

**GREEN AMERICA  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
MARCH 31, 2024**

GREEN AMERICA  
FINANCIAL STATEMENTS  
MARCH 31, 2024

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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, 2024, 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, 2024, 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 (GAAS). 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 GAAS 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 GAAS, 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's 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 29, 2024

GREEN AMERICA  
STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2024

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 4,109,297
Investment securities - short term (Note 12)	10,251
Accounts, grants and other receivables, net of allowance for doubtful accounts of \$7,000	2,437,031
Pledges receivable - short term, net (Note 3)	452,538
Prepaid expenses	<u>61,206</u>
Total current assets	<u>7,070,323</u>
PROPERTY AND EQUIPMENT	
Computer hardware and equipment	113,033
Software	88,803
Website	138,069
Less: accumulated depreciation and amortization	<u>(288,039)</u>
Net property and equipment	<u>51,866</u>
OTHER ASSETS	
Endowment fund (Note 13)	10,356,325
Pledges receivable - long term, net (Note 3)	703,932
Deposits	9,436
Operating lease right-of-use asset, net of accumulated amortization	<u>280,955</u>
Total other assets	<u>11,350,648</u>
TOTAL ASSETS	<u><u>\$ 18,472,837</u></u>

See accompanying notes to financial statements.

GREEN AMERICA  
STATEMENT OF FINANCIAL POSITION (CONTINUED)  
MARCH 31, 2024

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable and accrued liabilities	\$ 484,436
Notes payable - current portion (Note 4)	338,971
Operating lease liabilities - current portion	<u>113,898</u>
Total current liabilities	<u>937,305</u>
LONG-TERM LIABILITIES	
Gift annuity liability (Note 6)	5,450
Operating lease liabilities - noncurrent portion	<u>176,964</u>
Total long-term liabilities	<u>182,414</u>
TOTAL LIABILITIES	<u>1,119,719</u>
NET ASSETS	
Without donor restrictions	2,980,450
With donor restrictions (Note 11)	<u>14,372,668</u>
TOTAL NET ASSETS	<u>17,353,118</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 18,472,837</u></u>

See accompanying notes to financial statements.

GREEN AMERICA  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Individual member dues and contributions	\$ 2,193,497	\$ 220,345	\$ 2,413,842
Grants	242,740	4,098,912	4,341,652
Business member dues, donations and participant fees	351,230	-	351,230
Consulting revenue	158,916	-	158,916
Bequest revenue	132,306	-	132,306
Advertising and sponsorships	82,083	-	82,083
In-kind donations (Note 9)	83,640	-	83,640
Royalties	66,448	-	66,448
Other revenue	13,029	-	13,029
Dividends, Interest and net investment loss, net (Note 13)	115,281	1,329,940	1,445,221
Net assets released from restrictions (Note 11)	2,356,708	(2,356,708)	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>5,795,878</b>	<b>3,292,489</b>	<b>9,088,367</b>
<b>EXPENSES</b>			
Program services	6,333,525	-	6,333,525
Fundraising	539,113	-	539,113
Management and general	160,215	-	160,215
<b>TOTAL EXPENSES</b>	<b>7,032,853</b>	<b>-</b>	<b>7,032,853</b>
<b>CHANGES IN NET ASSETS</b>	<b>(1,236,975)</b>	<b>3,292,489</b>	<b>2,055,514</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>4,217,425</b>	<b>11,080,179</b>	<b>15,297,604</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 2,980,450</b>	<b>\$ 14,372,668</b>	<b>\$ 17,353,118</b>

See accompanying notes to financial statements.

GREEN AMERICA  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED MARCH 31, 2024

	Program Services				Supporting Services			Total	
	Green Business Programs	Consumer Education Program	Center for Sustainability Solutions		All Other Programs	Total Programs	Fundraising		Management and General
Salaries	\$ 342,152	\$ 1,562,554	\$ 1,315,461	\$ 46,917	\$ 3,267,084	\$ 336,474	\$ 99,992	\$ 3,703,550	
Consulting and professional services	65,805	76,002	795,909	42,851	980,567	37,395	11,114	1,029,076	
Employee benefits	44,776	204,487	172,150	6,140	427,553	44,033	13,086	484,672	
Postage and shipping	48,474	49,648	182,815	-	280,937	24,167	7,181	312,285	
Payroll taxes	26,993	123,274	103,780	3,701	257,748	26,545	7,890	292,183	
Travel	7,649	22,564	200,147	2,718	233,078	7,676	2,280	243,034	
Technology	30,327	36,083	143,973	-	210,383	16,195	4,814	231,392	
Printing and copying	47,915	49,633	91,651	-	189,199	11,764	3,495	204,458	
Occupancy	12,261	14,558	91,883	-	118,702	12,193	3,622	134,517	
Program awards and grants	374	862	115,561	-	116,797	377	113	117,287	
Marketing	8,540	14,149	54,669	-	77,358	5,883	1,749	84,990	
Other	4,291	5,021	35,748	5,475	50,535	3,818	1,139	55,492	
Bank and credit card fees	4,040	4,741	30,736	311	39,828	4,014	1,192	45,034	
Bad debt expense	3,270	3,891	24,824	-	31,985	3,294	978	36,257	
Interest expense	2,103	2,502	15,966	-	20,571	2,119	630	23,320	
Telephone and Internet	1,854	2,206	14,073	-	18,133	1,868	555	20,556	
Depreciation and amortization	804	957	6,104	-	7,865	810	240	8,915	
Office supplies	485	576	4,141	-	5,202	488	145	5,835	
<b>TOTALS</b>	<b>\$ 652,113</b>	<b>\$ 2,173,708</b>	<b>\$ 3,399,591</b>	<b>\$ 108,113</b>	<b>\$ 6,333,525</b>	<b>\$ 539,113</b>	<b>\$ 160,215</b>	<b>\$ 7,032,853</b>	

See accompanying notes to financial statements.



GREEN AMERICA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:	
Changes in net assets	\$ 2,055,514
Adjustments to reconcile changes in net assets to net cash used for operating activities:	
Depreciation and amortization	8,915
Operating lease right-of-use asset amortization	108,001
Change in allowance for doubtful accounts	1,580
Contribution of securities	(17,957)
Realized and unrealized loss on short term investments	2,172
Realized and unrealized gains on endowment fund	(1,219,184)
Capitalization of member loan interest	16,875
(Increase) decrease in operating assets	
Accounts receivable and other receivables	(2,290,212)
Pledges receivables	57,071
Prepaid expenses	111,690
Increase (decrease) in operating liabilities	
Accounts payable and accrued liabilities	58
Deferred revenue	(44,000)
Gift annuity liability	140
Operating lease liabilities	(105,067)
Net cash used for operating activities	<u>(1,314,404)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sales of contributed securities	18,702
Proceeds from sales of endowment investments	3,111,923
Purchase of endowment investments	(2,773,782)
Purchase of computer hardware, equipment and software	<u>(21,940)</u>
Net cash provided by investing activities	<u>334,903</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Members loan repayment	<u>(3,857)</u>
Net cash used for financing activities	<u>(3,857)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(983,358)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,092,655</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,109,297</u>
SUPPLEMENTARY CASH FLOW INFORMATION:	
Cash paid during the year for:	
Interest	<u>\$ 23,320</u>

See accompanying notes to financial statements.

NOTE 1 – NATURE OF ACTIVITIES

*Nature of Activities*

Green America ("the Organization") was incorporated on December 1, 1989, under the laws of the District of Columbia. Green America is a non-profit charitable and membership organization that educates its members and the public about the role that public and private enterprise can play in solving today's social and environmental problems. To serve this purpose, Green America conducts a number of activities designed to educate the American public about the important role that businesses, investors, supply chains, and individuals can play in creating an economy based on justice, cooperation, environmental health, and social responsibility. Green America carries out its mission within three key areas: Consumer Education, Innovative Green Business Programs, and the Center for Sustainability Solutions, a program focused on supply chain solutions to social and environmental problems. Green America's primary publications are: Green American Magazine, Your Green Life, and the Guide to Social Investing & Better Banking (a digital resource).

*Description of Programs*

*Consumer Education:*

*Green Living* – Through publications, websites, email newsletters, 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 calls out false climate and energy solutions, including nuclear power, biomass, and plastics recycling. 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.

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, to oppose 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. Finally, the program encourages consumers to purchase responsibly produced products.

*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 areas of this program is on promoting regenerative agriculture that nourishes the soil and sequesters carbon emissions and encouraging large corporations to reduce toxic pesticides in their supply chains. The Climate Victory Gardens campaign encourages all Americans to plant a garden using regenerative agriculture practices.

*Innovative Green Business Programs:*

*Greenpages.org* – A directory of green businesses to help consumers find businesses that help grow the green economy.

*Green Business Network* – Helps green businesses grow, thrive, and learn how to adopt the most rigorous sustainability practices.

*Green Business Webinars* – Green Business Webinars are held throughout the year for our business members and allies.

*Center for Sustainability Solutions:*

Works on bringing innovative green economy solutions to scale, including supply chain solutions. Innovation networks include:

*Clean Electronics Production Network:* Works to remove toxic chemicals from the electronic supply chain.

*Solar Circle:* Works to accelerate the adoption of solar energy to be 50% of energy by 2050.

NOTE 1 – NATURE OF ACTIVITIES (continued)

*Center for Sustainability Solutions (continued):*

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

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

- *Advanced Soil Health Management Systems:* Validation and strategies for adoption of innovative soil solutions to speed soil regeneration.
- *Rewarding Farmers:* Advancing effective instruments to support the financial transition to innovative soil health practices.
- *Soil Carbon Initiative:* Standard protocol to verify soil health outcomes and facilitate investment in and adoption of soil health improvement strategies.
- *Regional Regenerative Supply Collaboration (formerly the Midwest Grains Initiative):* Works to increase the supply of grains that are produced with best practices for water quality, soil health and carbon sequestration in the Midwest.
- *Nutrient Density Alliance:* Conducts research and education on the connection between regenerative agriculture and increased nutrition in food.

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 (GAAP).

*Use of Estimates*

The preparation of financial statements in conformity with GAAP 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 equivalent.

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, 2024 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.

*Investments*

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in investment income (loss) in the Statement of Activities and Changes in Net Assets.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statement of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

*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 and where 99.9% 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, 2024, 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, 2024, 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.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

*Leases*

The Organization is a lessee of noncancellable operating lease for office space. Leases for other equipment are evaluated using the criteria outlined in FASB ASC 842 to determine whether they will be classified as operating leases or finance leases. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Organization determines if an arrangement conveys the right to use an identified asset and whether the Organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Organization recognizes a lease liability and right-of-use asset at the commencement date of the lease.

Beginning April 1, 2022, operating lease right-of-use assets and related current and long-term portions of operating lease liabilities have been presented in the statement of financial position.

*Lease liabilities.* A lease liability is measured based on the present value of its future lease payments. Lease payments are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the Organization uses the U.S. Treasury's risk-free rate for the applicable term. The implicit rates of the Organization's leases are not readily determinable; accordingly, the Organization uses its incremental borrowing rate based on the information available at the commencement date for each lease. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment and geographic location. The Organization determines its incremental borrowing rates by starting with the interest rates on recent borrowings and other observable market rates and adjusting those rates to reflect differences in the amount of collateral and the payment terms of the leases.

*Right-of-use assets.* A right-of-use asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the right-of-use asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

*Subsequent Event Evaluation*

Green America has evaluated subsequent events for potential recognition or disclosure through October 29, 2024, the date the financial statements were available to be issued.

GREEN AMERICA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2024

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 13% attrition rate in the first year, 21% 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 <u>1 Year</u>	Due in <u>2 – 3 Years</u>	<u>Total</u>
Pledges receivable - sustainers	\$ 486,711	\$ 880,219	\$ 1,366,930
Less: Discount to net present value	-	(107,940)	(107,940)
Allowance for uncollectible pledges	<u>(34,173)</u>	<u>(68,347)</u>	<u>(102,520)</u>
Total	<u>(34,173)</u>	<u>(176,287)</u>	<u>(210,460)</u>
Net pledges receivable	<u>\$ 452,538</u>	<u>\$ 703,932</u>	<u>\$ 1,156,470</u>

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 rates between 4% and 8.5% 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, 2024 is considered current as it is expected to be paid within one year from the date of the financial statements.

\$ 338,971

NOTE 5 – 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. Effective 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%.



GREEN AMERICA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2024

NOTE 5 – LEASE OBLIGATIONS AND COMMITMENTS (continued)

The components of lease cost and statement of functional expenses caption allocation for the year ended March 31, 2024, are as follows:

	Functional expense		
Operating lease costs:	Occupancy costs	\$	125,395

Maturities of operating lease liabilities as of March 31, 2024, were as follows:

2025		\$	123,642
2026			127,970
2027			54,083
Total lease payments			305,695
Less: imputed interest			(14,833)
Present value of lease liabilities		\$	290,862

The following information was used in the calculation of the operating lease liabilities, right-of-use assets, and the related impact on the financial statements as of March 31, 2024:

Weighted-average remaining lease term (years)	2.42
Weighted-average discount rate	4.25%
Cash paid for amount included in the measurement of lease liabilities:	
Operating cash flows paid for operating leases	\$ 119,461

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, 2024, the gift annuity liability was \$5,450.

NOTE 7 – RETIREMENT PLAN

The Organization provides a defined contribution retirement plan that covers all full-time and part-time employees. Total retirement plan employer contributions for the year ended March 31, 2024 was \$42,126.

NOTE 8 – LINE OF CREDIT

The Organization has a revolving line of credit with Beneficial State Bank for \$350,000 with interest at U.S. prime rate plus 0.50% and with floor rate of 5.00%; the line of credit agreement expires on January 4, 2025. Borrowings are collateralized by substantially all assets of the Organization. As of March 31, 2024, 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, 2024, in the opinion of management, the Organization was in compliance with all financial covenants.

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NOTES TO FINANCIAL STATEMENTS  
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NOTE 9 – DONATED SERVICES

The Organization received in-kind contributions of various professional services that are recorded in the accompanying Statement of Activities. For the year ended March 31, 2024 such in-kind contributions consisted of the following:

Legal and consulting services	\$ <u>83,640</u>
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NOTE 10 – ALLOCATION OF JOINT COSTS

For the year ended March 31, 2024, the organization incurred joint costs of \$601,733 which were associated with direct mail, electronic mail, print publications, its website, and other marketing activity. Of that total, \$547,494 was allocated to program activity, \$41,813 was allocated to fundraising, and \$12,426 was allocated to management/administrative activities.

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at March 31, 2024:

Subject to the passage of time:

Pledges receivable - sustainers (Note 3)	\$ <u>1,156,470</u>
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Subject to expenditure for specified purpose:

Responsible Finance	60,000
Soil Carbon Initiative	2,684,328
Clean Electronics Production Network - Worker Safety Training	89,918
End Uyghur Forced Labour	7,547
Solar Circle	<u>18,080</u>

Total net assets subject to expenditure for specified purpose	<u>2,859,873</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 13)	<u>10,356,325</u>
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Total net assets with donor restrictions	<u>\$ 14,372,668</u>
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 NOTES TO FINANCIAL STATEMENTS  
 MARCH 31, 2024

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS (continued)

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, 2024:

Time restrictions expired:

Pledges received - sustainers	\$ <u>34,677</u>
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Purpose restrictions accomplished:

Soil Carbon Initiative	1,328,095
Endowment transferred for operations	453,741
General Programs	212,740
Climate	78,000
Clean Electronics Production Network - Worker Safety Training	74,243
End Uyghur Forced Labour	51,203
Responsible Finance	40,000
Pride Outside	40,000
Food Programs	23,000
Agriculture Network	20,000
Solar Circle	<u>1,009</u>
Total	<u>2,322,031</u>

Total restrictions released	\$ <u>2,356,708</u>
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NOTE 12 – INVESTMENT SECURITIES

The Organization follows a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value of its investment securities. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

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.

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NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2024

NOTE 12 – INVESTMENT SECURITIES (continued)

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, 2024.

*Common Stocks:* Level 1 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, 2024, investments in corporate common stocks are reported at fair value.

The following table sets forth, by level within the fair value hierarchy, the Organization's assets at fair value as of March 31, 2024:

Assets at Fair Value as of March 31, 2024				
	Level 1	Level 2	Level 3	Total
Common stocks:				
Consumer goods	\$ 3,997	\$ -	\$ -	\$ 3,997
Technology	421	-	-	421
Utilities	144	-	-	144
Basic materials	232	-	-	232
Retail	360	-	-	360
Financial	-	5,097	-	5,097
	-	5,097	-	5,097
Total	\$ 5,154	\$ 5,097	\$ -	\$ 10,251

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

Interest and dividend income	\$ 42
Net realized and unrealized loss	(2,172)
Total	\$ 2,130

NOTE 13 – DONOR RESTRICTED ENDOWMENT FUND

The Organization has interpreted the District of Columbia - enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions:

- a) the original value of gifts donated to the donor-restricted endowment,
- b) the original value of subsequent gifts to the donor-restricted endowment, and
- c) accumulation to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund is classified as donor-restricted assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment fund:

- 1) The duration and preservation of the fund
- 2) The purposes of the Organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Organization
- 7) The investment policies of the Organization.

Investment Policy:

The Organization's objective is to manage investment risk and to optimize investment returns within acceptable risk parameters and subject to the organization's socially responsible investment impact goals (see screening criteria below). The Organization's investment policy in general is long-term. The goals of the investment policy are to provide for the ongoing income needs, financial stability, and conservative growth of capital to meet future needs of the Organization and to enhance the purchasing power of funds held for future expenditures. The Organization has established a portfolio policy, which can be adjusted from time to time, and is designed to serve for long-term horizons based upon long-term expected returns.

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

NOTE 13 – DONOR RESTRICTED ENDOWMENT FUND (continued)

Investment Policy:

*Exclusionary Screens:*

*Strict Avoidance:*

- Firearm producers
- Fur
- Military weapons
- Nuclear power
- Fossil fuels, including the entire fossil fuel energy sector and major banks financing the fossil fuel sector
- Predatory lending and products/services
- Mining industry
- GMOs

*Avoidance:*

- Alcohol
- Gambling
- Adult Entertainment
- Tobacco
- Treasuries (limit exposure)
- Animal testing

*Industry/company-specific exclusions:*

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

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

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.

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NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2024

NOTE 13 – 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, 2024.

*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, 2024				
	Level 1	Level 2	Level 3	Total
<i>Bonds:</i>				
Corporate Bonds	\$ 1,312,307	\$ -	\$ -	\$ 1,312,307
Municipal Bonds	403,140	-	-	403,140
Fixed Income Bonds	-	288,553	-	288,553
<i>Certificate of Deposit:</i>	315,034	-	-	315,034
<i>Common stocks:</i>				
Corporate Stocks	5,865,750	-	617	5,866,367
Real Estate Investment Trusts	150,801	259,289	-	410,090
<i>Mutual Funds:</i>				
Money Market Funds	217,227	-	-	217,227
Stock Funds	315,066	-	-	315,066
Bond Funds	1,228,541	-	-	1,228,541
<b>Total</b>	<b>\$ 9,807,866</b>	<b>\$ 547,842</b>	<b>\$ 617</b>	<b>\$ 10,356,325</b>

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

Interest and dividend income	\$ 202,320
Net realized and unrealized gain	1,219,184
Investment management fees	(91,564)
<b>Total</b>	<b>\$ 1,329,940</b>

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NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2024

NOTE 13 – DONOR RESTRICTED ENDOWMENT FUND (continued)

The maturities of debt securities and certificate of deposit are as follows as of March 31, 2024:

Due in one year or less	\$ 603,587
Due in one to five years	1,077,389
Due in more than five years	<u>638,058</u>
 Total	 <u>\$ 2,319,034</u>

For the year ended March 31, 2024, 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	\$ -	\$ 9,480,126	\$ 9,480,126
Contributions	-	-	-
Investment income:			
Net realized and unrealized gains	-	1,219,184	1,219,184
Interest and dividends	-	202,320	202,320
Transfer-in (out)	448,000	(448,000)	-
Investment management fees	<u>-</u>	<u>(91,564)</u>	<u>(91,564)</u>
Investment income, net	448,000	881,940	1,329,940
Other endowment expenses	-	(5,741)	(5,741)
Appropriation of endowment assets for expenditure	<u>(448,000)</u>	<u>-</u>	<u>(448,000)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 10,356,325</u>	<u>\$ 10,356,325</u>

NOTE 14 – FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS

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

Financial assets, at year-end	
Cash and cash equivalents	\$ 4,109,297
Investment securities- short term (Note 12)	10,251
Accounts and other receivables, net	2,437,031
Pledges receivable (Note 3)	1,156,470
Endowment Fund (Note 13)	<u>10,356,325</u>
Financial assets available at March 31, 2024	18,069,374
Less those unavailable for general expenditures within one year, due to donor-imposed restrictions:	
Pledges receivable - long term, net (Note 3)	(703,932)
Restricted by donor for specific purpose (Note 11)	(2,859,873)
Endowment Fund (Note 13)	<u>(10,356,325)</u>
Financial assets available for general expenditures within one year	<u>\$ 4,149,244</u>



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NOTES TO FINANCIAL STATEMENTS  
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NOTE 14 – FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS (continued)

The Organization receives a significant amount of restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 15 – CONTINGENCIES

From time to time, the Organization may become involved in legal claims arising in the ordinary course of its activities. Management reports that there are currently no known legal claims facing the Organization. In the opinion of management, the outcome of any legal proceedings would be covered by the Organization's insurance policies, subject to normal deductibles, and accordingly, would not have a material effect on its financial position or changes in net assets.