



WithumSmith+Brown, PC  
Certified Public Accountants and Consultants

**MITSUBISHI CORPORATION FOUNDATION FOR THE AMERICAS**

**Financial Statements**

**December 31, 2008 and 2007**

**With Independent Auditors' Report**

**Mitsubishi Corporation Foundation for the Americas**  
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**December 31, 2008 and 2007**

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## Independent Auditors' Report

To the Board of Directors,  
Mitsubishi Corporation Foundation for the Americas:

We have audited the accompanying statements of financial position of Mitsubishi Corporation Foundation for the Americas (the "Foundation") as of December 31, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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. We believe that our audits provide 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 the Foundation as of December 31, 2008 and 2007, and the changes in its net assets, and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, for the year ended December 31, 2008, Mitsubishi Corporation Foundation for the Americas adopted Statement of Financial Accounting Standards Number 157, "Fair Value Measurements".

*WithumSmith+Brown, PC*

July 13, 2009  
New Brunswick, NJ

**Mitsubishi Corporation Foundation for the Americas**  
**Statements of Financial Position**  
**December 31, 2008 and 2007**

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	2008	2007
<b>Assets</b>		
Cash	\$ 338,472	\$ 182,905
Investments	4,314,676	5,815,010
Accrued interest receivable	7,515	23,973
Prepaid federal excise taxes	7,913	38
Deferred federal excise tax asset	7,590	--
	<u>\$ 4,676,166</u>	<u>\$ 6,021,926</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Grants payable	\$ 1,087,962	\$ 1,326,856
Accrued expenses	12,000	12,000
Deferred federal excise tax liability	--	5,375
Total liabilities	<u>1,099,962</u>	<u>1,344,231</u>
Unrestricted net assets	<u>3,576,204</u>	<u>4,677,695</u>
	<u>\$ 4,676,166</u>	<u>\$ 6,021,926</u>

The Notes to Financial Statements an integral part of these statements.

**Mitsubishi Corporation Foundation for the Americas**  
**Statements of Activities**  
**Years Ended December 31, 2008 and 2007**

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	2008	2007
<b>Revenues and gains</b>		
Contributions received from Mitsubishi International Corporation	\$ 200,000	\$ 200,000
Contributions received from Mitsubishi Corporation	500,000	500,000
Services donated from Mitsubishi International Corporation	62,328	96,480
Investment (loss) income - net	<u>(1,512,919)</u>	<u>432,865</u>
	(750,591)	1,229,345
<b>Expenses</b>		
Grants	281,106	1,490,152
Management and general expenses	69,909	103,701
Professional fees	11,275	16,199
Federal excise tax (recovery) expense	<u>(11,390)</u>	<u>4,327</u>
	<u>350,900</u>	<u>1,614,379</u>
Change in unrestricted net assets	(1,101,491)	(385,034)
Unrestricted net assets, beginning of year	<u>4,677,695</u>	<u>5,062,729</u>
Unrestricted net assets, end of year	<u>\$ 3,576,204</u>	<u>\$ 4,677,695</u>

The Notes to Financial Statements an integral part of these statements.

**Mitsubishi Corporation Foundation for the Americas**  
**Statements of Cash Flows**  
**Years Ended December 31, 2008 and 2007**

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	2008	2007
<b>Cash flows from operating activities</b>		
Change in unrestricted net assets	\$ (1,101,491)	\$ (385,034)
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities		
Realized and unrealized losses (gains) on investments	1,659,462	(316,620)
Deferred federal excise taxes	(12,965)	(1,935)
Changes in assets and liabilities		
Accrued interest receivable	16,458	199
Prepaid federal excise taxes	(7,875)	2,723
Grants payable	(238,894)	717,652
Net cash provided by operating activities	<u>314,695</u>	<u>16,985</u>
<b>Cash flows from investing activities</b>		
Proceeds from sales or redemption of investments	3,808,515	3,213,132
Purchases of investments	(3,967,643)	(3,509,427)
Net cash used by investing activities	<u>(159,128)</u>	<u>(296,295)</u>
Net increase (decrease) in cash	155,567	(279,310)
<b>Cash</b>		
Beginning of year	<u>182,905</u>	<u>462,215</u>
End of year	<u>\$ 338,472</u>	<u>\$ 182,905</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the year for federal excise taxes	<u>\$ 9,450</u>	<u>\$ 3,539</u>

The Notes to Financial Statements are an integral part of these statements.

**Mitsubishi Corporation Foundation for the Americas**  
**Notes to Financial Statements**  
**December 31, 2008 and 2007**

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**1. Organizational Purpose and Summary of Accounting Policies**

**Organizational Purpose**

Mitsubishi Corporation Foundation for the Americas (formerly known as the Mitsubishi International Corporation Foundation) (the "Foundation") was formed to promote environmental causes throughout the Americas in the broadest sense, which encompasses both the physical and social environments. Historically, all contributions have been provided by Mitsubishi Corporation and Mitsubishi International Corporation.

**Basis of Accounting**

The Foundation's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which recognize income when earned and expenses when incurred.

**Investments**

Investments in marketable securities are stated at fair value. All gains and investment income are unrestricted.

**Grants Payable**

Grants payable represents all unconditional grants that have been authorized prior to year end, but remain unpaid as of the statement of financial position date.

**Credit Risks**

The Foundation maintains its cash in a bank deposit account which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in this account and considers its risk to be minimal.

**Deferred Tax Provision**

The Foundation follows the asset and liability method for income taxes. The asset and liability method requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the tax basis and financial reporting basis of assets and liabilities.

**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.

**Fair Value of Financial Instruments**

The carrying amounts of financial instruments including cash approximate their fair values because of the relatively short maturity of these instruments.

**Unrestricted Net Assets**

There are no donor restrictions on the Foundation's net assets.

**2. Investments**

Investments at December 31, are comprised of the following:

	2008		2007	
	Market	Cost	Market	Cost
Money market funds	\$ 188,662	\$ 188,662	\$ 221,015	\$ 221,015
Government securities	1,268,965	1,232,636	1,217,075	1,191,009
Common stock	2,419,148	3,157,759	3,916,548	3,439,377
Mutual funds	437,901	494,091	460,372	437,719
	<u>\$ 4,314,676</u>	<u>\$ 5,073,148</u>	<u>\$ 5,815,010</u>	<u>\$ 5,289,120</u>

**Mitsubishi Corporation Foundation for the Americas**  
**Notes to Financial Statements**  
**December 31, 2008 and 2007**

Investment (loss) income - net, consists of the following:

	2008	2007
Interest and dividend income	\$ 209,236	\$ 185,711
Realized (loss) gain	(375,100)	509,946
Change in unrealized depreciation	(1,284,362)	(193,326)
Management fee	(62,693)	(69,466)
	<u>\$ (1,512,919)</u>	<u>\$ 432,865</u>

**Fair Value Accounting**

**Recurring Fair Value Measurements**

Pursuant to the requirements of SFAS 157, *Fair Value Measurements*, which is effective for years beginning after November 15, 2007, the Foundation has provided fair value disclosure information for relevant assets and liabilities in these financial statements. The following table summarizes assets (liabilities) which have been accounted for at fair value on a recurring basis as of December 31, 2008, along with the basis for the determination of fair value:

	Total	Quoted Prices in Active Markets	Observable Measurement Criteria	Unobservable Measurement Criteria
Money market funds	\$ 188,662	\$ 188,662	\$ --	\$ --
Government securities	1,268,965	--	1,268,965	--
Common stock	2,419,148	2,419,148	--	--
Mutual funds	437,901	437,901	--	--
	<u>\$ 4,314,676</u>	<u>\$ 3,045,711</u>	<u>\$ 1,268,965</u>	<u>\$ --</u>

For applicable assets and liabilities subject to this pronouncement, the Foundation will value such assets and liabilities using quoted market prices in active markets for identical assets and liabilities to the extent possible. To the extent that such market prices are not available, the Foundation will next attempt to value such assets and liabilities using observable measurement criteria, including quoted market prices of similar assets and liabilities in active and inactive markets and other corroborated factors. In the event that quoted market prices in active markets and other observable measurement criteria are not available, the Foundation will develop measurement criteria based on the best information available.

**3. Related-Party Transactions**

Mitsubishi International Corporation employees provide the Foundation with management and administrative services at no charge. Revenues and expenses include the value of such services. For the years ended December 31, 2008 and 2007, such services amounted to \$62,328 and \$96,480, respectively.

During each of the fiscal years 2008 and 2007, the Foundation contributed \$85,000 to a non-profit organization of which a current board member of the Foundation is also a board member of the organization receiving the grant. Also, during each of the fiscal years 2008 and 2007, the Foundation contributed \$15,000 to a non-profit organization of which the executive director of the Foundation is also a board member of the organization receiving the grant.

**Mitsubishi Corporation Foundation for the Americas**  
**Notes to Financial Statements**  
**December 31, 2008 and 2007**

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**4. Federal Excise Taxes**

The Foundation is exempt from Federal income taxes and classified as a private foundation under Section 501 of the Internal Revenue Code ("IRC"). It is subject to a 2 percent (1 percent if certain criteria are met) federal excise tax on net investment income, including realized gains, as defined by the IRC.

Current and deferred excise taxes were provided at 1 percent for 2008 and 2007. Deferred taxes were provided on net unrealized capital (losses) gains recognized for book purposes.

Federal excise taxes consist of:

	2008	2007
Current federal excise tax expense	\$ 1,580	\$ 6,262
Deferred federal excise tax benefit	<u>(12,970)</u>	<u>(1,935)</u>
	<u>\$ (11,390)</u>	<u>\$ 4,327</u>

The Foundation, in accordance with Financial Accounting Standards Board ("FASB") Financial Staff Position FIN 48-3, has deferred the application of FIN 48, "Accounting for Uncertainty in Income Taxes" until its first fiscal year beginning after December 15, 2008. The Foundation's accounting policy is to evaluate uncertain tax positions in accordance with FASB No. 5 "Accounting for Contingencies".

**5. Grants Payable**

Grants authorized but unpaid at year end are reported as liabilities. Grants to be paid in more than one year are discounted using a rate of 2.9 percent. The following is a summary of grants authorized and payable at December 31:

	2008	2007
Payable in less than one year	\$ 779,000	\$ 583,000
Payable in one to five years	<u>330,000</u>	<u>804,000</u>
	1,109,000	1,387,000
Less discount on long-term grants payable	<u>(21,038)</u>	<u>(60,144)</u>
Net grants payable	<u>\$ 1,087,962</u>	<u>\$ 1,326,856</u>

**6. Grants**

Under the terms establishing the Foundation, contributions can be made only to qualified tax-exempt institutions qualified under Section 501(c)(3) of the IRC. The Foundation pledged and made grants for 2008 and 2007, as follows:

**Mitsubishi Corporation Foundation for the Americas**  
**Notes to Financial Statements**  
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<b>Recipient</b>	<b>Purpose</b>	<b>2008</b>	<b>2007</b>
Wildlife Conservation Society	Coastal marine conservation project in Argentina	\$ --	\$ 1,000,000
Wild Salmon Center	Conservation of healthy salmon fisheries and ecosystems in the North Pacific Region	--	130,000
Foundation for Student Communication, Inc.	Sponsorship for International Conference	--	2,500
Fundacion Natura	Participation of indigenous women at the Indigenous Women's Conference on Climate Change	--	26,000
Ecologic Development Fund	Watershed management in Southern Mexico	20,000	--
International Funders for Indigenous Peoples	Funding for the Linking Circles Conference	7,000	6,000
People's Environmental Center	Environmental education in New Orleans	--	20,000
Rainforest Alliance	Ecotourism standards in Brazil and Peru	100,000	--
Environmental Grantsmakers Association	Support of EGA's annual 2007 retreat	--	15,000
Grupo Ecologico Sierra Gorda, I.A.P.	Community based environmental education programs	--	300,000
Environmental Grantmakers Association	General Support	15,000	--
Brooklyn Center for the Urban Environment	Environmental education programs	--	25,000
Urban Habitat	Green economic development strategy	100,000	--
		242,000	1,524,500
	Discount for multi-year pledges	39,106	(34,348)
		<u>\$ 281,106</u>	<u>\$ 1,490,152</u>