

GREEN AMERICA  
FINANCIAL STATEMENTS  
MARCH 31, 2016

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Green America

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Green America (a nonprofit organization), which comprise the statement of financial position as of March 31, 2016, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Offices:

Maryland

New York City

Long Island

New Jersey



Ad3ptus

**INDEPENDENT AUDITOR'S REPORT (continued)**

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Green America as of March 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Adeptus Partners, LLC*

ADEPTUS PARTNERS, LLC  
Certified Public Accountants

Olney, Maryland  
November 8, 2016

GREEN AMERICA  
STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2016

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 349,861
Cash - restricted	15,888
Investments - short term	7,628
Accounts and other receivables, net	286,192
Pledges receivable - short term, net (Note 3)	338,822
Prepaid expenses	<u>17,361</u>
Total current assets	<u>1,015,752</u>
PROPERTY AND EQUIPMENT	
Office furniture and equipment	62,260
Software	103,863
Website	76,539
Less: accumulated depreciation and amortization	<u>(149,014)</u>
Net property and equipment	<u>93,648</u>
OTHER ASSETS	
Pledges receivable - long term, net (Note 3)	731,459
Deposits	<u>967</u>
Total other assets	<u>732,426</u>
TOTAL ASSETS	<u><u>\$ 1,841,826</u></u>

See accompanying notes to financial statements.

GREEN AMERICA  
STATEMENT OF FINANCIAL POSITION (CONTINUED)  
MARCH 31, 2016

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable and accrued liabilities	\$ 157,691
Escrow funds - Green Festivals	15,888
Deferred revenue	15,220
Notes payable - current portion (Note 4)	367,255
Capital lease obligations - current portion (Note 5)	<u>34,531</u>
Total current liabilities	<u>590,585</u>
LONG-TERM LIABILITIES	
Gift annuity liability (Note 6)	<u>3,445</u>
TOTAL LIABILITIES	<u>594,030</u>
NET ASSETS	
Unrestricted	43,802
Temporarily restricted (Note 10)	<u>1,203,994</u>
TOTAL NET ASSETS	<u>1,247,796</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,841,826</u>

See accompanying notes to financial statements.

GREEN AMERICA  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Individual member dues and contributions	\$ 1,166,950	\$ 1,563,580	\$ 2,730,530
Business member dues and participant fees	483,574	-	483,574
Publications and events	165,332	-	165,332
Grants and sponsorships	121,611	188,000	309,611
Royalties	60,134	-	60,134
In-kind donations (Note 9)	100,669	-	100,669
Investment loss, net (Note 11)	(2,054)	-	(2,054)
Consulting revenue	32,000	-	32,000
Other revenue	43,077	-	43,077
Net assets released from restrictions (Note 10)	<u>1,669,342</u>	<u>(1,669,342)</u>	<u>-</u>
 TOTAL REVENUE AND SUPPORT	 <u>3,840,635</u>	 <u>82,238</u>	 <u>3,922,873</u>
EXPENSES			
Program services	3,367,781	-	3,367,781
Management and general	120,127	-	120,127
Fundraising	<u>361,546</u>	<u>-</u>	<u>361,546</u>
 TOTAL EXPENSES	 <u>3,849,454</u>	 <u>-</u>	 <u>3,849,454</u>
 CHANGES IN NET ASSETS	 (8,819)	 82,238	 73,419
 NET ASSETS, BEGINNING OF YEAR	 <u>52,621</u>	 <u>1,121,756</u>	 <u>1,174,377</u>
 NET ASSETS, END OF YEAR	 <u>\$ 43,802</u>	 <u>\$ 1,203,994</u>	 <u>\$ 1,247,796</u>

See accompanying notes to financial statements.

GREEN AMERICA  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED MARCH 31, 2016

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 1,570,188	\$ 71,197	\$ 193,268	\$ 1,834,653
Consulting and professional services	499,203	6,120	22,145	527,468
Employee benefits	209,263	9,411	25,540	244,214
Occupancy	182,111	8,036	22,222	212,369
Postage and shipping	151,283	7,138	24,787	183,208
Printing and copying	155,923	4,265	14,470	174,658
Payroll taxes	121,991	5,532	15,014	142,537
Travel	94,235	1,008	2,949	98,192
Program awards and grants	83,903	-	-	83,903
Technology	66,644	3,059	10,474	80,177
Program meetings and events	44,524	-	-	44,524
Bank and credit card fees	37,722	744	3,077	41,543
Bad debt expense	35,350	697	2,883	38,930
Depreciation and amortization	30,027	592	2,449	33,068
Telephone and internet	27,247	1,133	3,076	31,456
Interest expense	25,972	512	2,118	28,602
Other expenses	23,707	364	1,491	25,562
Marketing	2,505	35	14,392	16,932
Office supplies	5,983	284	1,191	7,458
TOTALS	<u>\$ 3,367,781</u>	<u>\$ 120,127</u>	<u>\$ 361,546</u>	<u>\$ 3,849,454</u>

See accompanying notes to financial statements.

GREEN AMERICA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:	
Changes in net assets	\$ 73,419
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation and amortization	33,068
Provision for doubtful accounts	1,512
Present value discount	418
Donation of stock	(448,342)
Member loan conversion to contribution	(1,000)
Realized and unrealized loss on investments	3,343
(Increase) decrease in operating assets	
Accounts receivable and other receivables	116,527
Pledges receivables	48,610
Inventory	11,780
Prepaid expenses	23,449
Deposits	810
Increase (decrease) in operating liabilities	
Accounts payable and accrued liabilities	(7,288)
Gift annuity liability	106
Deferred revenue	<u>(16,238)</u>
Net cash used in operating activities	<u>(159,826)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sale of investments	445,077
Purchase of furniture, equipment and software	<u>(20,463)</u>
Net cash provided by investing activities	<u>424,614</u>

See accompanying notes to financial statements.

GREEN AMERICA  
STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED MARCH 31, 2016

CASH FLOWS FROM FINANCING ACTIVITIES:	
Principal payments on loans	(17,489)
Principal payments on capital leases	(38,869)
Principal payments on line of credit	(200,000)
Net proceeds from Green America loan program	<u>9,578</u>
Net cash used in financing activities	<u>(246,780)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,008
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>331,853</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 349,861</u>
SUPPLEMENTARY CASH FLOW INFORMATION:	
Cash paid during the year for:	
Interest	<u>\$ 25,397</u>

See accompanying notes to financial statements.

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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. The Organization is a non-profit charitable and membership organization that educates its members and the public about the role that the public and private enterprise can play in solving today's social and environmental problems. To serve this purpose, Green America conducts a number of activities designed to educate the American public about the important role that businesses and individuals can play in creating a society based on justice, cooperation, environmental health, and social responsibility. The Organization carries out its mission within three key areas: the Consumer Education and Empowerment Program (Green Living Program), the Corporate Responsibility Program, and the Green Economy Program focused on Green Business (through the Green America Green Business Network) and a Supply Chain Program (through the Green America Center for Sustainability Solutions). Its primary publications are: Green American Magazine, National Green Pages, Guide to Social Investing & Better Banking, Green American Guide to Community Investing, and Green America Guide to Ending Sweatshops.

*Description of Programs*

*Consumer Education and Empowerment (Green Living Program):*

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

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

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

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

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

*Green Living* – Through publications, websites, email newsletters and social media, provides public education on green living, including reducing energy and resource use, avoiding toxins reusing and recycling.

*Corporate Responsibility Programs:*

*Climate & Energy* – The Climate & Energy Program gives people tools to reduce their own carbon footprint while telling the most polluting corporations to do the same. Climate Action mobilizes consumers, investors, businesses, and industry experts to tell our nation's key decision makers to adopt the policies and regulations needed to bring solar energy to scale, institute energy efficiency measures everywhere, and ramp up production of plug-in hybrid electric cars. Climate Action 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. The Climate Action program also puts pressure on major corporations to reduce fossil fuel use and switch to clean energy.

*Better Paper Project* – The Better Paper Project works to foster collaboration among paper manufacturers, merchants, investors, businesses, nonprofits and consumers to encourage the production of socially and environmentally responsible paper.

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NOTE 1 – NATURE OF ACTIVITIES (continued)

*Corporate Responsibility Programs: (continued)*

*Socially Responsible Investing/Finance* – The Socially Responsible Investing/Finance Program exposes banks that continue to prey on consumers through high-interest credit cards and other predatory loan practices. The Community Investing program successfully promotes community investing solutions that provide financial services and opportunities to economically disadvantaged communities that are underserved by traditional financial institutions. Break up with Your Megabank and Take Charge of Your Credit Card campaigns are conducted to educate consumers about the impact banks and credit cards have on consumers. The Organization also provides education on fossil fuel divestment and clean energy investment for consumers interested in using investment strategies to mitigate climate change.

*Fair Trade/Fair Labor* – The Fair Trade/Fair Labor program reaches out to consumers across the nation through our publications, websites, and events to spur demand for fair trade products. Green America also opposes the worst labor conditions through its campaigns. Green America conducts an End Smartphone Sweatshop campaign to educate the public about worker and environmental exposure to toxins in the electronics supply chain and to put pressure on electronic companies to end this exposure. The program also calls out labor abuses in other industries (such as toys and seafood) and encourages manufacturers and retailers to improve labor conditions in their supply chains.

*Good Food For People and the Planet/GMO Inside*– The purpose of this program is to accelerate the shift of the food system from industrial agriculture to organic, local, sustainable foods. The current focus of this program is on eliminating genetically engineered foods, which are raising concerns regarding consumer health, farm worker safety, increasing use of toxic herbicides, the rise of super weeds, and contamination of soil and water.

*Policy & Advocacy* – This program educates and engages the public and policymakers on key green economy issues such as energy and climate change, toxic chemical control, support for minimum wage increases, and support for mandatory federal labeling of genetically modified organisms, among other issues.

*Green Economy/Green Business Programs:*

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

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

*Green Business Workshops*– Green Business Workshops are held as part of the Green Festival Conferences, and online.

*People & Planet Award* – This program highlights a different aspect of the green economy every quarter such as energy efficiency, waste reduction, fair supply chain, and sustainable foods. Green America seeks nominations of local businesses that are leaders in this specific aspect of the green economy. A panel of expert judges, in concert with the public, chooses the three companies with the best practices in that aspect. The top three companies earn a \$5,000 award in recognition of their leadership. The companies then report back how they use the \$5,000 to advance their sustainability practices.

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NOTE 1 – NATURE OF ACTIVITIES (continued)

*Green Economy/Green Business Programs: (continued)*

*Center for Sustainability Solutions* - This program brings together stakeholders across supply chains to solve social and environmental problems. These supply chain programs focus on clean energy, sustainable food and agriculture, responsible finance and fair labor.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

*Basis of Accounting*

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

*Basis of Presentation*

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

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

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets – Net assets, if any, subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

*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.

*Cash and Cash Equivalents*

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

*Accounts Receivable*

Accounts receivable are stated at their net realizable values. Management evaluates the collectability of its accounts receivable based on certain factors, such as historical collection and aging categories. Accounts receivable are written off when deemed uncollectible. In management's opinion, all receivables, less the allowance for doubtful accounts, are considered fully collectible.

*Revenue Recognition*

Deferred revenue at March 31, 2016 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.

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NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

*Promises to Give*

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

*Short-term Investments*

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 unrestricted revenue in the period received. Management records dues as revenue upon receipt since they believe that the benefits received by its members are negligible. The dues are non-refundable and membership is available to the general public.

*Donated Materials, Equipment and Services*

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

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

*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.

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NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

*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, 2016, management has determined that it did not have a tax liability.

The Organization's management evaluates tax positions and recognizes a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Organization's management has analyzed its tax positions, and has concluded that as of March 31, 2016, 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. Management believes the Organization is no longer subject to income tax examination for years prior to 2013.

*Subsequent Event Evaluation*

The Organization has evaluated events and transactions for potential recognition or disclosure through November 8, 2016, the date the financial statements were available to be issued.

NOTE 3 – PLEDGES RECEIVABLE

In 1993, the Organization established a sustainer pledge program whereby individuals pledge a monthly contribution on an ongoing basis. Contributors can cancel their pledge at any time. The asset account *Pledges Receivable* represents the estimated future monthly pledges receivable from sustainers based upon guidelines developed by management. Since a contributor's pledge has no predetermined fixed duration period, management estimates the monthly pledge amount from sustainers to continue for a three year period based upon a 16% attrition rate in the first year, 22% attrition rate in the second year, and 27% attrition rate in the third year.

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

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

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NOTE 3 – PLEDGES RECEIVABLE (continued)

Pledges receivable from sustainers and other pledges are due as follows:

	Due in 1 Year	Due in 2 – 3 Years	Total
Pledges receivable - sustainers	\$ 422,876	\$ 760,095	\$ 1,182,971
Pledges receivable – others	5,099	7,648	12,747
Total	427,975	767,743	1,195,718
Less: Discount to net present value	-	(36,284)	(36,284)
Allowance for uncollectible pledges	(89,153)	-	(89,153)
Total	(89,153)	(36,284)	(125,437)
Net pledges receivable	\$ 338,822	\$ 731,459	\$ 1,070,281

NOTE 4 – NOTES PAYABLE

Green America Loan Program consists of 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.

Total	\$ 367,255
Less: current portion	(367,255)
Long-term portion	\$ -

NOTE 5 – LEASE OBLIGATIONS AND COMMITMENTS

In April 2014, the Organization entered into a capital lease agreement for software with a lease-finance company. Terms of the lease agreement call for the Organization to make monthly lease payments of \$3,117 for a period of 36 months. As of March 31, 2016, total amount due under this capital lease obligation was \$34,531. The capital lease term matures in March 2017.

Future minimum annual lease payments under the capital lease as of March 31 are as follows:

2017	\$ 36,499
Less: Amount representing interest	(1,968)
Present value of minimum lease payments	\$ 34,531

The Organization has an operating lease agreement for its office space in Washington, DC which expires on August 31, 2021, with a monthly base rent of \$16,283 and an annual escalation of 4%.

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NOTE 5 – LEASE OBLIGATIONS AND COMMITMENTS (continued)

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

2017	\$ 199,953
2018	207,951
2019	216,269
2020	224,920
2021	233,916
Thereafter	<u>99,053</u>
Total minimum lease payments	<u>\$ 1,182,062</u>

Occupancy expense for the year ended March 31, 2016 was \$212,369.

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, 2016, the gift annuity liability was \$3,445.

NOTE 7 – RETIREMENT PLAN

The Organization provides a defined contribution pension plan under Section 403(b)(7) of the U.S. Internal Revenue Code. The plan covers all full-time and part-time employees. Total retirement plan contribution for the year ended March 31, 2016 was \$32,003.

NOTE 8 – LINE OF CREDIT

The Organization has a revolving line of credit with Beneficial State Bank for \$200,000 with interest at U.S. prime rate plus 2%. Borrowings are collateralized by substantially all assets of the Organization. There was no outstanding balance on the line of credit at March 31, 2016. Borrowings under the line of credit are subject to certain financial covenants and restrictions on indebtedness and other related items. As of March 31, 2016, in the opinion of management, the Organization was in compliance with all financial covenants.

NOTE 9 – DONATED SERVICES

The Organization receives donations of various professional services. The value of these donated services is included in the financial statements, and the corresponding expense amount was \$100,669 for the year ended March 31, 2016.

NOTE 10 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following as of March 31, 2016:

Sustainers Program	\$ 1,057,963
Website and Digital Content	50,000
Solar Circle	38,049
People and Planet Awards	31,192
Kindred Spirits Collaborating to Manifest a Thriving Earth (KINS)	16,473
Heather White Program	<u>10,317</u>
Total	<u>\$ 1,203,994</u>

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NOTE 10 – TEMPORARILY RESTRICTED NET ASSETS (continued)

Temporarily restricted net assets released from restrictions consist of the following for the year ended March 31, 2016:

Sustainers Program	\$ 505,116
Center for Sustainability Solutions	282,680
General Programs	246,611
Clear Energy Production	165,550
People and Planet Awards	144,357
Kindred Spirits Collaborating to Manifest a Thriving Earth (KINS)	134,261
Better Paper Project	100,000
Healthy Food (GMO Inside)	63,692
Energy	20,000
Responsible Banking	5,000
Utility of the Future	1,440
Solar Circle	635
Total	<u>\$ 1,669,342</u>

NOTE 11 – INVESTMENT SECURITIES

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

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

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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NOTE 11 – INVESTMENT SECURITIES (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, 2016.

*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, 2016, 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, 2016:

Assets at Fair Value as of March 31, 2016				
	Level 1	Level 2	Level 3	Total
Common stocks:				
Technology	\$ 1,240	\$ -	\$ -	\$ 1,240
Consumer goods	550	-	-	550
Basic materials	505	-	-	505
Utilities	236	-	-	236
Financial	-	5,097	-	5,097
	-	5,097	-	5,097
Total	\$ 2,531	\$ 5,097	\$ -	\$ 7,628

Investment return is summarized as follows:

Interest and dividend income	\$ 1,289
Net realized and unrealized losses	(3,343)
Total	\$ (2,054)

NOTE 12 – CONCENTRATION OF CREDIT RISK AND CASH IN BANKS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash equivalents. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At March 31, 2016, the Organization maintained cash balances of approximately \$11,500 in excess of FDIC insured limits.

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NOTE 13 – CONTINGENCIES

From time to time, the Organization may become involved in legal claims arising in the ordinary course of its activities. In the opinion of management, the outcome of any legal proceedings is 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 14 – SUBSEQUENT EVENTS

In October 2016, the Organization borrowed \$100,000 from an investment company. Under the terms of the note, the loan is to be repaid in sixty (60) monthly installments of principal and interest of \$1,903. The interest rate on the loan is 5% annually on the outstanding balance.

Also in October 2016, the Organization and a member reached an agreement for the repayment of a \$50,000 loan that had been made to the Organization by that member and which was part of the Green America Member Loan Program. In accordance with terms of the repayment plan, the loan will be repaid in four quarterly payments of \$12,500 plus interest at 4%.