

# FINANCIAL COMMENTARY

## OVERVIEW

Environmental Defense Fund completed fiscal year 2010 on a sound financial footing and with a level of operating expenses on par with that of recent years. This was made possible by prudent management and the generous support of our members, trustees, major donors, foundations and other contributors.

A significant portion of this year's work was supported by restricted multi-year grants awarded in prior years, including a \$48.5 million foundation grant received near the end of fiscal 2009.

## OPERATING SUPPORT AND REVENUE

Unrestricted operating support and revenue of \$101.4 million was used for current operations during fiscal 2010. Of this amount, contributions and membership accounted for \$51.4 million, or 51%. Foundation grants provided \$42.0 million, or 41%. Government and other grants totaled \$3.0 million; investment and other revenue contributed \$2.6 million; and bequests and other planned giving reached \$2.4 million, with these combined categories contributing 8% of the total.

## EXPENSES

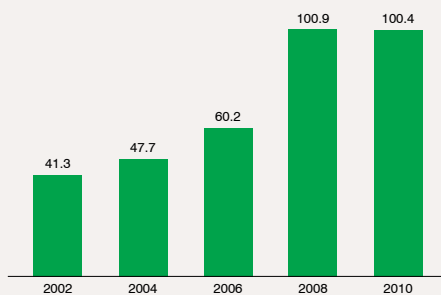
Total operating expenses for fiscal 2010 were \$100.4 million. Program services expenditures accounted for 83%, or \$83.5 million, with almost all devoted to our priority areas—climate, oceans, ecosystems and health. Of the total operating expenses, 7% was for development, 6% for management and administration, 3% for membership and 1% for the acquisition of new members.

## NET ASSETS

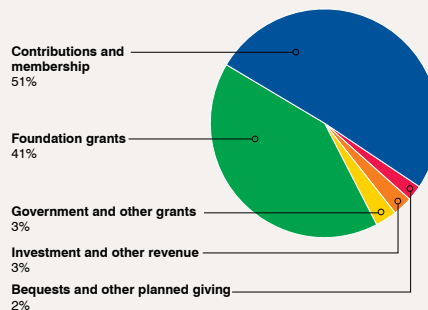
Total net assets at the end of fiscal 2010 were \$140.4 million. The change from last year's amount of \$172.4 million was driven by the use of funds raised in prior years and expended during fiscal 2010.

### TOTAL PROGRAM AND SUPPORTING SERVICES EXPENSES

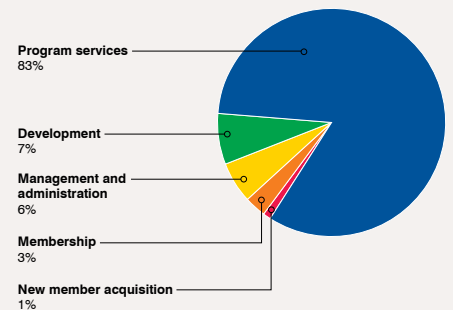
In millions of dollars



### SOURCES OF UNRESTRICTED OPERATING SUPPORT AND REVENUE



### EXPENSES



# STATEMENT OF ACTIVITIES

Year ended September 30	Unrestricted	Restricted	Total 2010	Total 2009
<b>OPERATING SUPPORT AND REVENUE</b>				
Support:				
Contributions	\$ 3,816,072	\$ 23,620,341	\$ 27,436,413	\$ 49,321,442
Membership	10,166,632	1,130,719	11,297,351	11,760,402
Foundation grants	–	18,262,376	18,262,376	76,783,935
Bequests and other planned giving	2,348,590	15,158	2,363,748	5,713,943
Government and other grants	34,185	2,722,601	2,756,786	1,592,745
<b>Total support</b>	<b>16,365,479</b>	<b>45,751,195</b>	<b>62,116,674</b>	<b>145,172,467*</b>
Revenue:				
Investment income allocated for operations	1,735,144	30,129	1,765,273	1,586,580
Fees, royalties and other income	872,206	536	872,742	1,275,661
<b>Total revenue</b>	<b>2,607,350</b>	<b>30,665</b>	<b>2,638,015</b>	<b>2,862,241</b>
Net assets released from restrictions	82,450,211	(82,450,211)	–	–
<b>Total support and revenue</b>	<b>101,423,040</b>	<b>(36,668,351)</b>	<b>64,754,689</b>	<b>148,034,708</b>
<b>EXPENSES</b>				
Program services:				
Climate	44,650,876	–	44,650,876	43,809,784
Oceans	16,848,491	–	16,848,491	15,295,369
Ecosystems	12,888,679	–	12,888,679	13,885,771
Health	4,888,388	–	4,888,388	7,769,268
Education	3,744,196	–	3,744,196	4,500,024
Membership activities	482,834	–	482,834	663,362
<b>Total program services</b>	<b>83,503,464</b>	<b>–</b>	<b>83,503,464</b>	<b>85,923,578</b>
Supporting services:				
Management and administration	5,775,030	–	5,775,030	6,714,804
New member acquisition	898,424	–	898,424	742,627
Fundraising:				
Membership	2,642,950	–	2,642,950	2,710,239
Development	7,531,957	–	7,531,957	8,376,666
<b>Total supporting services</b>	<b>16,848,361</b>	<b>–</b>	<b>16,848,361</b>	<b>18,544,336</b>
<b>Total operating expenses</b>	<b>100,351,825</b>	<b>–</b>	<b>100,351,825</b>	<b>104,467,914</b>
Change in net assets from operations	1,071,215	(36,668,351)	(35,597,136)	43,566,794
Change in net assets from non-operating activities:				
Other expenses, net of contributions and other income	(521,802)	(22,352)	(544,154)	(190,453)
Investment results, net of allocation to operations	642,697	3,471,549	4,114,246	(2,193,842)
<b>Change in net assets</b>	<b>1,192,110</b>	<b>(33,219,154)</b>	<b>(32,027,044)</b>	<b>41,182,499</b>
Net assets, beginning of year	39,971,911	132,423,955	172,395,866	131,213,367
<b>Net assets, end of year</b>	<b>\$ 41,164,021</b>	<b>\$ 99,204,801</b>	<b>\$140,368,822</b>	<b>\$172,395,866</b>

\*Fiscal year 2009 support includes several multiyear grants, one of which was for \$48.5 million.

This Statement of Activities represents the consolidated activities of Environmental Defense Fund, Incorporated, Environmental Defense Action Fund and California Fisheries Fund, Inc. Copies of the complete audited financial statements are available upon request or at [edf.org/audit](http://edf.org/audit).