IN NET ASSETS	(89,655)	60,458	(29,197)	(83,273)
NET ASSETS AT BEGINNING OF YEAR	43,661	1,014,390	1,058,051	1,141,324
NET ASSETS AT END OF YEAR	<u>\$ (45,994)</u>	<u>\$ 1,074,848</u>	<u>\$ 1,028,854</u>	<u>\$ 1,058,051</u>

See accompanying notes to financial statements.

GREEN AMERICA
(FORMERLY KNOWN AS CO-OP AMERICA FOUNDATION, INC.)
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010				2009
	Program Services	Management and General	Fundraising	Total	Total
Accounting	\$ 12,874	\$ 911	\$ 1,055	\$ 14,840	\$ 15,840
Advertising	328	6	6	340	1,199
Bad debt	19,989	-	-	19,989	42,097
Bank fees	5,780	409	474	6,663	4,806
Consulting	66,637	503	18,802	85,942	136,219
Distribution for program activities	20,610	-	-	20,610	31,275
Depreciation and amortization	38,139	2,616	3,031	43,786	39,359
Dues, subscriptions & data services	6,469	18	1,231	7,718	14,518
Equipment rental	1,489	105	122	1,716	1,734
Equipment/software/fixtures	7,655	451	522	8,628	10,559
Employee benefits	105,871	7,489	8,676	122,036	151,064
Events/meeting space	48,705	-	553	49,258	50,131
Insurance	10,668	755	874	12,297	16,640
Interest	39,124	1,853	2,147	43,124	26,853
Internet fees	16,929	16	18	16,963	16,652
Legal fees	26,386	1,817	2,104	30,307	106,659
Licenses and registrations	10,845	767	889	12,501	14,920
Mailing services	85,458	-	17,437	102,895	197,719
Occupancy	164,334	11,128	12,891	188,353	200,247
Office supplies and expenses	4,953	194	396	5,543	7,740
Outside data processing	48,615	3,439	3,984	56,038	65,816
Payroll taxes	103,817	7,344	8,508	119,669	136,847
Postage and delivery	259,409	1,324	73,166	333,899	458,255
Printing and publications	280,740	1,008	35,644	317,392	497,674
Professional fundraising fees	-	-	-	-	43,161
Programs - technical assistance	160,351	-	-	160,351	241,082
Recruiting and training	1,689	11	1,861	3,561	753
Repairs and maintenance	3,912	277	321	4,510	4,289
Salaries - officers and directors	301,512	21,329	24,709	347,550	365,043
Salaries - other	1,028,314	71,586	82,930	1,182,830	1,370,439
Strategic planning	11,181	-	-	11,181	-
Taxes - income and property	711	50	58	819	1,095
Telemarketing fees	22,226	-	25,064	47,290	-
Telephone	29,547	1,926	2,231	33,704	39,965
Travel/meals	78,685	233	1,299	80,217	78,888
TOTALS	\$ 3,023,952	\$ 137,565	\$ 331,003	\$ 3,492,520	\$ 4,389,538

See accompanying notes to financial statements.

GREEN AMERICA
(FORMERLY KNOWN AS CO-OP AMERICA FOUNDATION, INC.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (29,197)	\$ (83,273)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation & amortization	43,786	39,359
Provision for bad debts	6,306	17,586
Gain on disposal of fixed assets	(10,114)	-
Capitalized interest on loans	15,108	11,380
Loan forgiveness	-	1,016
Present value discount	(23,554)	5,507
(Increase) decrease in operating assets		
Accounts and employee receivables	73,943	(22,011)
Pledges receivable	(51,153)	(86,525)
Inventory	(28,500)	17,168
Prepaid expenses	(2,409)	7,702
Deposit	247	(357)
Increase (decrease) in operating liabilities		
Accounts payable and other accrued liabilities	(59,011)	(77,535)
Gift annuity liability	(329)	(333)
Deferred revenue	14,558	25,037
	(50,319)	(145,279)
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture and equipment	(37,551)	(61,079)
(Increase) decrease in investments	(2,968)	19,788
	(40,519)	(41,291)
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loans	250,000	-
Principal payments on loans	(44,418)	-
Proceeds from Green America loan program	10,000	-
Principal payments on Green America loan program	(27,045)	-
Principal payments on capitalized leases	(7,609)	(3,689)
	180,928	(3,689)
Net cash provided by (used in) financing activities		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	90,090	(190,259)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	647,340	837,599
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 737,430	\$ 647,340
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	\$ 41,381	\$ 26,853
Non-cash financing transactions:		
Equipment acquired under capital lease	\$ 43,500	\$ -

See accompanying notes to financial statements.

GREEN AMERICA
(FORMERLY KNOWN AS CO-OP AMERICA FOUNDATION, INC.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 – NATURE OF ACTIVITIES⁷

Nature of Activities

Green America ("the Organization") (formerly known as Co-op America Foundation, Inc.) was incorporated on December 1, 1989 under the laws of the District of Columbia. The Organization is a non-profit charitable and membership organization that educates its members and the public about the role that the public and private enterprise can play in solving today's social and environmental problems. To serve this purpose, Green America conducts a number of activities designed to educate the American public about the important role that businesses and individuals can play in creating a society based on justice, cooperation, environmental health, and social responsibility. The Organization carries out its mission within three key areas: the Consumer Education and Empowerment Program (Green Living Program), the Corporate Responsibility Program, and the Green Economy/Green Business Program. Its primary publications are: *Green American*, the *National Green Pages*, *Green America Guide to Socially Responsible Investing*, *Community Investment Guide*, and *Green America Guide to Ending Sweatshops*.

Description of Programs

Consumer Education and Empowerment (Green Living Program):

Green American – Our 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 Socially Responsible Investing – A guide to help people make green investing decisions.

Guide to Fair Trade – A guide to help consumers learn about the role fair trade plays in helping economically disadvantaged communities around the world.

Guide to Community Investing – Helps consumers learn how to invest in local living communities.

Green Media – Provides public education on green living.

Corporate Responsibility Programs:

Climate Action – Our Climate Action Program gives people tools to reduce their own carbon footprint while telling the most polluting corporations to do the same. Climate Action mobilizes consumers, investors, businesses, and industry experts to tell our nation's key decision makers to adopt the policies and regulations needed to bring solar energy to scale, institute energy efficiency measures everywhere, and ramp up production of plug-in hybrid electric cars. In 2010, Climate Action also developed the idea of clean energy victory bonds and began educating 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.

GREEN AMERICA
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NOTES TO FINANCIAL STATEMENTS
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NOTE 1 – NATURE OF ACTIVITIES (continued)

Responsible Banking & Community Investing – Our Responsible Banking Program exposes banks that continue to prey on consumers through high-interest credit cards and other predatory loan practices. Our 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.

Responsible Shopper – With a new website launched in 2008 garnering a great deal of media praise and viewed by over 2.4 million people per year, Responsible Shopper gives our members and consumers information on labor and environmental abuses by major corporations, actions to take, and campaigns to join to oppose corporate abuses, and advocate green shopping alternatives.

Fair Trade – Our Fair Trade program reaches out to consumers across the nation through our publications, websites, and events to spur demand for fair trade products. With our Fair Trade Alliance we play a leading role in building a market for fair trade with the help of over 1,000 member groups representing approximately 250,000 consumers.

Green Economy/Green Business Programs:

National Green Pages – A directory of green businesses to help consumers find businesses that help grow the green economy.

Green Business Network – Helps green businesses grow and thrive and to help businesses learn how to adopt sustainability practices.

Green Business Conference – Helps businesses adopt greater social and environmental sustainability practices.

Green Festivals – A joint project with Global Exchange to help businesses, consumers and communities learn how they can go green. Green Festivals, Inc. is a separate legal entity.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

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

Basis of presentation

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

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

GREEN AMERICA
(FORMERLY KNOWN AS CO-OP AMERICA FOUNDATION, INC.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of presentation (continued)

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. The Organization maintained \$1,074,848 and \$1,014,390 of temporarily restricted net assets as of December 31, 2010 and 2009, respectively.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. The Organization maintained no such net assets as of December 31, 2010 and 2009.

Cash and Cash Equivalents

For purposes of the statements of financial position and cash flows, the Organization considers all unrestricted highly liquid investments, with an initial maturity of three months or less, to be considered 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 receivables are written off when deemed uncollectible. In management's opinion, all receivables, less the allowance for doubtful accounts, are considered fully collectible.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets.

Short-term Investments

For the purposes of the statement of financial position and the statement of cash flows, 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 3 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 furnishings and equipment in excess of \$500. Depreciation is calculated for financial statement purposes using the straight-line method based on the property's estimated useful lives of three, five and seven years.

Depreciation and amortization expenses for the years ended December 31, 2010 and 2009 were \$43,786 and \$39,359, respectively.

GREEN AMERICA
(FORMERLY KNOWN AS CO-OP AMERICA FOUNDATION, INC.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Notes Receivable

Notes receivable are reported at their outstanding principal balances adjusted for present value discounts. Present value discounts on notes receivable are amortized to income using the interest method over the remaining period to contractual maturity, adjusted for anticipated prepayments. Notes receivable are considered by management to be fully collectible and, accordingly, no allowance for doubtful accounts is considered necessary. In making that determination, management evaluated the financial condition of the borrower's and current economic conditions.

Membership Dues (Contributions)

The Organization elected to adopt Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-605-25, *Not-for-Profit Entities - Revenue Recognition - Recognition*. The Organization records all membership dues as contributions, therefore, all membership dues are immediately recognized as unrestricted revenue in the period received. Management records dues as revenue upon receipt since they believe that the benefits received by its members are negligible, the dues are non-refundable and membership is available to the general public.

Donated Materials, Equipment and Services

Donated materials and equipment are recorded as contributions at their estimated values at the date of receipt. The Organization recognizes donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets as unrestricted net assets at that time.

Functional Allocation of Expenses

The cost of providing the Organization's various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

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

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. At times, the balances may exceed federally insured limits; however, management believes the Organization is not exposed to any significant credit risk related to cash.

GREEN AMERICA
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

The majority of inventory consists of publications, brochures and paper. A portion of the inventory consists of products held for resale. Inventory is carried at the lower of cost or market using the FIFO (first-in, first-out) method of valuation.

Income Taxes

The Organization is a non-profit organization that is generally exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code, although the Organization is taxed on any business income that is not substantially related to the Organization's exempt purpose.

Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 740-10 (FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, an Interpretation of SFAS 109, Accounting for Income Taxes) clarifies the accounting for uncertainty in income taxes recognized in enterprise's financial statements. This interpretation is effective for annual periods ending after September 15, 2009. The Organization has implemented FASB ASC 740-10 for the year ended December 31, 2009. The implementation of the FASB ASC 740-10 had no material impact on the Organization's results from operations or its financial position.

Subsequent Event Evaluation

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through July 18, 2011, the date the financial statements were available to be issued.

NOTE 3 – RETIREMENT PLAN

As of January 1, 2008, the Organization converted its employee salary contribution plan, as defined under Section 403(b)(7) of the U.S. Internal Revenue Code, to a defined contribution pension plan defined under Section 401(k) of the U.S. Internal Revenue Code. The plan covers all full-time and part-time employees. Under provisions of the plan, participant's contributions, up to \$25 per pay period, can be matched by Green America in a ratio of 3.06-to-1, with a maximum matching contribution of \$76.50 per pay period. Total retirement plan expenses for the years ended December 31, 2010 and 2009 were \$0 and \$17,760, respectively.

NOTE 4 – NOTES RECEIVABLE

In 2004, the Organization entered into a promissory note agreement with Green Festivals, Inc., a joint program with Global Exchange, Inc., a California based non-profit organization, for the amount of \$25,000 to be received interest free and paid in full to the Organization by December 31, 2008. The promissory note repayment date was changed to July 31, 2012.

Based on the note repayment date of July 31, 2012 and a discount rate of 3.25%, the Organization calculated the present value of the note as of December 31, 2010 as follows:

Promissory note amount	\$ 25,000
Present value discount	<u>(1,234)</u>
Total	<u>\$ 23,766</u>

GREEN AMERICA
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NOTE 5 – GIFT ANNUITY LIABILITY

The Organization entered into a number of gift annuity agreements that require disbursements of funds to donors in consideration of the assets transferred by donors to the Organization.

As of December 31, 2010 and 2009, the gift annuity liability is as follows:

	<u>2010</u>	<u>2009</u>
Gift annuity liability	\$ 4,459	\$ 4,788
Less: current portion	<u>(748)</u>	<u>(748)</u>
Long-term portion	<u>\$ 3,711</u>	<u>\$ 4,040</u>

NOTE 6 – NOTES PAYABLE

	<u>2010</u>	<u>2009</u>
Notes payable – Green America Loan Program, individual loans from members of the Organization. The note periods range from one month to four years at fixed and variable rates up to prime plus 1.5%, note extensions are commonly exercised in accordance with terms of note agreements.	\$ 385,302	\$ 387,239
Note payable to Renewal Partners Company payable in two equal annual payments of \$27,655 each on November 30, 2012 and November 30, 2013, a repayment term of 3 years and 1.5 months with annual interest rate of 7% and an interest only payment for the first 13.5 months. The interest payment of \$3,972 is due on November 30, 2011.	50,000	-
Note payable to RSF, payable in monthly installment of \$4,787 including interest at the annual rate of 5%. The term of the note is 4 years. The note matures in February 2014.	<u>155,582</u>	<u>-</u>
Total	590,884	387,239
Less: current portion	<u>(310,816)</u>	<u>(204,771)</u>
Long-term portion	<u>\$ 280,068</u>	<u>\$ 182,468</u>

During the year 2009, \$1,016 of notes payable was forgiven and recorded as contribution revenue.

GREEN AMERICA
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NOTE 6 – NOTES PAYABLE (continued)

The following is a summary of principal maturities of long-term debt during the next five years.

<u>Years</u>	<u>Amount</u>
2011	\$ 310,816
2012	151,217
2013	115,121
2014	13,730
2015	-
Thereafter	-
	<u>\$ 590,884</u>

NOTE 7 – LEASE OBLIGATIONS AND COMMITMENTS

	<u>2010</u>	<u>2009</u>
In August 2007, the Organization entered into a capital lease agreement for office equipment with a lease-finance company. Terms of the lease agreement call for the Organization to make monthly lease payments of \$743 for a period of 60 months.	\$ 11,366	\$ 16,255
In October 2010, the Organization entered into a capital lease agreement for office equipment with a lease-finance company. Terms of the lease Agreement call for the Organization to make monthly lease payments of \$795 for a period of 60 months.	<u>40,780</u>	<u>-</u>
Total	52,146	16,255
Less: current portion	<u>(14,818)</u>	<u>(4,889)</u>
Long-term portion	<u>\$ 37,328</u>	<u>\$ 11,366</u>

Future minimum lease payments under capital lease obligations are as follows:

2011	\$ 14,818
2012	13,499
2013	8,897
2014	9,191
2015	<u>5,741</u>
Total minimum lease payments	52,146
Less: Amount representing interest	<u>(6,573)</u>
Present value of minimum lease payments	<u>\$ 45,573</u>

GREEN AMERICA
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NOTES TO FINANCIAL STATEMENTS
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NOTE 7 – LEASE OBLIGATIONS AND COMMITMENTS (continued)

On September 1, 1994, the Organization entered into an operating lease agreement for its office space in Washington, DC. Since commencement, the term of the lease has been extended to August 31, 2016. Under terms of the agreement, the monthly base rent is \$17,654 with an annual escalation of 4%. On May 20, 2009, the lease agreement was amended resulting in a new monthly base rent of \$14,339 with an annual escalation of 4%. On August 19, 2010, the lease agreement was amended. Effective September 1, 2010, the new monthly base rent was \$15,495 with an annual escalation of 3%. On November 3, 2010, the lease agreement was amended. Effective September 1, 2011, the new monthly base rent will be \$14,467 with an annual escalation of 3%.

On January 29, 2007 the Organization entered into an operating lease agreement for its office space in Denver, Colorado. The lease commenced on February 1, 2007 and ended on January 31, 2009. On November 12, 2008, the lease was renewed for 2 years and 16 days, commencing on December 12, 2008 and ending on December 31, 2010. Beginning on January 1, 2009, the monthly base rent was \$283 per month. Starting January 1, 2010, the monthly base rent increased to \$293 per month. On October 25, 2010, the Organization entered into an operating lease agreement for the same office space. The lease commences on January 1, 2011 and ends on December 31, 2011. Starting on January 1, 2011, the monthly base rent is \$906 per month.

Future minimum lease payments under operating leases are as follows:

2011	\$	192,513
2012		191,245
2013		196,982
2014		202,892
2015		208,978
Thereafter		<u>142,078</u>
Total		<u>\$ 1,134,688</u>

Rent expense for the years ended December 31, 2010 and 2009 was \$184,727 and \$195,080, respectively.

NOTE 8 – UNCONDITIONAL PROMISES TO GIVE

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 monthly pledges receivable based upon guidelines developed by management. Since a contributor's pledge has no predetermined fixed duration period, management estimates the monthly pledge amount to continue for a three year period based upon a 10% attrition rate in the first year, 25% attrition rate in the second year, and 50% attrition rate in the third year.

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

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NOTE 8 – UNCONDITIONAL PROMISES TO GIVE (continued)

Additionally, the Organization received other unconditional promises to give. Contributions estimated to be collected more than twelve months from the financial statement date are based upon present value of estimated future cash flows.

	2010	2009
Unconditional promises to give - sustainers	\$ 850,153	\$ 800,845
Unconditional promises to give - other	<u>21,095</u>	<u>19,250</u>
Total	871,248	820,095
Less:		
Allowance for uncollectible promises	(85,015)	(80,085)
Unamortized discount (8%)	<u>(20,682)</u>	<u>(45,008)</u>
Total	<u>(105,697)</u>	<u>(125,093)</u>
Net unconditional promises to give	765,551	695,002
Less: current portion	<u>(333,179)</u>	<u>(322,920)</u>
Long-term portion	<u>\$ 432,372</u>	<u>\$ 372,082</u>

Unconditional promises to give are due as follows:

	Due in 1 Year	Due in 1 – 9 Years	Total
Unconditional promises to give – sustainers	\$ 409,194	\$ 440,959	\$ 850,153
Unconditional promises to give - other	<u>9,000</u>	<u>12,095</u>	<u>21,095</u>
Total	418,194	453,054	871,248
Less:			
Discount to net present value	-	(20,682)	(20,682)
Allowance for uncollectible pledges	<u>(85,015)</u>	<u>-</u>	<u>(85,015)</u>
Total	<u>(85,015)</u>	<u>(20,682)</u>	<u>(105,697)</u>
Net pledges receivable	<u>\$ 333,179</u>	<u>\$ 432,372</u>	<u>\$ 765,551</u>

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NOTE 9 – TEMPORARILY RESTRICTED NET ASSETS BY PROGRAM/PROJECT

Temporarily restricted net assets consist of the following at December 31:

	<u>2010</u>	<u>2009</u>
Better Paper (formerly Woodwise)	\$ 36,452	\$ 110,332
Tipping Point Network	31,470	34,991
Simplicity Forum	288	6,754
Solar Nation	-	30,625
Solar Circle	69,320	74,165
Green America Exchange	91,549	-
Community Investing Guide	15,000	-
Sustainers Program	<u>830,769</u>	<u>757,523</u>
Total	<u>\$ 1,074,848</u>	<u>\$ 1,014,390</u>

Temporarily restricted net assets released from restrictions consist of the following at December 31:

	<u>2010</u>	<u>2009</u>
Minuteman Media	\$ -	\$ 105,793
Better Paper (formerly Woodwise)	164,249	189,341
Tipping Point Network	23,524	43,198
Simplicity Forum	6,467	265
Climate Change	43,226	33,500
Solar Catalyst	-	24,158
Solar Nation	30,625	19,700
Solar Circle	41,859	25,660
Fair Trade	3,078	46,422
Green America Exchange	68,452	-
Sustainers Program	<u>757,523</u>	<u>677,187</u>
Total	<u>\$ 1,139,003</u>	<u>\$ 1,165,224</u>

NOTE 10 – FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 820, *Fair Value Measurements and Disclosures*, provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in 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 under FASB ASC 820 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.

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NOTE 10 – FAIR VALUE MEASUREMENTS (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 December 31, 2010 and 2009.

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 December 31, 2010 and 2009, 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 December 31, 2010 and 2009:

Assets at Fair Value as of December 31, 2010				
	Level 1	Level 2	Level 3	Total
Common stocks	\$ 12,039	\$ -	\$ -	\$ 12,039
Assets at Fair Value as of December 31, 2009				
	Level 1	Level 2	Level 3	Total
Common stocks	\$ 9,071	\$ -	\$ -	\$ 9,071

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NOTE 10 – FAIR VALUE MEASUREMENTS (continued)

Investment return is summarized as follows:

	2010	2009
Interest and dividend income	\$ 2,230	\$ 4,078
Net realized and unrealized gains (losses)	491	(473)
Total	\$ 2,721	\$ 3,605

NOTE 11 – IN-KIND DONATIONS

During the years ended December 31, 2010 and 2009, the Organization received donations of various professional services. The value of these donated services is included in the financial statements and the corresponding expense amounts were \$29,179 and \$89,105 for the years ended December 31, 2010 and 2009, respectively.

NOTE 12 – RELATED PARTY TRANSACTIONS

The Organization and Green Festivals, Inc., have common board members, collect revenue on each other's behalf, and share certain administrative costs. During the year ended December 31, 2010, the Organization collected the following from Green Festivals, Inc.; (1) \$20,971 for reimbursements of various administrative and payroll costs. During the year ended December 31, 2010, the Organization paid the following to Green Festivals, Inc.; (1) \$301 for reimbursement of Green America expenses. As of December 31, 2010, the total amount due from Green Festivals, Inc. was \$99,705.

As described in Note 4, as of December 31, 2010 the Organization holds a note receivable from Green Festivals, Inc. for the amount of \$23,766, net of present value allowance of \$1,234.

The Organization provides technical and administrative support to Social Investment Forum, Ltd., an affiliated organization. During the year ended December 31, 2010, the Organization collected the following from Social Investment Forum, Ltd.; (1) \$72,879 of management fees and reimbursements for various administrative costs. As of December 31, 2010, there were no funds due to or from Social Investment Forum, Ltd.

The Organization did not have any transactions with Social Investment Forum Foundation in 2010. As of January 1, 2011, as part of a multi-year planned strategic agreement, the Organization no longer provides technical and administrative support to Social Investment Forum Foundation or Social Investment Forum, Ltd., and they are no longer organizations that are related to or affiliated with Green America.