

ECHOING GREEN, INC.

FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Echoing Green, Inc.

We have audited the accompanying financial statements of Echoing Green, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Echoing Green, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Lotz + Carr, LLP

New York, New York
March 26, 2020

ECHOING GREEN, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents (Notes 1b, 4a and 6)		
Without donor restrictions	\$3,782,319	\$4,821,944
With donor restrictions	1,294,492	343,274
Unconditional promises to give (Notes 1c and 5)		
Without donor restrictions	1,369,111	1,532,057
With donor restrictions	2,932,354	2,804,990
Inventory (Note 1d)	4,923	4,923
Prepaid expenses and other assets	36,616	33,748
Investment in nonmarketable securities (Notes 1e and 12)	7,301	12,721
Security deposit	111,812	111,812
Property and equipment, at cost, net of accumulated depreciation (Notes 1f and 7)	<u>265,326</u>	<u>291,730</u>
Total Assets	<u><u>\$9,804,254</u></u>	<u><u>\$9,957,199</u></u>
Liabilities and Net Assets		
Liabilities		
Fellowship grants payable (Notes 1g and 8)	\$3,318,377	\$3,955,883
Accounts payable and accrued expenses	459,300	328,582
Deferred rent (Note 1h)	<u>267,203</u>	<u>263,745</u>
Total Liabilities	<u>4,044,880</u>	<u>4,548,210</u>
Commitments (Notes 9, 10 and 13)		
Net Assets		
Without donor restrictions	1,532,528	2,260,725
With donor restrictions (Note 3)	<u>4,226,846</u>	<u>3,148,264</u>
Total Net Assets	<u>5,759,374</u>	<u>5,408,989</u>
Total Liabilities and Net Assets	<u><u>\$9,804,254</u></u>	<u><u>\$9,957,199</u></u>

See notes to financial statements.

ECHOING GREEN, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets						
Support and Revenue (Note 4b)						
Contributions, including amounts with donor restrictions related to fiscal sponsorship of \$694,837 (2019) and \$354,000 (2018)	\$ 2,383,022	\$ 6,931,166	\$ 9,314,188	\$ 2,701,141	\$ 6,744,060	\$ 9,445,201
Benefit event income	1,071,209	-	1,071,209	1,199,527	-	1,199,527
Less: Direct benefit event expenses	(134,039)	-	(134,039)	(134,039)	-	(134,039)
Adjustment of investment to net realizable value (Note 12)	(5,420)	-	(5,420)	(1,512)	-	(1,512)
In kind contributions and donated services (Note 11)	603,118	-	603,118	272,684	-	272,684
Program income	65,585	-	65,585	65,493	-	65,493
Interest income	6,493	6,122	12,615	3,635	2,245	5,880
Other income	52,570	-	52,570	27,794	-	27,794
	<u>4,042,538</u>	<u>6,937,288</u>	<u>10,979,826</u>	<u>4,134,723</u>	<u>6,746,305</u>	<u>10,881,028</u>
Net assets released from restrictions, including amounts related to fiscal sponsorship of \$696,952 (2019) and \$355,600 (2018)	<u>5,858,706</u>	<u>(5,858,706)</u>	<u>-</u>	<u>6,472,947</u>	<u>(6,472,947)</u>	<u>-</u>
Total Support and Revenue	<u>9,901,244</u>	<u>1,078,582</u>	<u>10,979,826</u>	<u>10,607,670</u>	<u>273,358</u>	<u>10,881,028</u>
Expenses						
Program Services, including amounts related to fiscal sponsorship of \$696,952 (2019) and \$355,600 (2018)	6,723,490	-	6,723,490	6,374,407	-	6,374,407
Supporting Services						
Management and general	1,991,989	-	1,991,989	2,878,526	-	2,878,526
Fundraising	1,913,962	-	1,913,962	841,518	-	841,518
	<u>10,629,441</u>	<u>-</u>	<u>10,629,441</u>	<u>10,094,451</u>	<u>-</u>	<u>10,094,451</u>
Increase (decrease) in net assets	(728,197)	1,078,582	350,385	513,219	273,358	786,577
Net assets, beginning of year	<u>2,260,725</u>	<u>3,148,264</u>	<u>5,408,989</u>	<u>1,747,506</u>	<u>2,874,906</u>	<u>4,622,412</u>
Net Assets, End of Year	<u>\$ 1,532,528</u>	<u>\$ 4,226,846</u>	<u>\$ 5,759,374</u>	<u>\$ 2,260,725</u>	<u>\$ 3,148,264</u>	<u>\$ 5,408,989</u>

See notes to financial statements.

ECHOING GREEN, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE TOTALS FOR 2018

	Program Services	Supporting Services		2019	2018
		Management and General	Fundraising	Total Expenses	Total Expenses
Grant expense including amounts related to fiscal sponsorship of \$696,952 (2019) and \$355,600 (2018)	\$3,257,006	\$ -	\$ -	\$ 3,257,006	\$ 3,205,634
Salaries	1,099,331	658,727	1,421,581	3,179,639	2,854,211
Employee benefits and taxes	570,765	191,006	207,104	968,875	889,745
Consultants and fees	578,662	330,268	31,888	940,818	650,170
Accounting and legal	8,341	165,295	-	173,636	224,314
Office supplies and services	140,286	137,905	628	278,819	267,595
Telephone and communications	17,710	34,801	-	52,511	37,783
Postage and mailing	533	1,994	-	2,527	3,868
Advertising	370	1,780	-	2,150	8,961
Printing	1,825	3,965	3,390	9,180	18,935
Rent and utilities	245,534	206,384	109,152	561,070	558,239
Event fees and catering	353,278	9,118	73,878	436,274	670,063
Travel and accommodations	370,358	116,118	40,680	527,156	516,406
Miscellaneous	26,167	91,372	917	118,456	71,588
Total expenses before depreciation	6,670,166	1,948,733	1,889,218	10,508,117	9,977,512
Depreciation	53,324	43,256	24,744	121,324	116,939
Total Expenses, 2019	<u>\$6,723,490</u>	<u>\$ 1,991,989</u>	<u>\$ 1,913,962</u>	<u>\$10,629,441</u>	
Total Expenses, 2018	<u>\$6,374,407</u>	<u>\$ 2,878,526</u>	<u>\$ 841,518</u>		<u>\$10,094,451</u>

See notes to financial statements.

ECHOING GREEN, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2018

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total Expenses</u>
		<u>Management and General</u>	<u>Fundraising</u>	
Grant expense including amounts related to fiscal sponsorship of \$355,600	\$3,205,634	\$ -	\$ -	\$ 3,205,634
Salaries	1,220,404	1,174,031	459,776	2,854,211
Employee benefits and taxes	370,721	380,501	138,523	889,745
Consultants and fees	208,517	414,677	26,976	650,170
Accounting and legal	3,256	221,058	-	224,314
Office supplies and services	39,484	227,611	500	267,595
Telephone and communications	1,025	36,684	74	37,783
Postage and mailing	609	3,259	-	3,868
Advertising	2,422	3,404	3,135	8,961
Printing	12,307	5,836	792	18,935
Rent and utilities	227,261	244,124	86,854	558,239
Event fees and catering	601,265	11,756	57,042	670,063
Travel and accommodations	396,438	82,596	37,372	516,406
Miscellaneous	35,703	24,413	11,472	71,588
Total expenses before depreciation	6,325,046	2,829,950	822,516	9,977,512
Depreciation	49,361	48,576	19,002	116,939
Total Expenses	<u>\$6,374,407</u>	<u>\$ 2,878,526</u>	<u>\$ 841,518</u>	<u>\$10,094,451</u>

See notes to financial statements.

ECHOING GREEN, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 350,385	\$ 786,577
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	121,324	116,939
Bad debt expense	50,000	20,115
Adjustment of investment to net realizable value	5,420	1,512
(Increase) decrease in:		
Unconditional promises to give	(14,418)	(1,197,065)
Inventory	-	121
Prepaid expenses and other assets	(2,868)	94,084
Increase (decrease) in:		
Fellowship grants payable	(637,506)	91,639
Accounts payable and accrued expenses	130,718	(74,750)
Deferred rent	<u>3,458</u>	<u>14,745</u>
Net Cash Provided (Used) By Operating Activities	<u>6,513</u>	<u>(146,083)</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	<u>(94,920)</u>	<u>-</u>
Net decrease in cash and cash equivalents	(88,407)	(146,083)
Cash and cash equivalents, beginning of year	<u>5,165,218</u>	<u>5,311,301</u>
Cash and Cash Equivalents, End of Year	<u><u>\$5,076,811</u></u>	<u><u>\$5,165,218</u></u>

See notes to financial statements.

ECHOING GREEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

Echoing Green, Inc. ("Echoing Green") is a global social venture fund for rising social entrepreneurs, accelerating transformative social change by building a robust pipeline of change-makers with the confidence, vision and drive to solve the world's most critical problems. Echoing Green funds social entrepreneurs through a two-year Fellowship program and is developing support resources and networks to maximize the potential social change of those entrepreneurs.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, all highly liquid debt instruments, purchased with a maturity of three months or less, are considered to be cash equivalents.

c - Contributions and Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give, that is, in substance, unconditional. Contributions that are restricted by the donor 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 to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

d - Inventory

Inventory consists of books valued at the lower of cost (first-in, first-out method) or net realizable value.

e - Investment in Nonmarketable Securities

Echoing Green originally reflected its investment in nonmarketable securities, received in connection with a recoverable grant provision in one of its fellowship grants (Note 12), at its value at the time of receipt. Annually, Echoing Green performs an assessment of the fair value of this investment to assess whether any adjustment is necessary to reflect the carrying value at the lower of cost or net realizable value.

f - Property and Equipment

Property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful lives of the assets.

g - Grants and Appropriations

Unconditional grants and appropriations are recognized at the time authorized. For grants which are conditional upon the recipient fulfilling certain obligations prior to receiving funds, grants and appropriations are recognized at the time those conditions are satisfied.

ECHOING GREEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

g - Grants and Appropriations (continued)

Certain grants awarded by Echoing Green include a provision that if the grantee experiences specific financial events of substantial scale, the grant amount or portion thereof may be required to be returned to Echoing Green at its discretion.

h - Deferred Rent

Echoing Green records rent expense on a straight-line basis over the life of the respective lease (Note 9). The difference between the straight-line amount and the amount actually paid during the year is recorded as deferred rent in the accompanying financial statements.

i - Advertising Costs

Advertising costs are expensed as incurred.

j - Financial Statement Presentation

The financial statements of Echoing Green have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which require Echoing Green to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Echoing Green. These net assets may be used at the discretion of the Echoing Green's management and board of directors.

Net Assets With Donor Restrictions

Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Echoing Green or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

k - Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

l - Tax Status

Echoing Green is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

ECHOING GREEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

m - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial portion of Echoing Green's expenses are directly related to program activities. The expenses that are allocated include salaries, employee benefits and taxes, and certain overhead items, which are allocated based on employee time and effort or management's estimates of resource usage.

n - Prior Year Information

For comparability, certain 2018 amounts have been reclassified, where appropriate, to conform to the financial statement presentation used in 2019.

o - Subsequent Events

Echoing Green has evaluated subsequent events through March 26, 2020, the date that the financial statements are considered available to be issued.

p - Recent Accounting Pronouncements

For the year ended June 30, 2019, Echoing Green adopted Accounting Standards Update ("ASU") No. 2016-14, *Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions"; (b) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources; (c) requiring that all nonprofits present an analysis of expenses by function and nature and disclose the methods used to allocate costs and (d) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. As permitted under the ASU in the year of adoption, Echoing Green opted to not disclose liquidity and availability information for 2018.

In February 2016, the FASB issued ASU 2016-02, "*Leases (Topic 842)*." The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and related liabilities on the statements of financial position for all leases with terms longer than twelve months and disclosing key information about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2020. Echoing Green is currently evaluating the impact of ASU 2016-02 on its financial statements.

ECHOING GREEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 2 - Information Regarding Liquidity and Availability

Echoing Green annually plans to operate with a balanced budget for the fiscal year based using expected revenues to fund budgeted expenses. Annual revenue is primarily derived from philanthropic grants or charitable gifts raised during the current fiscal year. Additional revenue is provided from service revenue earned during the year. General expenditures of Echoing Green consist of all expenses related to its ongoing programs including fellowship stipends and fellowship events management as well as social innovation market Thought Leadership. Additional expenses are directly related to fundraising activities and all operations undertaken to support programs and services.

Echoing Green regularly monitors its liquidity used to meet its operating needs, commitments and other obligations, while seeking to maximize the investment of its available funds. Management prepares cash flow projections to determine liquidity needs, and maintains liquid financial assets on an ongoing basis to cover 60 days of general expenditures. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments.

Echoing Green's financial assets as of June 30, 2019 available within one year to meet cash needs for general expenditures are summarized as follows:

Financial Assets at Year-End:	
Cash and cash equivalents	\$5,076,811
Unconditional promises to give	4,301,465
Accounts receivable (included in prepaid expenses and other assets)	<u>17,397</u>
Total Financial Assets	9,395,673
Less: Amounts Not Available to be Used Within One Year:	
Restricted cash	
Net assets with donor restrictions subject to expenditure for specific purposes or passage of time	(3,987,511)
Plus: Net assets with donor restrictions expected to be met in less than one year	2,903,860
Net assets with donor restrictions for endowment, subject to spending policy and appropriation	<u>(239,335)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$8,072,687</u>

ECHOING GREEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 3 - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30:

	<u>2019</u>	<u>2018</u>
Subject to Time and Purpose Restrictions:		
Fellowship grants	\$1,774,700	\$2,667,195
Restricted for future periods	2,140,984	167,792
Cheryl L. Dorsey Discretionary Fund	51,000	51,000
Fiscal sponsorships	<u>20,827</u>	<u>22,942</u>
	3,987,511	2,908,929
Investment in Perpetuity:		
Endowment	<u>239,335</u>	<u>239,335</u>
 Total Net Assets with Donor Restrictions	 <u>\$4,226,846</u>	 <u>\$3,148,264</u>

Echoing Green maintains an endowment that consists of gifts from a donor totaling \$239,335. Interest earned on these endowment funds is available for Echoing Green's general operations.

Note 4 - Concentrations

- a - Echoing Green maintains cash accounts in several financial institutions in New York City. Certain balances are insured by the Federal Deposit Insurance Corporation.
- b - For 2019, contributions from one donor represented approximately 15% of total support and revenue. The amount due from this donor was approximately 23% of unconditional promises to give as of June 30, 2019. For 2018, contributions from three donors represented approximately 50% of total support and revenue. Amounts due from these donors were approximately 61% of unconditional promises to give as of June 30, 2018.

ECHOING GREEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 5 - Unconditional Promises to Give

Unconditional promises to give are due as follows:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$1,386,141	\$1,899,700	\$3,285,841
Due in one to five years	-	<u>1,083,334</u>	<u>1,083,334</u>
	<u>1,386,141</u>	2,983,034	4,369,175
Less: Discount to present value	-	<u>(50,680)</u>	<u>(50,680)</u>
Total	<u>\$1,386,141</u>	<u>\$2,932,354</u>	<u>\$4,318,495</u>
	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$1,532,057	\$2,140,199	\$3,672,256
Due in one to five years	-	<u>697,000</u>	<u>697,000</u>
	<u>1,532,057</u>	2,837,199	4,369,256
Less: Discount to present value	-	<u>(32,209)</u>	<u>(32,209)</u>
Total	<u>\$1,532,057</u>	<u>\$2,804,990</u>	<u>\$4,337,047</u>

Unconditional promises due in one to five years are discounted to present value using a discount rate of 3%. Uncollectible promises are expected to be insignificant.

Note 6 - Endowment Funds

Echoing Green's endowment consists of contributions from one donor that are restricted in perpetuity. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

ECHOING GREEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 6 - Endowment Funds (continued)

Consistent with New York State Not-for-Profit Corporation Law and the New York State Prudent Management of Institutional Funds Act, Echoing Green classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of any applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as for investment in perpetuity is classified as investment income above the original gift amount until those amounts are appropriated for expenditure by Echoing Green.

Endowment funds are donor-restricted endowment funds classified as for investment in perpetuity and totaled \$239,335 at June 30, 2019 and 2018.

For the years ended June 30, 2019 and 2018, interest income of \$6,122 and \$2,245, respectively, was considered appropriated to operations for expenditure. There were no other changes in endowment funds for 2019 and 2018.

Endowment funds are invested in money market funds in a manner that is intended to produce current income while assuming a minimal level of investment risk. The assets at June 30, 2019 and 2018 are held in a cash equivalent money market fund.

Note 7 - Property and Equipment

Property and equipment consist of the following:

	<u>Life</u>	<u>2019</u>	<u>2018</u>
Website	3 years	\$159,125	\$115,575
Office equipment	5 years	252,705	201,335
Leasehold improvements	Life of lease	233,012	233,012
Furniture and fixtures	5 years	<u>303,696</u>	<u>303,696</u>
		948,538	853,618
Less: Accumulated depreciation		<u>(683,212)</u>	<u>(561,888)</u>
		<u>\$265,326</u>	<u>\$291,730</u>

ECHOING GREEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 8 - Fellowship Grants Payable

Fellowship grants payable are due as follows:

	<u>2019</u>	<u>2018</u>
Due within one year	\$2,323,160	\$2,739,620
Due in one to five years	<u>1,036,000</u>	<u>1,266,000</u>
	3,359,160	4,005,620
Less: Discount to present value	<u>(40,783)</u>	<u>(49,737)</u>
Total	<u>\$3,318,377</u>	<u>\$3,955,883</u>

Grants payable due to be paid within one to five years have been discounted to present value using a discount rate of 3%.

Note 9 - Commitment

Echoing Green occupies office space under a lease agreement expiring June 2024. The lease provides future minimum lease payments as follows:

<u>Year Ending June 30,</u>	
2020	\$494,330
2021	506,688
2022	519,355
2023	532,339
Thereafter, through June 30, 2024	545,648

Rent expense was \$472,851 and \$471,161 for the years ended June 30, 2019 and 2018, respectively.

Note 10 - Pension Plan

Echoing Green maintains a tax sheltered annuity plan (IRC Section 403(b)) for the benefit of its employees. Employees may elect to contribute to the plan within the limits prescribed by the Internal Revenue Code. Echoing Green also makes a matching contribution to the plan. For the years ended June 30, 2019 and 2018, for eligible employees who have completed one year of service, Echoing Green made a matching contribution equal to an employee's contribution, up to 7% of the employee's salary. Total expense under this plan was \$151,775 (2019) and \$141,193 (2018).

ECHOING GREEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 11 - In Kind Contributions and Donated Services

Echoing Green received in kind contributions and donated services in connection with its activities that are recorded at fair value as follows:

	<u>2019</u>	<u>2018</u>
Legal services	\$124,118	\$174,579
In kind contribution - fellowship grant paid directly to fellow by donor	<u>479,000</u>	<u>98,105</u>
	<u>\$603,118</u>	<u>\$272,684</u>

Note 12 - Investment in Nonmarketable Securities

An Echoing Green grantee had an event which triggered the recovery provision described in Note 1g. Echoing Green elected as its method of recovery to accept stock under issuance in the financial transaction, which occurred in July 2012. The total value received was \$70,000, representing less than 1% equity ownership in the grantee company. During the fiscal years ended June 30, 2019 and 2018, Echoing Green recognized valuation decreases of \$5,420 (2019) and \$1,512 (2018) in order to carry the investment at its net realizable value.

Note 13 - Fiscal Sponsorship

Echoing Green offers a fiscal sponsorship program for its fellows following the completion of their fellowship grant period, for projects whose work furthers Echoing Green's mission and exempt purpose. Echoing Green has variance power over funds received under its fiscal sponsorship program, and retains an administrative fee, generally in an amount of up to 5% of contributions received for fiscal sponsorship projects. Grant expense and net assets released from restrictions related to grants made under fiscal sponsorship agreements and included in the accompanying statements of activities totaled \$696,952 and \$355,600 for the years ended June 30, 2019 and 2018, respectively.

ECHOING GREEN, INC.
NOTES TO FINANCIAL STATEMENTS
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Note 13 - Fiscal Sponsorship (continued)

Funds for certain sponsored projects are received by Echoing Green in the form of recoverable grants from a foundation. Echoing Green grants these funds to the respective sponsored projects also in the form of a recoverable grant with stated terms for repayment. Upon receipt of repayment from the sponsored project, Echoing Green is obligated to make repayment to the foundation. Repayment from the sponsored project is typically dependent on the occurrence of certain events, such as revenue generation or refinancing arrangements. Echoing Green is not obligated for repayment to the foundation should a sponsored project be unable to make repayment. Recoverable grants subject to repayment totaled \$225,000 as of June 30, 2019 and 2018, respectively.