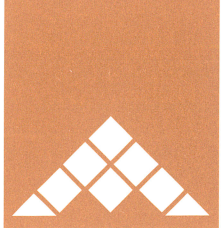


**GREEN AMERICA  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
MARCH 31, 2022**

GREEN AMERICA  
FINANCIAL STATEMENTS  
MARCH 31, 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Green America  
Washington, DC

### ***Opinion***

We have audited the accompanying financial statements of Green America (a nonprofit organization), which comprise the statement of financial position as of March 31, 2022, 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.

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, 2022, 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.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Green America and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Green America's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### Offices:

Maryland

New York City

Long Island

New Jersey



## INDEPENDENT AUDITOR'S REPORT (continued)

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Green America internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Green America's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Adeptus Partners, LLC*

ADEPTUS PARTNERS, LLC  
Certified Public Accountants

Olney, Maryland  
October 3, 2022

GREEN AMERICA  
STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 5,379,054
Investment securities - short term (Note 13)	9,398
Accounts, grants and other receivables, net of allowance for doubtful accounts of \$5,920	1,115,487
Pledges receivable - short term, net (Note 3)	455,143
Prepaid expenses	<u>130,506</u>
 Total current assets	 <u>7,089,588</u>

PROPERTY AND EQUIPMENT

Computer hardware and equipment	69,369
Software	88,803
Website	138,069
Less: accumulated depreciation and amortization	<u>(247,837)</u>
 Net property and equipment	 <u>48,404</u>

OTHER ASSETS

Endowment fund (Note 14)	10,609,420
Pledges receivable - long term, net (Note 3)	725,187
Deposits	<u>9,436</u>
 Total other assets	 <u>11,344,043</u>

TOTAL ASSETS	<u><u>\$ 18,482,035</u></u>
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See accompanying notes to financial statements.

GREEN AMERICA  
STATEMENT OF FINANCIAL POSITION (CONTINUED)  
MARCH 31, 2022

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 315,308
Deferred revenue	30,500
Agency funds (Note 4)	348,216
Notes payable - current portion (Note 5)	<u>310,004</u>

Total current liabilities	<u>1,004,028</u>
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LONG-TERM LIABILITIES

Gift annuity liability (Note 7)	<u>6,194</u>
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Total long-term liabilities	<u>6,194</u>
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TOTAL LIABILITIES	<u>1,010,222</u>
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NET ASSETS

Without donor restrictions	4,239,774
With donor restrictions (Note 12)	<u>13,232,039</u>

TOTAL NET ASSETS	<u>17,471,813</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 18,482,035</u></u>
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See accompanying notes to financial statements.

GREEN AMERICA  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Individual member dues and contributions	\$ 2,452,883	\$ 1,158,692	\$ 3,611,575
Grants	399,000	2,719,203	3,118,203
Loan forgiveness - Paycheck Protection Program	500,000	-	500,000
Business member dues, donations and participant fees	459,556	-	459,556
Dividends, Interest and net investment gains, net (Note 13 and Note 14)	25,396	224,645	250,041
Consulting revenue	215,000	-	215,000
Bequest revenue	115,109	-	115,109
Advertising and sponsorships	85,579	-	85,579
Royalties	56,920	-	56,920
In-kind donations (Note 10)	50,673	-	50,673
Other revenue	17,925	-	17,925
Net assets released from restrictions (Note 12)	<u>2,905,332</u>	<u>(2,905,332)</u>	<u>-</u>
 TOTAL REVENUE AND SUPPORT	 <u>7,283,373</u>	 <u>1,197,208</u>	 <u>8,480,581</u>
EXPENSES			
Program services	4,995,849	-	4,995,849
Fundraising	527,723	-	527,723
Management and general	<u>206,740</u>	<u>-</u>	<u>206,740</u>
 TOTAL EXPENSES	 <u>5,730,312</u>	 <u>-</u>	 <u>5,730,312</u>
CHANGES IN NET ASSETS	1,553,061	1,197,208	2,750,269
NET ASSETS, BEGINNING OF YEAR	<u>2,686,713</u>	<u>12,034,831</u>	<u>14,721,544</u>
NET ASSETS, END OF YEAR	<u><u>\$ 4,239,774</u></u>	<u><u>\$ 13,232,039</u></u>	<u><u>\$ 17,471,813</u></u>

See accompanying notes to financial statements.

GREEN AMERICA  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED MARCH 31, 2022

	Program Services			Supporting Services		
	Green Business Programs	Consumer Education Program	Center for Sustainability Solutions	All Other Programs	Total Programs	Total
Salaries	\$ 299,556	\$ 1,184,657	\$ 736,593	\$ -	\$ 2,220,806	\$ 2,575,396
Consulting and professional services	26,676	19,312	894,749	-	940,737	961,990
Program awards and grants	75	374	340,915	174,100	515,464	516,205
Employee benefits	40,626	158,197	112,443	-	311,266	360,993
Postage and shipping	39,049	32,721	178,933	40	250,743	276,876
Payroll taxes	24,529	97,005	60,315	-	181,849	210,884
Occupancy	9,464	8,928	137,187	-	155,579	178,797
Technology	12,554	19,762	116,306	-	148,622	168,192
Printing and copying	32,645	31,479	84,273	-	148,397	160,952
Marketing	2,787	965	14,826	-	18,578	93,993
Bank and credit card fees	-	-	-	599	599	57,315
Other expenses	1,175	3,472	22,766	-	27,413	47,644
Depreciation and amortization	1,508	1,423	21,861	-	24,792	28,496
Telephone and internet	1,409	1,329	20,425	-	23,163	26,623
Interest expense	-	-	-	-	-	20,972
Bad debt expense	-	-	-	-	-	15,241
Travel	298	382	13,673	-	14,353	14,999
Office supplies	343	365	5,914	-	6,622	7,878
Program meetings and events	-	24	6,842	-	6,866	6,866
TOTALS	\$ 492,694	\$ 1,560,395	\$ 2,768,021	\$ 174,739	\$ 4,995,849	\$ 5,730,312
					\$ 527,723	\$ 206,740

See accompanying notes to financial statements.

GREEN AMERICA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in net assets	\$ 2,750,269
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation and amortization	28,496
Loss on disposal of assets	809
Change in allowance for doubtful accounts	(6,505)
Contribution of securities	(432,355)
Realized and unrealized loss on short term investments	624
Net realized and unrealized gains on endowment fund	(224,645)
Loan forgiveness - Paycheck Protection Program	(500,000)
Capitalization of member loan interest	14,824
(Increase) decrease in operating assets	
Accounts receivable and other receivables	(805,658)
Pledges receivables	(84,542)
Prepaid expenses	(61,235)
Deposits	(190)
Increase (decrease) in operating liabilities	
Accounts payable and accrued liabilities	28,256
Deferred revenue	28,053
Agency funds	348,216
Gift annuity liability	(344)

Net cash provided by operating activities	<u>1,084,073</u>
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CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales of contributed securities	432,732
Purchases of investments	(3,186)
Proceeds from sales of endowment investments, net	525,000
Purchase of computer hardware, equipment and software	<u>(26,826)</u>

Net cash provided by investing activities	<u>927,720</u>
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CASH FLOWS FROM FINANCING ACTIVITIES:

Principal payments on loans	<u>(15,035)</u>
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Net cash used for financing activities	<u>(15,035)</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS	1,996,758
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,382,296</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 5,379,054</u></u>
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SUPPLEMENTARY CASH FLOW INFORMATION:

Cash paid during the year for:	
Interest	<u><u>\$ 21,439</u></u>

See accompanying notes to financial statements.

GREEN AMERICA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2022

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, webcasts, and social media, provides public education on green living, including reducing energy and resource use, avoiding toxins, reusing and recycling, including:

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

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

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

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

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

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

GREEN AMERICA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2022

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 the climate crisis.

*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.

GREEN AMERICA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2022

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:

Net assets without donor restrictions – 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.

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

*Cash and Cash Equivalents*

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

GREEN AMERICA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2022

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, 2022 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.

GREEN AMERICA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2022

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 99.6% 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, 2022, 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, 2022, 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 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. Management will evaluate the impact of ASU Update 2016-02, if any, on the Organization's future financial reports.

GREEN AMERICA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

*Subsequent Event Evaluation*

Green America has evaluated subsequent events through October 3, 2022, the date the financial statements were authorized to be issued, and believes none would have had a material effect on the financial results as of March 31, 2022.

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	\$ 488,906	\$ 861,609	\$ 1,350,515
Less: Discount to net present value	-	(68,896)	(68,896)
Allowance for uncollectible pledges	(33,763)	(67,526)	(101,289)
Total	(33,763)	(136,422)	(170,185)
Net pledges receivable	<u>\$ 455,143</u>	<u>\$ 725,187</u>	<u>\$ 1,180,330</u>

NOTE 4 – AGENCY FUNDS

Agency Funds consist of funds awarded, based on a mutual agreement, between the Organization and Multiplier (a California nonprofit public benefit corporation), to transfer the Organization's Climate Safe Lending Network program, and all related assets thereto, to Multiplier, after March 31, 2022. The Agency Funds balance at March 31, 2022 was \$348,216 and is expected to be paid to Climate Safe Lending vendors and Multiplier during the fiscal year ending March 31, 2023. Management believes that this transfer will help the program flourish in an international setting that Multiplier can provide, and that the financial impact on the Organization will be net positive in the fiscal year ending March 2023, as program expense were expected to exceed revenue.

NOTE 5 – 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. Notes payable balance at March 31, 2022 is considered current as it is expected to be paid within one year from the date of the financial statements.

\$ 310,004

GREEN AMERICA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2022

NOTE 6 – LEASE OBLIGATIONS AND COMMITMENTS

Effective February 4, 2021, the Organization amended the office space operating lease agreement to secure post-pandemic rental rates and to reflect space needs. As of 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%.

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

2023	\$	115,421
2024		119,461
2025		123,642
2026		127,970
2027		<u>54,083</u>
Total minimum lease payments	\$	<u>540,577</u>

Occupancy expense for the year ended March 31, 2022 was \$178,797.

NOTE 7 – 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, 2022, the gift annuity liability was \$6,194.

NOTE 8 – 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, 2022 was \$36,762.

NOTE 9 – 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, 2022, 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, 2022, in the opinion of management, the Organization was in compliance with all financial covenants.

NOTE 10 – 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, 2022 such in-kind contributions consisted of the following:

Legal and consulting services	\$	<u>50,673</u>
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GREEN AMERICA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2022

NOTE 11 – ALLOCATION OF JOINT COSTS

For the year ended March 31, 2022, the organization incurred joint costs of \$362,815 which were associated with direct mail, electronic mail, print publications, its website, and other marketing activity. Of that total, \$320,811 was allocated to program activity, \$31,085 was allocated to fundraising, and \$10,919 was allocated to management/administrative activities.

NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at March 31, 2022:

Subject to the passage of time:

Pledges receivable - sustainers (Note 3)	\$ 1,180,330
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Subject to expenditure for specified purpose:

Soil Carbon Initiative	1,417,821
Solar Circle	19,089
TreeSisters	<u>5,378</u>

Total net assets subject to expenditure for specified purpose	<u>1,442,288</u>
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Subject to appropriation and expenditure

when a specific event occurs:

Endowment Fund, up to 5% of January 1 balance can be used by the Organization each year for general operations (Note 14)	<u>10,609,420</u>
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Total net assets with donor restrictions	<u>\$ 13,232,038</u>
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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, 2022:

Time restrictions expired:

Pledges received - sustainers	\$ <u>515,071</u>
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Purpose restrictions accomplished:

Climate Safe Lending	694,203
Endowment transferred for operations	525,000
Soil Carbon Initiative	505,569
Agriculture Network	250,750
Treesisters	174,739
Food Programs	107,000
Climate	68,000
General Programs	40,000
Labor	<u>25,000</u>
Total	<u>2,390,261</u>

Total restrictions released	<u>\$ 2,905,332</u>
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NOTE 13 – 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, 2022.

*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, 2022, investments in corporate common stocks are reported at fair value.

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NOTES TO FINANCIAL STATEMENTS  
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NOTE 13 – 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, 2022:

Assets at Fair Value as of March 31, 2022				
	Level 1	Level 2	Level 3	Total
Common stocks:				
Consumer goods	\$ 3,693	\$ -	\$ -	\$ 3,693
Utilities	145	-	-	145
Basic materials	165	-	-	165
Retail	298	-	-	298
Financial	-	5,097	-	5,097
Total	<u>\$ 4,301</u>	<u>\$ 5,097</u>	<u>\$ -</u>	<u>\$ 9,398</u>

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

Interest and dividend income	\$ 8,672
Net realized and unrealized losses	<u>16,724</u>
Total	<u>\$ 25,396</u>

NOTE 14 – 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.

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NOTE 14 – 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 and positive impact goals as possible.

Green America's portfolio screening criteria are as follows:

*Impact Priorities*

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

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NOTES TO FINANCIAL STATEMENTS  
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NOTE 14 – DONOR RESTRICTED ENDOWMENT FUND (continued)

*Industry/company-specific exclusions:*

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

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

Spending Policy:

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

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

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.

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NOTES TO FINANCIAL STATEMENTS  
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NOTE 14 – DONOR RESTRICTED ENDOWMENT FUND (continued)

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, 2022.

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

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

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

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

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, 2022				
	Level 1	Level 2	Level 3	Total
Bonds:				
Corporate Bonds	\$ 847,489	\$ -	\$ -	\$ 847,489
Municipal Bonds	592,252	-	-	592,252
Fixed Income Bonds	-	288,553	-	288,553
Certificate of Deposit:	302,508	-	-	302,508
Common stocks:				
Corporate Stocks	5,865,592	-	-	5,865,592
Real Estate Investment Trusts	227,667	191,605	-	419,272
Mutual Funds:				
Money Market Funds	569,305	-	-	569,305
Stock Funds	277,341	-	-	277,341
Bond Funds	1,447,108	-	-	1,447,108
Total	<u>\$ 10,129,262</u>	<u>\$ 480,158</u>	<u>\$ -</u>	<u>\$ 10,609,420</u>

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NOTES TO FINANCIAL STATEMENTS  
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NOTE 14 – DONOR RESTRICTED ENDOWMENT FUND (continued)

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

Interest and dividend income	\$ 156,998
Net realized and unrealized gains	166,005
Investment management fees	<u>(98,358)</u>
Total	<u>\$ 224,645</u>

The maturities of debt securities and certificate of deposit are as follows as of March 31, 2022:

Due in one year or less	\$ 516,342
Due in one to five years	1,089,683
Due in more than five years	<u>424,777</u>
Total	<u>\$ 2,030,802</u>

For the year ended March 31, 2022, the Organization had the following endowment-related activities:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 10,909,775	\$ 10,909,775
Contributions	-	-	-
Investment income:			
Net realized and unrealized gains	-	166,005	166,005
Interest and dividends	-	156,998	156,998
Transfer-in (out)	525,000	(525,000)	-
Investment management fees	<u>-</u>	<u>(98,358)</u>	<u>(98,358)</u>
Investment income, net	525,000	(300,355)	224,645
Appropriation of endowment assets for expenditure	<u>(525,000)</u>	<u>-</u>	<u>(525,000)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 10,609,420</u>	<u>\$ 10,609,420</u>

NOTE 15 – SUSEQUENT EVENTS

Subsequent to March 31, 2022, the stock market experienced a significant decline in value. As of September 30, 2022, the Dow Jones industrial average declined approximately 17% since March 31, 2022. During the same period, it is estimated that the endowment investments declined by 17%. The Organization will continue to monitor endowment investments as it has successfully done in the past and has no plans to change its investment portfolio or related policies.

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NOTES TO FINANCIAL STATEMENTS  
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NOTE 16 – 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	\$ 5,379,054
Investment securities- short term (Note 13)	9,398
Accounts and other receivables, net	1,115,487
Pledges receivable (Note 3)	1,180,330
Endowment Fund (Note 14)	<u>10,609,420</u>
Financial assets available at March 31, 2022	18,293,689

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

Pledges receivable - long term, net (Note 3)	(725,187)
Restricted by donor for specific purpose (Note 12)	(1,442,288)
Endowment Fund (Note 14)	<u>(10,609,420)</u>

Financial assets available for general expenditures within one year	<u>\$ 5,516,794</u>
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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 17 – 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 18 – UNCERTAINTIES

Green America will continue to monitor the potential impact of the Covid-19 pandemic on the Organization's activities for the remainder of 2022 and thereafter, with such potential impacts being uncertain at this time. Depending on the duration of the pandemic, and its effect on the economy, including a possible recession, the Organization might experience negative results and liquidity restraints. Management believes it has sufficient cash reserves to maintain operations for the foreseeable future.