

**GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION**

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

**(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2014)**

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
NOTES TO FINANCIAL STATEMENTS	7-12



Patricia A. Wintroath, CPA

Independent Auditor's Report

Board of Directors
Global Footprint Network, Inc.
Oakland, CA

I have audited the accompanying financial statements of Global Footprint Network, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Global Footprint Network, Inc. as of December 31, 2015, 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.

Report on Summarized Comparative Information

I have previously audited the Global Footprint Network, Inc.'s 2014 financial statements, and my report dated March 31, 2015, expressed an unmodified opinion on those audited financial statements. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Patricia A. Wintworth, CPA

Certified Public Accountant
Walnut Creek, CA

March 7, 2015

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2014)

	Unrestricted		Temporarily	Total	Total
	General	Property	Restricted	All	All
	Fund	and	Funds	Funds	Funds
		Equipment		2015	2014
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	\$67,877	\$	\$997,612	\$1,065,489	\$1,130,838
Grants and accounts receivable (Note C)	579,026		16,939	595,965	496,314
Prepaid expenses	41,501			41,501	33,593
TOTAL CURRENT ASSETS	688,404	0	1,014,551	1,702,955	1,660,745
PROPERTY AND EQUIPMENT net of accumulated depreciation and amortization at December 31, 2015 and 2014 of \$142,018 and \$128,150, respectively. (Notes B and D)		45,758		45,758	57,352
DEPOSITS	10,177			10,177	10,861
TOTAL ASSETS	\$698,581	\$45,758	\$1,014,551	\$1,758,890	\$1,728,958
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Accounts payable and accrued liabilities	\$147,607	\$	\$	\$147,607	\$126,188
Accrued vacation (Note E)	46,630			46,630	37,838
Deferred revenue	0			0	8,896
TOTAL CURRENT LIABILITIES	194,237	0	0	194,237	172,922
COMMITMENTS AND CONTINGENCIES (Note F)					
NET ASSETS (Notes B & G)	504,344	45,758	1,014,551	1,564,653	1,556,036
TOTAL LIABILITIES AND NET ASSETS	\$698,581	\$45,758	\$1,014,551	\$1,758,890	\$1,728,958

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2015

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2014)

	Unrestricted		Temporarily Restricted Funds	Total All Funds 2015	Total All Funds 2014
	General Fund	Property and Equipment			
SUPPORT AND REVENUE					
Public Support:					
Foundation grants	\$418,000	\$	\$1,757,821	\$2,175,821	\$2,132,383
Contributions	91,467			91,467	118,943
In-kind contributions	211,597			211,597	134,246
Total Support	721,064	0	1,757,821	2,478,885	2,385,572
Revenue:					
Fees for services	395,978			395,978	291,454
Exchange rate gain (loss) - net				0	(10,566)
Honorarium	23,413			23,413	7,375
License fees	58,305			58,305	81,842
Reimbursed expenses				0	46,040
Royalties	162			162	200
Investment income	1,080			1,080	3,630
Realized gain (loss) on sale of investments				0	25,137
Unrealized gain (loss) on exchange account	(8,268)			(8,268)	(72,033)
Unrealized gain (loss) on investments	72			72	0
Total Revenue	470,742	0	0	470,742	373,079
Net Assets Released From Restrictions	1,588,711	(11,594)	(1,577,117)	0	0
TOTAL SUPPORT AND REVENUE	2,780,517	(11,594)	180,704	2,949,627	2,758,651
EXPENSES					
Program services	2,012,695			2,012,695	1,881,607
Management and general	430,301			430,301	389,206
Fundraising	498,014			498,014	398,140
Total Expenses	2,941,010	0	0	2,941,010	2,668,953
CHANGE IN NET ASSETS	(160,493)	(11,594)	180,704	8,617	89,698
NET ASSETS, beginning of year	\$664,837	\$57,352	\$833,847	1,556,036	1,466,338
NET ASSETS, end of year (Notes B & G)	\$504,344	\$45,758	\$1,014,551	\$1,564,653	\$1,556,036

GLOBAL FOOTPRINT NETWORK, INC.
STATEMENT OF CASH FLOWS
A CALIFORNIA NONPROFIT ORGANIZATION
YEAR ENDED DECEMBER 31, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2014)

	Unrestricted		Temporarily	Total	Total
	General	Property	Restricted	All	All
	Fund	and	Funds	Funds	Funds
		Equipment		2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:					
Change in Net Assets	(\$160,493)	(\$11,594)	\$180,704	\$8,617	\$89,698
Adjustment to reconcile change in net assets to cash provided (used) by operating activities:					
Depreciation		13,868		13,868	11,327
	(160,493)	2,274	180,704	22,485	101,025
CHANGES IN CURRENT ASSETS AND CURRENT LIABILITIES					
(Increase) decrease in funding and accounts receivable	(82,712)		(16,939)	(99,651)	(402,102)
(Increase) decrease in prepaid expenses	(7,908)			(7,908)	(10,326)
(Increase) decrease in deposits	684			684	0
Increase (decrease) in accounts payable and accrued liabilities	21,419			21,419	37,309
Increase (decrease) in accrued vacation	8,792			8,792	(9,834)
Increase (decrease) in deferred revenue	(8,896)			(8,896)	(39,561)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(229,114)	2,274	163,765	(63,075)	(323,489)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of equipment		(2,274)		(2,274)	(23,410)
Sale of marketable securities				0	96,869
Purchase(donation) of marketable securities				0	0
Unrealized (gain) loss on marketable securities				0	0
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	0	(2,274)	0	(2,274)	73,459
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(229,114)	0	163,765	(65,349)	(250,030)
CASH AND CASH EQUIVALENTS, beginning of year	\$296,991	\$0	\$833,847	1,130,838	1,380,868
CASH AND CASH EQUIVALENTS, end of year	\$67,877	\$0	\$997,612	\$1,065,489	\$1,130,838
SUPPLEMENTAL INFORMATION:					
Interest paid				\$1,154	\$300

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2014)

	Communications	Research and Standards	Client Services	Project Development	Total Program	Management and General	Fundraising	Total Support	Total All Funds 2015	Total All Funds 2014
Salaries	\$245,160	\$281,886	\$278,075	\$24,541	\$829,662	\$260,081	\$220,640	\$480,721	\$1,310,383	\$1,342,014
Payroll taxes	19,886	22,865	22,556	1,991	67,298	21,097	17,897	38,994	106,292	111,395
Employee benefits	8,878	11,569	10,928	894	32,269	9,948	11,335	21,283	53,552	52,270
Total personnel expenses	273,924	316,320	311,559	27,426	929,229	291,126	249,872	540,998	1,470,227	1,505,679
Direct program expenses	12,123	69,167	228,196	12,792	322,278	16,569	22,077	38,646	360,924	492,009
Computer expenses	5,310	8,486	11,075	498	25,369	6,014	7,777	13,791	39,160	37,779
Insurance	1,523	1,984	1,874	153	5,534	1,852	1,944	3,796	9,330	388
Interest expense					0	1,154		1,154	1,154	300
Meals and entertainment	1,688	2,771	2,086	245	6,790	2,232	2,449	4,681	11,471	11,960
Internet-Website expense	316				316			0	316	4,435
Bank charges	96	250	137	33	516	4,320	660	4,980	5,496	8,931
Board expenses				18	18	10,103		10,103	10,121	3,797
Depreciation	2,263	2,949	2,786	228	8,226	2,753	2,889	5,642	13,868	11,327
Licenses, fees, permits					0	(96)		(96)	(96)	(5,236)
Office expense	138	84	79	6	307	78	82	160	467	1,166
Office supplies	617	836	834	86	2,373	1,173	2,328	3,501	5,874	2,979
Postage and delivery	164	108	429	41	742	242	146	388	1,130	8,034
Recruitment	1,735	2,286	2,136	175	6,332	2,243	2,215	4,458	10,790	2,739
Rent	19,402	25,282	23,881	1,954	70,519	23,266	24,770	48,036	118,555	115,155
Repairs and maintenance	46	60	56	4	166	56	58	114	280	0
Telephone	1,219	1,589	1,539	123	4,470	1,483	1,557	3,040	7,510	4,718
Utilities	2,033	2,650	2,502	205	7,390	2,473	2,596	5,069	12,459	12,068
Professional fees	35,907	34,201	83,934	66,831	220,873	32,722	150,451	183,173	404,046	285,941
Travel	22,323	7,555	37,290	13,164	80,332	5,286	10,713	15,999	96,331	30,538
Funding of international start up costs		100,000		50,000	150,000			0	150,000	0
In kind expenses	109,237	61,678			170,915	25,252	15,430	40,682	211,597	134,246
Total expenses	\$490,064	\$638,256	\$710,393	\$173,982	\$2,012,695	\$430,301	\$498,014	\$928,315	\$2,941,010	\$2,668,953

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE A - ORGANIZATION

General - The Global Footprint Network, Inc. is a California non-profit corporation incorporated under the laws of California in 2003. The Organization's purpose is to help organizations around the world track the extent of society's environmental impact through the use of a resource management tool, known as the "ecological footprint," that measures how much land and water area a human population requires to produce resources it consumes and to absorb its wastes, taking into account prevailing technology.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Reporting - The Organization maintains its accounting records on the accrual basis of accounting.

Use of Estimates - In preparing financial statements in conformity with Generally Accepted Accounting Principles, management must make estimates based on future events that affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities as of the date of the financial statements; and revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and Cash Equivalents - The Organization's cash and cash equivalents balance consists of amounts held in checking and savings accounts in large financial institutions.

Furniture and Equipment - Furniture and equipment are stated at cost. Expenditures for furniture and equipment, in amounts greater than \$1,000, are capitalized and depreciated over three to five years using the straight-line method. When assets are retired or sold, the related cost and accumulated depreciation are removed from the accounts and any gain or loss arising from such disposition is included as income or expense. Expenditures for repairs and maintenance are charged to expense as incurred. Donated equipment is recorded at its fair market value at the date of the donation.

Fair Value Measurements – Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the assets or liability. Unobservable inputs reflect the Organization's own assumptions about the assumption market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Organization's own data.

Functional Allocation of Expenses - Costs of providing the programs, administrative duties and fundraising activities have been summarized on a functional basis in the accompanying statement of functional expenses. Certain indirect costs have been allocated directly to programs and administration based upon ratios determined by management. These costs primarily include salaries, fringe benefits, occupancy and other expenses.

Income Taxes - The Organization is a Section 501(c)(3) organization exempt from income taxes under Section 501(a) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. There was no taxable unrelated business income during the year ended December 31, 2015.

Contributions and Grant Revenue - The Organization receives contributions and grants from corporations, foundations, charitable organizations and individuals. The Organization has adopted the provisions of Accounting Standards Codification FASB ASC 958-605 and FASB ASC-958-210-45.

The provisions of FASB ASC 958-605-25 require the Organization to recognize contributions and grants as either temporarily or permanently restricted support, if they are received with donor stipulations that limit the use of the contribution or grant. When a temporary restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

All other contributions are recognized upon receipt. Amounts received but not yet earned are reported as advances.

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated materials and Services - Donated materials are recorded at their fair value at the date of donation. In addition, a substantial number of individuals have donated significant amounts of their time to the Organization, primarily through program activities. These services are reflected in the accompanying financial statements using a valuation of the services based on an estimate of the fair value at the time of the donation. Donated services by individuals providing specialized volunteer services are valued at \$21.50 per hour based estimates. Donated services by individuals providing administration services are not recorded as donated services as there are no special skills required for these services.

Financial Statement Presentation – Under Accounting Standards Codification (FASB ASC 958-210-45, the Organization is required to report information regarding their financial position and activities according to three classes of net assets: unrestricted and temporarily restricted and permanently net assets. Global Footprint Network, Inc. currently has no assets that are permanently restricted.

Summarized Financial Information for 2014 - The financial information includes certain prior-year comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Reclassifications - Certain reclassifications have been made in the 2014 comparative totals to conform to the classifications used in 2015.

NOTE C – GRANTS AND ACCOUNTS RECEIVABLE

Grants and accounts receivable consisted of the following amounts as of December 31, 2015:

	<u>Amount</u>
Unrestricted grants and accounts receivable:	
City of Santa Monica	\$ 10,000
Emirates Wildlife Society-WWF	12,000
FEST	2,214
IDEA Consultants Inc.	15,000
Maastricht University	1,244
Mava Stiftung fur Naturschutz	333,166
Mental Insight Foundation	50,000
ONG Circoluzion Peru	1,510

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE C – GRANTS AND ACCOUNTS RECEIVABLE (Continued)

Princeton University	20,000
The Dudley Foundation	8,000
UAE Ministry of Environment and Water	97,043
UNEP Geneva	20,000
WWF China	<u>8,849</u>
Total unrestricted grants and accounts receivable	<u>\$579,026</u>
Temporarily restricted grants receivable:	
Mava Stiftung fur Naturschutz	<u>\$ 16,939</u>
Total temporarily restricted grants receivable	<u>\$ 16,939</u>
Total grants and accounts receivable	<u>\$595,965</u>

The organization does not believe that an allowance for doubtful accounts is required for any of the grant receivable as of December 31, 2015.

NOTE D - PROPERTY AND EQUIPMENT

Property and Equipment as of December 31, 2015, consisted of the following:

Furniture & Equipment	\$120,595
Donated Furniture & Equipment	13,415
Tenant Improvements	21,110
Software license	<u>32,656</u>
Total Property and Equipment	187,776
Less: Accumulated Depreciation	<u>142,018</u>
Net Property and Equipment	<u>\$ 45,758</u>

Total depreciation expense for the years ended December 31, 2015 and 2014 was \$13,868 and \$11,327, respectively.

NOTE E – ACCUMULATED VACATION AND SICK LEAVE

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Organization. The liability is recognized in the program to which the liability relates, and is consolidated with accounts payable and accrued liabilities in the financial statements. At December 31, 2015 and 2014, the accumulated accrued vacation totaled \$46,630 and \$37,838, respectively.

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE E – ACCUMULATED VACATION AND SICK LEAVE (Continued)

Sick leave benefits are accumulated for each employee. The employees do not gain a vested right to accumulate sick leave. Accumulated employee sick leave benefits are not recognized as liabilities of the Organization since payment of such benefits is not probable. Therefore, sick leave benefits are recorded as expenditures in the period sick leaves are taken.

NOTE F – COMMITMENTS AND CONTINGENCIES

The Organization entered into an office lease commencing on August 1, 2012, from Pico Madeira AFG LLC and Pico Madeira MAG LLC for a base monthly rent of \$9,042, with an annual increase of 3%, plus \$156 additional storage rent. The lease term is through July 31, 2017.

The lease expense for the years ended December 31, 2015 and 2014 was \$118,555 and \$115,030, respectively.

The following is a schedule, by year, of future minimum rentals under the leases at December 31, 2015:

<u>Year</u>	<u>Amount</u>
2016	\$120,049
2017	71,239

Grant awards require the fulfillment of certain conditions as set forth in the instruments of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms it has accommodated the objectives of the Organization to the provisions of the grant. Management is of the opinion that the Organization has complied with the terms of all grants.

NOTE G – TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2015, the temporarily restricted net assets consisted of the following funding:

Barr Foundation	\$278,784
Mava Stiftung fur Naturschutz - Mava Med	163,506
Mava Stiftung fur Naturschutz – Mava Finance for Change	435,844
Mava Stiftung fur Naturschutz – Mava Global	16,939
Tellus Mater Foundation	80,568
Winslow Foundation	<u>38,910</u>
	<u>\$1,014,551</u>

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE H – CONCENTRATION OF RISK

The Organization places its temporary cash investments with high-credit, high quality financial institutions, and by policy, limits the amount of credit exposure to any one financial institution. The Organization maintains three of its cash accounts in three such financial institutions. Cash balances held at these financial institutions were in excess of federally insured limits. The Organization believes no significant concentration of credit risk exists with respect to these cash investments.

NOTE I – SUBSEQUENT EVENTS

These financial statements were approved by the management of the Organization and available for issuance on March 7, 2016. The Organization has evaluated subsequent events through March 7, 2016.