

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

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

**(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2009)**

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Patricia A. Wintroath, CPA

Independent Auditor's Report

October 28, 2011

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

I have audited the accompanying statement of financial position of Global Footprint Network, Inc. (a California nonprofit organization) as of December 31, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Global Footprint Network, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from the Organization's December 31, 2009 financial statements and, in my report dated November 8, 2010, I expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my 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, 2010 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Patricia A. Wintroath, CPA

Certified Public Accountant

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2009)

	Unrestricted		Temporarily Restricted Funds	Total All Funds 2010	Total All Funds 2009
	General Fund	Property and Equipment			
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	\$502,902	\$	\$	\$502,902	\$516,273
Grants and accounts receivable (Note C)	514,404		380,445	894,849	959,179
Investments (Note D)	58,925			58,925	62,854
Prepaid expenses	0			0	0
TOTAL CURRENT ASSETS	1,076,231	0	380,445	1,456,676	1,538,306
PROPERTY AND EQUIPMENT net of accumulated depreciation and amortization at December 31, 2010 and 2009 of \$81,953 and \$60,137, respectively. (Notes B and E)		28,800		28,800	50,616
DEPOSITS	8,712			8,712	10,037
TOTAL ASSETS	\$1,084,943	\$28,800	\$380,445	\$1,494,188	\$1,598,959
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Accounts payable and accrued liabilities	\$50,746	\$	\$	\$50,746	\$78,872
Accrued vacation (Note F)	38,114			38,114	37,131
Deferred revenue	41,995			41,995	248,050
TOTAL CURRENT LIABILITIES	130,855	0	0	130,855	364,053
COMMITMENTS AND CONTINGENCIES (Note G)					
NET ASSETS (Notes B & H)	954,088	28,800	380,445	1,363,333	1,234,906
TOTAL LIABILITIES AND NET ASSETS	\$1,084,943	\$28,800	\$380,445	\$1,494,188	\$1,598,959

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2010
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2009)

	Unrestricted		Temporarily	Total	Total
	General	Property	Restricted	All	All
	Fund	and	Funds	Funds	Funds
		Equipment		2010	2009
SUPPORT AND REVENUE					
Public Support:					
Foundation grants	\$589,155	\$	\$433,301	\$1,022,456	\$1,039,142
Corporate grants	\$5,172			5,172	\$0
Contributions	32,813			32,813	172,509
In-kind contributions	188,179			188,179	260,066
Total Support	815,319	0	433,301	1,248,620	1,471,717
Revenue:					
Fees for services	904,854			904,854	637,180
Exchange rate gain (loss) - net	(17,155)			(17,155)	(4,427)
Honorarium	91,973			91,973	49,984
License fees	23,820			23,820	25,366
Reimbursed expenses	34,860			34,860	19,592
Educational material sales				0	891
Events and admissions	119,793			119,793	20,680
Royalties	4,019			4,019	783
Investment income	903			903	1,306
Other income	68,053			68,053	196,219
Unrealized gain (loss) on exchange account	(557)			(557)	13,549
Unrealized gain (loss) on investments	(3,929)			(3,929)	10,972
Total Revenue	1,226,634	0	0	1,226,634	972,095
Net Assets Released From Restrictions	638,609	(21,816)	(616,793)	0	0
TOTAL SUPPORT AND REVENUE	2,680,562	(21,816)	(183,492)	2,475,254	2,443,812
EXPENSES					
Program services	1,799,371			1,799,371	1,844,994
Management and general	297,373			297,373	292,168
Fundraising	250,083			250,083	234,727
Total Expenses	2,346,827	0	0	2,346,827	2,371,889
CHANGE IN NET ASSETS	333,735	(21,816)	(183,492)	128,427	71,923
NET ASSETS, beginning of year	620,353	50,616	563,937	1,234,906	1,162,983
NET ASSETS, end of year (Notes B & H)	\$954,088	\$28,800	\$380,445	\$1,363,333	\$1,234,906

GLOBAL FOOTPRINT NETWORK, INC.
STATEMENT OF CASH FLOWS
A CALIFORNIA NONPROFIT ORGANIZATION
YEAR ENDED DECEMBER 31, 2010
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2009)

	Unrestricted		Temporarily	Total	Total
	General	Property	Restricted	All	All
	Fund	and	Funds	Funds	Funds
		Equipment		2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:					
Change in Net Assets	\$333,735	(\$21,816)	(\$183,492)	\$128,427	\$71,923
Adjustment to reconcile change in net assets to cash provided (used) by operating activities:					
Depreciation		21,816		21,816	20,798
	333,735	0	(183,492)	150,243	92,721
CHANGES IN CURRENT ASSETS AND CURRENT LIABILITIES					
(Increase) decrease in funding and accounts receivable	(89,312)		153,642	64,330	(105,293)
(Increase) decrease in prepaid expenses	0			0	444
(Increase) decrease in deposits	1,325			1,325	(605)
Increase (decrease) in accounts payable and accrued liabilities	(28,126)			(28,126)	(29,819)
Increase (decrease) in accrued vacation	983			983	5,332
Increase (decrease) in deferred revenue	(206,055)			(206,055)	78,017
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	12,550	0	(29,850)	(17,300)	40,797
CASH FLOWS FROM INVESTING ACTIVITIES:					
Contribution of equipment				0	0
Purchase of equipment				0	(5,767)
Purchase(donation) of marketable securities				0	(19,805)
Sale of marketable securities				0	0
Unrealized (gain) loss on marketable securities	3,929			3,929	(10,972)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	3,929	0	0	3,929	(36,544)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16,479	0	(29,850)	(13,371)	4,253
CASH AND CASH EQUIVALENTS, beginning of year	486,423	0	29,850	516,273	512,020
CASH AND CASH EQUIVALENTS, end of year	\$502,902	\$0	\$0	\$502,902	\$516,273
SUPPLEMENTAL INFORMATION:					
Interest paid				\$584	\$1,399

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2009)

	Communications	Research and Standards	International Offices	Apps	Partnership	Project Development	Total Program	Management and General	Fundraising	Total Support	Total All Funds 2010	Total All Funds 2009
Salaries	\$247,857	\$253,584	\$62,646	\$158,391	\$74,159	\$108,052	\$904,689	\$182,285	\$123,729	\$306,014	\$1,210,703	\$1,114,507
Payroll taxes	17,454	25,128	3,014	14,184	6,204	9,293	75,277	14,615	11,799	26,414	101,691	92,377
Employee benefits	7,307	10,533	418	7,229	2,287	7,243	35,017	11,029	7,073	18,102	53,119	45,037
Total personnel expenses	272,618	289,245	66,078	179,804	82,650	124,588	1,014,983	207,929	142,601	350,530	1,365,513	1,251,921
Direct program expenses	104,531	69,405	40,826	148,960	12,315	4,353	380,390	3,099	33,226	36,325	416,715	359,629
Computer expenses	7,256	11,334	1,210	5,733	2,490	3,875	31,898	6,590	4,748	11,338	43,236	19,231
Bad debt							0			0	0	1,863
Insurance	1,043	1,501	180	847	371	555	4,497	823	705	1,528	6,025	6,938
Interest expense		1	1				2	582		582	584	1,399
Meals and entertainment	883	1,226	136	639	279	664	3,827	1,047	1,884	2,931	6,758	7,677
Internet-Website expense	1,683						1,683	105	542	647	2,330	16,473
Local transportation		440					440	66	48	114	554	0
Bank charges	376	219	64	915	538		2,112	2,979	4,424	7,403	9,515	8,761
Board expenses							0	29	1,854	1,883	1,883	2,867
Depreciation	2,989	4,015		3,644	1,222	3,621	15,491	3,338	2,987	6,325	21,816	20,798
Licenses, fees, permits							0	4,998		4,998	4,998	970
Occupancy	4,779	6,880	825	3,884	1,699	2,545	20,612	4,002	3,231	7,233	27,845	50,390
Office expense	990	1,426	446	804	352	527	4,545	2,694	691	3,385	7,930	18,922
Office supplies	995	1,320	148	728	305	456	3,952	825	694	1,519	5,471	10,297
Postage and delivery	5,574	634	76	560	157	281	7,282	409	5,015	5,424	12,706	10,543
Recruitment		175					175	60	(180)	(120)	55	3,498
Rent	14,362	20,676	2,480	11,671	5,105	7,647	61,941	12,796	9,708	22,504	84,445	82,206
Repairs & maintenance	652	939	113	530	232	347	2,813	546	441	987	3,800	2,010
Telephone	1,316	1,373	165	775	339	569	4,537	814	645	1,459	5,996	9,054
Utilities	1,462	2,105	252	1,188	520	778	6,305	1,224	988	2,212	8,517	6,364
Professional fees	16,969	12,524	1,510	15,377	2,964	4,440	53,784	22,691	5,637	28,328	82,112	153,560
Travel	17,218	10,636	327	652	2	832	29,667	610	3,299	3,909	33,576	60,445
Fundraising							0		6,268	6,268	6,268	6,007
In kind expenses	22,831	35,092	3,942	18,554	55,861	12,155	148,435	19,117	20,627	39,744	188,179	260,066
Total expenses	\$478,527	\$471,166	\$118,779	\$395,265	\$167,401	\$168,233	\$1,799,371	\$297,373	\$250,083	\$547,456	\$2,346,827	\$2,371,889

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010

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.

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

**GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

23701(d) of the California Revenue and Taxation Code. There was no taxable unrelated business income during the year ended December 31, 2010.

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(formerly Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made", and 117, "Financial Statements for Not-for-Profit Organizations.")

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.

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 \$17.50 per hour based upon the national organization's 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 (formerly Statement of Financial Accounting Standard (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations"), 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. CASA currently has no assets that are permanently restricted.

**GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summarized Financial Information for 2009 - The financial information include 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, 2009, from which the summarized information was derived.

Reclassifications - Certain reclassifications have been made in the 2009 comparative totals to conform to the classifications used in 2010.

NOTE C – GRANTS AND ACCOUNTS RECEIVABLE

Grants and accounts receivable consisted of the following amounts as of December 31, 2010:

	<u>Amount</u>
Unrestricted grants and accounts receivable:"	
Global Footprint Network-Europe, AISBL	\$ 78,925
Ontario Ministry of Natural Resources	12,714
GTZ	5,099
Global Footprint Network – Switzerland Foundation	189,601
Avina Stiftung	13,660
Barilla	22,651
CAMFED	5,858
European Commission	16,915
FIEP/SENAI	18,913
Finnish Ministry of Environment	9,975
Flora Family Foundation	(10,000)
Greenpeace e.V.	9,091
IESP	6,250
Ingersoll Rand	15,000
Intesa Sanpaolo	26,975
Kao Corporation	13,619
Mava Stiftung fur Naturschutz	1,281
OECD	5,368
SEMPLADES-Ecuador	21,000
World Wildlife Federation - China	19,140
World Wildlife Federation - Switzerland	11,077
Other receivables	<u>21,292</u>
Total unrestricted grants and accounts receivable	<u>\$514,404</u>

**GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010**

NOTE C – GRANTS AND ACCOUNTS RECEIVABLE (Continued)

Temporarily restricted grants and accounts receivable:

Mava Stiftung fur Naturschutz	<u>\$380,445</u>
Total temporarily restricted grants and accounts receivable	<u>\$380,445</u>
Total grants and accounts receivable	<u>\$894,849</u>

The organization does not believe that an allowance for doubtful accounts is required for any of the grant receivable as of December 31, 2010.

NOTE D - INVESTMENTS

The following is a summary of investments classified by major type as of December 31, 2010:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gain (Loss)</u>
Equity Securities	<u>\$69,156</u>	<u>\$58,925</u>	<u>\$(10,231)</u>
Total Marketable Securities	<u>\$69,156</u>	<u>\$58,925</u>	<u>\$(10,231)</u>

NOTE E - PROPERTY AND EQUIPMENT

Property and Equipment as of December 31, 2010, consisted of the following:

Furniture & Equipment	\$ 57,344
Donated Furniture & Equipment	13,415
Tenant Improvements	11,988
Software license	<u>28,006</u>
Total Property and Equipment	110,753
Less: Accumulated Depreciation	<u>81,953</u>
Net Property and Equipment	<u>\$ 28,800</u>

Total depreciation expense for the years ended December 31, 2010 and 2009 was \$21,816 and \$20,798, respectively.

NOTE F – 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

**GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010**

NOTE F – ACCUMULATED VACATION AND SICK LEAVE (Continued)

statements. At December 31, 2010 and 2009, the accumulated accrued vacation totaled \$38,114 and \$37,131, respectively.

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 G – COMMITMENTS AND CONTINGENCIES

The Organization entered into an office lease commencing on August 1, 2007, from Pico Madeira AFG LLC and Pico Madeira MAG LLC for a base monthly rent of \$6,492, with an annual increase of 3%. The lease term is through July 31, 2012

The lease expense for the years ended December 31, 2010 and 2009 was \$83,676 and \$81,242, respectively.

The following is a schedule, by year, of future minimum rentals under the leases at December 31, 2010:

<u>Year</u>	<u>Amount</u>
2011	\$88,767
2012	52,676

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 H – TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2010, the temporarily restricted net assets consisted of the following funding:

Mava Stiftung fur Naturschutz Grant	<u>\$380,445</u>
	<u>\$380,445</u>

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010

NOTE I – 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. On December 31, 2010, there were no uninsured balances of these accounts.

NOTE J – SUBSEQUENT EVENTS

These financial statements were approved by the management of the Organization and available for issuance on October 28, 2011. The Organization has evaluated subsequent events through October 28, 2011.