

Global Greengrants Fund
Audited Financial Statements
June 30, 2009

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Global Greengrants Fund

I have audited the accompanying statements of financial position of Global Greengrants Fund (a nonprofit organization) as of June 30, 2009, and the related statements of activities and cash flows for the six months then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatements. 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 Greengrants Fund, as of June 30, 2009, and the changes in its net assets and its cash flows for the six months then ended in conformity with accounting principles generally accepted in the United States of America.

Peakview Accounting Services PC

Peakview Accounting Services, PC
Certified Public Accountant

May 10, 2010

Global Greengrants Fund
Statement of Financial Position
June 30, 2009

Assets

Current assets	
Cash	\$ 2,216,731
Investments held for the short-term	100,974
Total current assets	<u>2,317,705</u>
Property and equipment	
Furniture, fixtures and equipment	76,985
Leasehold improvements	31,510
	<u>108,495</u>
Less: Accumulated depreciation	(47,531)
Net property and equipment	<u>60,964</u>
Other assets	
Investments held for the long-term	1,746,457
Total other assets	<u>1,746,457</u>
Total assets	<u>\$ 4,125,126</u>

Liabilities and Net Assets

Current liabilities	
Grants payable	\$ 52,547
Accounts payable	33,992
Other liabilities	9,614
Total current liabilities	<u>96,153</u>
Net assets	
Unrestricted	1,908,118
Temporarily restricted	2,120,855
Total net assets	<u>4,028,973</u>
Total liabilities and net assets	<u>\$ 4,125,126</u>

The accompanying notes are an integral part of these financial statements.

Global Greengrants Fund
Statement of Activities
For the Six Months Ended June 30, 2009

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Unrestricted net assets

Unrestricted revenues and gains	
Contributions	\$ 1,715,806
Investment income	50,169
Total unrestricted revenues and gains	1,765,975
Net assets released from restrictions	864,646
Total unrestricted revenues and other support	2,630,621
Expenses	
Program expenses	
Grants	2,012,372
Program support	83,761
Consultants and contractors	63,516
Employee benefits and other staff expenses	52,078
Occupancy	19,249
Salaries	165,728
Travel and meetings	36,871
Other	41,730
Total program expenses	2,475,305
Fund development	262,086
General and administrative expenses	135,753
Total expenses	2,873,144
Decrease in unrestricted net assets	(242,523)

The accompanying notes are an integral part of these financial statements.

Global Greengrants Fund
Statement of Activities
For the Six Months Ended June 30, 2009

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Temporarily restricted net assets

Temporarily restricted revenues	
Contributions	720,963
Less: net assets released from restrictions	<u>(864,646)</u>
Decrease in temporarily restricted net assets	<u>(143,683)</u>
Decrease in net assets	(386,206)
Net assets, December 31, 2008	<u>4,415,179</u>
Net assets, June 30, 2009	<u>\$ 4,028,973</u>

The accompanying notes are an integral part of these financial statements.

Global Greengrants Fund
Statement of Cash Flows
For the Six Months Ended June 30, 2009

Cash flows from operating activities:	
Decrease in net assets	\$ (386,206)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Depreciation	7,857
Amortization of the cost basis of investments	22,771
Changes in assets and liabilities:	
Net decrease in contributions receivable	60,000
Net decrease in grants payable	38,097
Net increase in accounts payable	(27,218)
Net increase in other liabilities	<u>3,501</u>
Net cash used by operating activities	<u>(281,198)</u>
 Cash flows from investing activities:	
Purchase of property and equipment	(18,274)
Purchase of investments	(435,070)
Redemptions of investments	<u>1,200,000</u>
Net cash provided by investing activities	<u>746,656</u>
 Net increase in cash and cash equivalents	465,458
 Cash and cash equivalents, December 31, 2008	<u>1,751,273</u>
 Cash and cash equivalents, June 30, 2009	<u><u>\$ 2,216,731</u></u>

The accompanying notes are an integral part of these financial statements.

Global Greengrants Fund
Notes to Financial Statements
June 30, 2009

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of activities

Global Greengrants Fund is a 501(c)(3) tax exempt, non-profit organization which is located in Boulder, Colorado. Its mission is to strengthen the grassroots environmental movement in developing regions by making small grants to groups striving for environmental sustainability. The Organization is supported primarily through donor contributions and grants from individuals and organizations world-wide.

Basis of accounting

The financial statements of Global Greengrants Fund have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of presentation

Professional standards require the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization had no permanently restricted net assets at June 30, 2009.

Cash and cash equivalents

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

Contributions receivable

Contributions receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

There are no accounts receivable or a provision for doubtful accounts at June 30, 2009.

Global Greengrants Fund
Notes to Financial Statements
June 30, 2009

Note 1 – Nature of Activities and Summary of Significant Accounting Policies
(Continued)

Promises to give

Unconditional promises to give are recognized as revenues or grants in the period received and as assets or decreases of liabilities or expenses, depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions they depend on are substantially met and the promises become unconditional.

Restricted and unrestricted revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or the purpose restriction is accomplished) in the reporting period in which the revenue is 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 to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

In accounting for temporarily restricted donations, the contribution is added to an existing grant budget for specific regions. As a result, there are instances when the organization has paid grants in a region or focus prior to the receipt of the donation.

Expense allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Investments

Investments are composed of corporate bonds and are carried at amortized cost. Management intends to hold these investments until maturity. GAAP requires debt securities to be presented at fair value, but the difference between these two methods is not material.

Global Greengrants Fund
Notes to Financial Statements
June 30, 2009

Note 1 – Nature of Activities and Summary of Significant Accounting Policies
(Continued)

Property and equipment

Property and equipment are stated at cost or at their estimated fair value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Computers and equipment	5 years
Office furniture	7 years
Leasehold improvements	Life of the lease

Additions and betterments of \$500 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Income tax status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

There was no unrelated business income for the six months ended June 30, 2009.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates included in these financial statements include collectability of contributions receivable and useful lives of property and equipment.

Donated assets

Donated marketable securities and other non-cash donations are recorded as contributions at their fair values at the date of donation.

Global Greengrants Fund
Notes to Financial Statements
June 30, 2009

Note 1 – Nature of Activities and Summary of Significant Accounting Policies
(Continued)

Donated property and equipment

Donations of property and equipment are recorded as contributions at their estimated fair market value at the date of donation. Such donations are reported as increases in unrestricted net assets 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 contributions. 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 to unrestricted net assets at that time.

Note 2 - Operating Lease Commitments

The Organization leases its office space from Goose Creek Partners, LLC under an operating lease. The current lease term expires May 31, 2012. The company does not charge Global Greengrants Fund for the use of their offices. The rent and corresponding contribution is recorded at its fair market value, which was \$30,600 for the six months ended June 30, 2009.

The Organization leases studio space on a month-to-month arrangement for \$350 per month. Rent expense was \$2,150 for the six months ended June 30, 2009.

The Organization leases a copier under an operating lease that expires in September 2012. Rent expense was \$3,878 for the six months ended June 30, 2009. Minimum lease payments for the years ending June 30, 2010 through 2013 are \$8,604, \$8,604, \$8,604 and \$2,151, respectively.

Note 3 – Restrictions on Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

For a specific area or topic of interest	\$ <u>2,120,855</u>
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Global Greengrants Fund
Notes to Financial Statements
June 30, 2009

Note 4 - Defined Contribution Plan

The Organization has a defined contribution plan covering substantially all full-time employees. The Organization is required to make matching contributions of the participants' contributions up to 4% of salary. Contributions to this plan were \$10,585 for the six months ended June 30, 2009.

Note 5 – Concentrations

For the six months ended June 30, 2009, three donors contributed approximately 38%, 21% and 12% of the contribution revenue.

Note 6 – Concentrations of Credit Risk

The Organization maintains its cash balances in one financial institution located in Boulder, Colorado. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization's uninsured cash balance totaled \$2,093,710 at June 30, 2009.

The Organization invests in corporate bonds that are not insured by the Federal Deposit Insurance Corporation. The amortized cost at June 30, 2009 was \$1,847,431.

Note 7 – Investments

Investments at June 30, 2009, are summarized as follows:

Unrestricted:

Corporate bonds	
Amortized cost	\$1,847,431
Fair value	1,864,355
Gross unrecognized holding gains	16,924

The following schedule summarizes the investment return and its classification in the statement of activities for the six months ended June 30, 2009:

Unrestricted:

Interest and dividends	<u>\$50,169</u>
Total investment return	<u>\$50,169</u>

Global Greentrants Fund
Notes to Financial Statements
June 30, 2009

Note 8 – Line of Credit Loan

The organization has a \$40,000 unsecured line of credit with a financial institution. Interest is payable on the line at prime plus 4.75% (8.00% as of June 30, 2009). There were no borrowings on the line at June 30, 2009.

Note 9 – Employment Contract

The organization is obligated under an employment contract to pay salary to a staff member in the amount of \$120,000 per year during the term of the agreement, from February 1, 2009 to January 31, 2013.

Note 10 – Subsequent Event

Events subsequent to June 30, 2009 have been evaluated through May 10, 2010, the date these financial statements were available to be issued, to determine whether they should be disclosed to keep the financial statements from being misleading. Management found no subsequent events that should be disclosed.