

**FINANCIAL STATEMENTS**

**GREEN BELT MOVEMENT  
INTERNATIONAL - NORTH AMERICA**

**FOR THE YEAR ENDED DECEMBER 31, 2009  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2008**

# GREEN BELT MOVEMENT INTERNATIONAL - NORTH AMERICA

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**GELMAN, ROSENBERG & FREEDMAN**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Green Belt Movement International - North America  
Washington, D.C.

We have audited the accompanying statement of financial position of the Green Belt Movement International - North America (GBMI-N.A.) as of December 31, 2009, and the related statements of activities and change in net assets and cash flows for the year then ended. These financial statements are the responsibility of GBMI-N.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from GBMI-N.A.'s 2008 financial statements and, in our report dated November 20, 2009, we expressed an unqualified opinion on those statements.

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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GBMI-N.A.'s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GBMI-N.A. as of December 31, 2009, and its change in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Gelman Rosenberg & Freedman*

December 15, 2010

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

## GREEN BELT MOVEMENT INTERNATIONAL - NORTH AMERICA

STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2009  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2008

<b>ASSETS</b>		<u>2009</u>	<u>2008</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		\$ 532,562	\$ 576,859
Other current assets		<u>4,500</u>	<u>-</u>
Total current assets		<u>537,062</u>	<u>576,859</u>
<b>FIXED ASSETS</b>			
Equipment		30,206	30,206
Less: Accumulated depreciation		<u>(25,976)</u>	<u>(17,269)</u>
Net fixed assets		<u>4,230</u>	<u>12,937</u>
<b>TOTAL ASSETS</b>		<b><u>\$ 541,292</u></b>	<b><u>\$ 589,796</u></b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities		\$ <u>50,878</u>	\$ <u>24,256</u>
<b>NET ASSETS</b>			
Unrestricted		(201,618)	53,929
Temporarily restricted (Note 2)		<u>692,032</u>	<u>511,611</u>
Total net assets		<u>490,414</u>	<u>565,540</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b><u>\$ 541,292</u></b>	<b><u>\$ 589,796</u></b>

## GREEN BELT MOVEMENT INTERNATIONAL - NORTH AMERICA

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2008**

	2009			2008
	Unrestricted	Temporarily Restricted	Total	Total
<b>REVENUE</b>				
Contributions and grants	\$ 81,146	\$ 533,088	\$ 614,234	\$ 577,059
Honoraria	-	-	-	4,000
Interest/dividend income	814	-	814	5,741
Net assets released from donor restrictions (Note 2)	<u>352,667</u>	<u>(352,667)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>434,627</u>	<u>180,421</u>	<u>615,048</u>	<u>586,800</u>
<b>EXPENSES</b>				
Salaries, benefits and payroll taxes	82,340	-	82,340	105,316
Printing and production	185	-	185	-
Consulting fees	81,527	-	81,527	71,365
Telephone	10,780	-	10,780	14,135
Accounting and legal	44,112	-	44,112	29,224
Travel and entertainment	25,989	-	25,989	20,267
Postage and delivery	2,216	-	2,216	2,729
Depreciation	8,707	-	8,707	9,394
Supplies	6,370	-	6,370	2,052
Other	17,070	-	17,070	87,712
Advertising and promotion	1,325	-	1,325	1,806
Bank fees	333	-	333	247
Payment to affiliate (Note 4)	376,309	-	376,309	812,333
Occupancy	28,754	-	28,754	30,960
Donor support	500	-	500	52,850
Website	2,833	-	2,833	3,698
Interns	824	-	824	-
Total expenses	<u>690,174</u>	<u>-</u>	<u>690,174</u>	<u>1,244,088</u>
Change in net assets	(255,547)	180,421	(75,126)	(657,288)
Net assets at beginning of year	<u>53,929</u>	<u>511,611</u>	<u>565,540</u>	<u>1,222,828</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ (201,618)</u></b>	<b><u>\$ 692,032</u></b>	<b><u>\$ 490,414</u></b>	<b><u>\$ 565,540</u></b>

See accompanying notes to financial statements.

## GREEN BELT MOVEMENT INTERNATIONAL - NORTH AMERICA

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2008**

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (75,126)	\$ (657,288)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	8,707	9,394
(Increase) decrease in:		
Accounts receivable	-	25,815
Other current assets	(4,500)	-
Decrease (Increase) in:		
Accounts payable and accrued liabilities	<u>26,622</u>	<u>19,653</u>
Net cash used by operating activities	<u>(44,297)</u>	<u>(602,426)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	<u>-</u>	<u>(5,583)</u>
Net cash used by investing activities	<u>-</u>	<u>(5,583)</u>
Net decrease in cash and cash equivalents	(44,297)	(608,009)
Cash and cash equivalents at beginning of year	<u>576,859</u>	<u>1,184,868</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 532,562</u></b>	<b><u>\$ 576,859</u></b>

## GREEN BELT MOVEMENT INTERNATIONAL - NORTH AMERICA

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

##### Organization -

The Green Belt Movement International - North America (GBMI-N.A.) is a nonprofit organization, incorporated in the State of California and currently located in Washington, D.C. The mission of GBMI-N.A. is to empower communities worldwide to protect the environment and to promote good governance and cultures of peace.

##### Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

The financial statements include certain prior year summarized 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 GBMI-N.A.'s financial statements for the year ended December 31, 2008, from which the summarized information was derived.

##### Recently issued accounting standards -

In June 2009, the Financial Accounting Standards Board (FASB) issued FASB ASC 105, *Generally Accepted Accounting Principles*, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, GBMI-N.A. has updated references to GAAP in its financial statements issued for the year ended December 31, 2009. The adoption of FASB ASC 105 did not impact GBMI-N.A.'s financial position or results of operations.

##### Cash and cash equivalents -

GBMI-N.A. considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

At times during the year, GBMI-N.A. maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

##### Fixed assets -

Fixed assets are stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three years. The cost of maintenance and repairs is recorded as expenses are incurred. GBMI-N.A. has established \$1,000 as its capitalization policy.

##### Income taxes -

GBMI-N.A. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. GBMI-N.A. is not a private foundation.

# GREEN BELT MOVEMENT INTERNATIONAL - NORTH AMERICA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

#### Contributions and grants -

Contributions and grants are recorded as revenue in the year notification is received from the donor. Contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions and grants received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

#### In-kind contributions -

In-kind contributions represent donated office space. The value of the donation is recorded at fair market value on the date of the donation. The value of the donated office space was \$14,600 for the year ended December 31, 2009. This is included in unrestricted contributions and grants.

#### Use of estimates -

The preparation of the 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 and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### Fair value measurements -

GBMI-N.A. adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 157, entitled *Fair Value Measurements*. SFAS No. 157 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. GBMI-N.A. accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

#### Uncertain tax positions -

In June 2006, the Financial Accounting Standards Board (FASB) released FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes. For the year ended December 31, 2009, GBMI-N.A. has documented its consideration of FASB ASC 740-10 and determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements. .

### 2. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2009:

Tree planting and community development	\$ 274,153
Civic and environmental education	25,000
Water project	43,500
Other projects	<u>349,379</u>
	<u>\$ 692,032</u>

**GREEN BELT MOVEMENT INTERNATIONAL - NORTH AMERICA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**2. TEMPORARILY RESTRICTED NET ASSETS (Continued)**

The following temporarily restricted net assets were released from donor restrictions by incurring expenses, which satisfied the restricted purposes specified by the donors:

Tree planting and community development	\$ 229,334
Other	<u>123,333</u>
	<b><u>\$ 352,667</u></b>

**3. FUNCTIONAL ALLOCATION OF EXPENSES**

Total expenses are classified into the following categories for the year ended December 31, 2008:

Program Services	\$ 531,433
Management and General	55,214
Fundraising	<u>103,526</u>
	<b><u>\$ 690,173</u></b>

**4. AFFILIATED ORGANIZATIONS**

GBMI-N.A. is affiliated with three related organizations, the Green Belt Movement International, a registered charity in the United Kingdom; the Green Belt Movement International - Europe, a registered charity in the United Kingdom; and the Green Belt Movement, a registered non-governmental organization (NGO) in Kenya. All four organizations share a common Board member.

During the year ended December 31, 2009, GBMI-N.A. raised and transferred \$376,309 to the Green Belt Movement to support its programs.

**5. SUBSEQUENT EVENTS**

In preparing these financial statements, GBMI-N.A. has evaluated events and transactions for potential recognition or disclosure through December 15, 2010, the date the financial statements were issued.