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**THE GLOBAL FUND FOR WOMEN, INC.**

**FINANCIAL STATEMENTS**

**AND**

**REPORT OF INDEPENDENT AUDITORS**

For the years ended June 30, 2010 and 2009

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**THE GLOBAL FUND FOR WOMEN, INC.**

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## REPORT OF INDEPENDENT AUDITORS

Board of Directors  
The Global Fund for Women, Inc.  
San Francisco, California

We have audited the statements of financial position of The Global Fund for Women, Inc. for the years ended June 30, 2010 and 2009 and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Organization'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 Global Fund for Women, Inc. for the years ended June 30, 2010 and 2009, 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.

**PMB Helin Donovan, LLP**

*PMB Helin Donovan, LLP*

San Francisco, California  
September 10, 2010

**THE GLOBAL FUND FOR WOMEN, INC.**

**STATEMENTS OF FINANCIAL POSITION**

June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 4,934,702	\$ 5,918,014
Investments at fair value	10,589,770	9,622,034
Contributions receivable	2,569,006	2,785,662
Quasi and permanent endowment contributions receivable	25,000	306,240
Other receivables	66,166	75,944
Prepaid expenses	113,695	112,014
Total Current Assets	<u>18,298,339</u>	<u>18,819,908</u>
Long-Term Assets:		
Deposits	64,617	63,620
Contributions receivable, long-term, net	1,291,328	3,065,388
Contributions receivable from remainder trust	163,528	146,162
Quasi and permanent endowment contributions receivable, long-term	92,456	88,897
Property and equipment - net of accumulated depreciation	671,399	773,305
Total Long-Term Assets	<u>2,283,328</u>	<u>4,137,372</u>
Total Assets	<u>\$ 20,581,667</u>	<u>\$ 22,957,280</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Grants payable	\$ 2,742,109	\$ 3,053,787
Accounts payable and accrued expenses	309,908	357,696
Total Current Liabilities	<u>3,052,017</u>	<u>3,411,483</u>
Deferred rent liability	<u>64,526</u>	<u>32,264</u>
Total Liabilities	<u>3,116,543</u>	<u>3,443,747</u>
Net Assets:		
Unrestricted net assets:		
Quasi-endowment funds	5,814,594	5,704,328
Not designated	2,345,385	3,004,486
Total unrestricted net assets	<u>8,159,979</u>	<u>8,708,814</u>
Temporarily restricted net assets	5,286,824	7,318,637
Permanently restricted net assets	4,018,321	3,486,082
Total Net Assets	<u>17,465,124</u>	<u>19,513,533</u>
Total Liabilities and Net Assets	<u>\$ 20,581,667</u>	<u>\$ 22,957,280</u>

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

**THE GLOBAL FUND FOR WOMEN, INC.**

**STATEMENT OF ACTIVITIES**

for the year ended June 30, 2010

(With Combined Comparative Totals for 2009)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2010</u>	<u>Total 2009</u>
Support and Revenues:					
Contributions:					
Foundations and other organizations	\$ 1,377,446	\$ 1,402,002	\$ -	\$ 2,779,448	\$ 3,439,109
Corporations	352,186	422,220	-	774,406	470,660
Government	-	36,568	-	36,568	2,654,032
Individuals	4,841,553	2,956,708	453,559	8,251,820	7,528,080
Special event contributions	52,667	-	-	52,667	487,563
Other income	1,080	-	-	1,080	19,770
Interest and dividend income	194,958	103,001	-	297,959	473,721
Appreciation/(depreciation) of investments	359,150	18,734	212,962	590,846	(1,392,673)
Net assets released from restrictions	<u>7,105,328</u>	<u>(6,971,046)</u>	<u>(134,282)</u>	<u>-</u>	<u>-</u>
Total support and revenues	<u>14,284,368</u>	<u>(2,031,813)</u>	<u>532,239</u>	<u>12,784,794</u>	<u>13,680,262</u>
Expenses:					
Grants awarded	8,512,111	-	-	8,512,111	8,521,208
Program services	3,031,204	-	-	3,031,204	2,798,217
Management and general	917,509	-	-	917,509	960,172
Fundraising	<u>2,372,379</u>	<u>-</u>	<u>-</u>	<u>2,372,379</u>	<u>2,573,133</u>
Total expenses	<u>14,833,203</u>	<u>-</u>	<u>-</u>	<u>14,833,203</u>	<u>14,852,730</u>
Change in net assets	(548,835)	(2,031,813)	532,239	(2,048,409)	(1,172,468)
Net assets at beginning of year	<u>8,708,814</u>	<u>7,318,637</u>	<u>3,486,082</u>	<u>19,513,533</u>	<u>20,686,001</u>
Net assets at end of year	\$ <u><u>8,159,979</u></u>	\$ <u><u>5,286,824</u></u>	\$ <u><u>4,018,321</u></u>	\$ <u><u>17,465,124</u></u>	\$ <u><u>19,513,533</u></u>

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

**THE GLOBAL FUND FOR WOMEN, INC.**

**STATEMENT OF ACTIVITIES**

for the year ended June 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenues:				
Contributions:				
Foundations	\$ 929,163	\$ 2,509,946	\$ -	\$ 3,439,109
Corporations and other organizations	205,660	265,000	-	470,660
Government	-	2,654,032	-	2,654,032
Individuals	6,594,673	929,986	3,421	7,528,080
Special event contributions	487,563	-	-	487,563
Other income	19,770	-	-	19,770
Interest and dividend income	345,071	128,650	-	473,721
Depreciation of investments	(772,109)	(117,696)	(502,868)	(1,392,673)
Net assets released from restrictions	4,743,588	(4,707,396)	(36,192)	-
Total support and revenues	<u>12,553,379</u>	<u>1,662,522</u>	<u>(535,639)</u>	<u>13,680,262</u>
Expenses:				
Grants awarded	8,521,208	-	-	8,521,208
Program services	2,798,217	-	-	2,798,217
Management and general	960,172	-	-	960,172
Fundraising	2,573,133	-	-	2,573,133
Total expenses	<u>14,852,730</u>	<u>-</u>	<u>-</u>	<u>14,852,730</u>
Change in net assets	(2,299,351)	1,662,522	(535,639)	(1,172,468)
Net assets at beginning of year	<u>11,008,165</u>	<u>5,656,115</u>	<u>4,021,721</u>	<u>20,686,001</u>
Net assets at end of year	<u>\$ 8,708,814</u>	<u>\$ 7,318,637</u>	<u>\$ 3,486,082</u>	<u>\$ 19,513,533</u>

The accompanying notes are an integral part of these financial statements

**THE GLOBAL FUND FOR WOMEN, INC.**

**STATEMENTS OF CASH FLOWS**  
for the years ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ (2,048,409)	\$ (1,172,468)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Appreciation/(depreciation) on investments	(590,846)	1,392,673
Contributions of stock and bond funds	(440,746)	(327,751)
Depreciation expense	171,605	154,396
Amortization of discount on charitable remainder trust	1,368	(79,642)
Changes in operating assets and liabilities:		
Contributions receivable	1,990,716	(2,603,604)
Endowment contributions receivable	277,681	568,269
Other receivables	9,778	(35,616)
Prepaid expenses	(1,681)	(2,213)
Deposits	(997)	50,483
Grants payable	(311,678)	(769,113)
Accounts payable and accrued expenses	(47,788)	30,175
Deferred rent liability	32,262	32,264
Net cash used by operating activities	<u>(958,735)</u>	<u>(2,762,147)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of equipment	(69,699)	(826,625)
Proceeds from sale of investments, net	4,764,645	5,789,451
Purchases of securities	<u>(4,719,523)</u>	<u>(4,277,895)</u>
Net cash provided/(used) by investing activities	<u>(24,577)</u>	<u>684,931</u>
Net decrease in cash and equivalents	(983,312)	(2,077,216)
Cash and cash equivalents at beginning of year	<u>5,918,014</u>	<u>7,995,230</u>
Cash and cash equivalents at end of year	<u>\$ 4,934,702</u>	<u>\$ 5,918,014</u>
<b>Supplemental disclosures</b>		
Donated Securities	<u>\$ 440,746</u>	<u>\$ 327,751</u>

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

**THE GLOBAL FUND FOR WOMEN, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

for the year ended June 30, 2010

(With Combined Comparative Totals for 2009)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2010</u>	<u>Total 2009</u>
Grants awarded	\$ 8,512,111	\$ -	\$ -	\$ 8,512,111	\$ 8,521,208
Personnel costs	1,912,587	631,872	1,386,353	3,930,812	3,766,719
Conferences and meetings	7,969	1,181	7,783	16,933	29,988
Depreciation	87,990	28,952	54,663	171,605	154,396
Grant expenses	104,568	-	-	104,568	52,164
Information technology	42,004	1,043	28,297	71,344	121,637
Occupancy	359,094	112,044	257,149	728,287	648,328
Other	42,055	9,762	117,331	169,148	182,377
Outside/Professional services	180,377	84,057	376,004	640,438	868,754
Postage and shipping	5,966	1,676	8,685	16,327	22,084
Printing and publications	5,417	12	25,669	31,098	36,848
Repairs and maintenance	4,207	1,384	2,614	8,205	13,635
Supplies	17,164	7,327	17,203	41,694	57,927
Telephone	19,351	5,744	11,915	37,010	43,443
Travel and meals	242,455	32,455	78,713	353,623	333,222
Total expenses	<u>3,031,204</u>	<u>917,509</u>	<u>2,372,379</u>	<u>6,321,092</u>	<u>6,331,522</u>
Total Expenses	\$ <u>11,543,315</u>	\$ <u>917,509</u>	\$ <u>2,372,379</u>	\$ <u>14,833,203</u>	\$ <u>14,852,730</u>

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

**THE GLOBAL FUND FOR WOMEN, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

for the year ended June 30, 2009

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants awarded	\$ 8,521,208	\$ -	\$ -	\$ 8,521,208
Personnel costs	1,671,487	704,048	1,391,184	3,766,719
Conferences and meetings	19,148	2,641	8,199	29,988
Depreciation	70,813	30,713	52,870	154,396
Grant expenses	52,164	-	-	52,164
Information technology	70,204	12,400	39,033	121,637
Occupancy	286,296	116,292	245,740	648,328
Other	53,044	8,996	120,337	182,377
Outside services/Professional fees	271,943	33,117	563,694	868,754
Postage and shipping	7,007	2,198	12,879	22,084
Printing and publications	28,601	-	8,247	36,848
Repairs and maintenance	6,249	2,710	4,676	13,635
Supplies	23,332	12,322	22,273	57,927
Telephone	17,714	5,491	20,238	43,443
Travel and meals	220,215	29,244	83,763	333,222
Total expenses	<u>2,798,217</u>	<u>960,172</u>	<u>2,573,133</u>	<u>6,331,522</u>
Total Expenses	\$ <u>11,319,425</u>	\$ <u>960,172</u>	\$ <u>2,573,133</u>	\$ <u>14,852,730</u>

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

**THE GLOBAL FUND FOR WOMEN, INC.**  
**Notes to the financial statements**  
**June 30, 2010**

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1. Organization and Summary of Significant Accounting Policies:

Organization

The Global Fund for Women, Inc. (the Organization) is a California nonprofit public benefit corporation organized on June 24, 1987, and engages primarily in accepting contributions for distribution to organizations, agencies and institutions that are organized exclusively for charitable, educational, religious, scientific, literary or cultural purposes. Its specific purpose is to promote the economic, legal and social advancement of women worldwide. Approximately 600 women's groups are awarded grants annually.

Basis of Presentation

The financial statements are presented on the accrual basis of accounting, showing permanently restricted net assets, temporarily restricted net assets and unrestricted net assets, pursuant to Accounting Standards Codification 958, *Financial Statements of Not-for-Profit Organizations*.

Description of program and supporting services

The following program and supporting services are included in the accompanying financial statements:

Grants

Grants are made to seed, strengthen and link women's rights groups outside the United States of America and are recorded as expenses when approved by the Board of Directors for payment.

Publications

Publications foster knowledge about women's human rights, stimulate interest and participation in the Organization's activities, and further its goals.

Management and general

General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. These include functions necessary to maintain an equitable employment program, manage the financial and budgetary responsibilities of the Organization, and manage other similar functions.

**THE GLOBAL FUND FOR WOMEN, INC.**  
**Notes to the financial statements**  
**June 30, 2010**

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1. Organization and Summary of Significant Accounting Policies: (continued)

Fund Raising

Fundraising expenses include the necessary costs to encourage and secure financial support from individuals, foundations and corporations.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates. Such estimates include present value discounts, depreciation and amortization.

Fair Value of Financial Instruments

On January 1, 2008, the Organization adopted Accounting Standards Codification 820, *Fair Value Measurements*. This Statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. This Statement applies under other accounting pronouncements that require or permit fair value measurements.

In February 2008, the FASB Staff Position (FSP) delayed the effective dates of Accounting Standard Codification 820 for all non-financial assets and non-financial liabilities, excluding those assets that are recognized or disclosed at fair value on a recurring basis for fiscal years beginning after November 15, 2008, and interim periods within those fiscal years.

On October 1, 2008, the Organization adopted Accounting Standards Codification 825, *The Fair Value Option for Financial Assets and Financial Liabilities — Including an Amendment of Accounting Standards Codification 320*. A provision of Codification 825 permits an entity to measure financial instruments and certain other items at estimated fair value. Most of the provisions of Codification 825 are elective; however, the amendment to Accounting Standards Codification 320, *Accounting for Certain Investments in Debt and Equity Securities*, applies to all entities that own trading and available-for-sale securities. The fair value option created by Accounting Standards Codification 825 permits an entity to measure eligible items at fair value as of specified election dates. The fair value option (a) may generally be applied instrument by instrument, (b) is irrevocable unless a new election date occurs, and (c) must be applied to the entire instrument and not to only a portion of the instrument. The adoption of Accounting Standards Codification 825 did not have a significant impact on the Organization's results of operations and financial condition.

**THE GLOBAL FUND FOR WOMEN, INC.**  
**Notes to the financial statements**  
**June 30, 2010**

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1. Organization and Summary of Significant Accounting Policies: (continued)

Fair Value of Financial Instruments – (continued)

The Organization's financial instruments consist principally of cash and cash equivalents, prepaid expenses, investments, other assets, accounts payable, and accrued expenses. The Organization believes all of the financial instruments' recorded values approximate fair value.

Property and Equipment and Depreciation

All acquisitions of property and equipment in excess of \$1,000 and expenditures for repairs, maintenance renewals and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are recorded at cost or, if donated, the approximate fair market value on the date of donation. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis, primarily three to five years.

Investments

The Organization carries investments in marketable securities with readily determinable fair value and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Contributions

The Organization reports gifts of cash and other assets as restricted contributions when they are received with donor stipulations that limit the use of the donated assets. When the intent of the donor is that the assets are to remain in perpetuity and the Organization does not have the right to invade the original principal except in the event of losses or to make a scheduled payout, the assets are reported as permanently restricted. When a donor restriction is met, temporarily restricted net assets are released to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Net assets are also released from donor restrictions when time restrictions are satisfied. The Organization had \$4,018,321 and \$3,486,082 in permanently restricted net assets and \$5,286,824 and \$7,318,637 in temporarily restricted net assets at June 30, 2010 and 2009, respectively.

**THE GLOBAL FUND FOR WOMEN, INC.**  
**Notes to the financial statements**  
**June 30, 2010**

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1. Organization and Summary of Significant Accounting Policies: (continued)

Quasi-Endowment funds

Quasi-Endowment Funds are funds designated by the Board of Directors for certain specific purposes.

Cash and cash equivalents

For purposes of the statement of cash flows, cash equivalents include highly liquid debt instruments with an original maturity of three months or less.

Allowance for doubtful accounts

The allowance for doubtful accounts reflects the Organization's best estimate of probable losses inherent in the Organization's pledge receivable portfolio determined on the basis of historical experience, specific allowances for known troubled accounts, as well as other data. There was no allowance for doubtful accounts for the years ended June 30, 2010 and 2009, respectively.

Donations of Goods and Services

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization.

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation.

Tax Exempt Status

The Organization has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. The Organization also received a ruling from the Internal Revenue Service that it is not a private foundation.

Functional Allocation of Expenses

Expenses are charged to programs and supporting services on the basis of periodic time and expense studies as well as estimates made by the Organization's management.

**THE GLOBAL FUND FOR WOMEN, INC.**  
**Notes to the financial statements**  
**June 30, 2010**

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1. Organization and Summary of Significant Accounting Policies: (continued)

Deferred rent

Rent expense under the organization's facilities' and administrative offices operating leases is recognized on a straight-line basis over the original term of each lease.

Compensated Absences

The Organization accrues a liability for vested vacations to which employees are entitled depending on the length of service and other factors. The accompanying financial statements include accrued vacation benefits of \$169,482 and \$207,626 as of June 30, 2010 and 2009, respectively.

Endowments

In August 2008, FASB issued Accounting Standards Codification 958, *Endowments for Not-for-Profit Foundation: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act and Enhanced Disclosures for All Endowment Funds*. Accounting Standards Codification 958 responds to accounting questions raised by the model Uniform Prudent Management of Institutional Funds Act (UPMIFA) that was approved by the Uniform Law Commission to modernize the Uniform Management of Institutional Funds Act of 1972 (UMIFA) for governing the investment and management of donor-restricted endowment funds by not-for-profit Foundation. Effective September 30, 2008, the State of California enacted UPMIFA. Among UPMIFA's more significant changes is the elimination of UMIFA's concept of historic dollar threshold, the amount below which a Foundation could not spend from the fund, in favor of a more robust set of guidelines about what constitutes prudent spending. The provisions of Accounting Standards Codification 958 expand disclosures about the Organization's endowment funds (both donor-restricted and board-designated). In addition, Accounting Standards Codification 958 requires that the portion of a donor-restricted endowment fund that is not classified as permanently restricted net asset be classified as temporarily restricted net assets until appropriated for expenditure. The Organization adopted the provisions under Accounting Standards Codification 958 as of June 30, 2009.

**THE GLOBAL FUND FOR WOMEN, INC.**  
**Notes to the financial statements**  
**June 30, 2010**

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1. Organization and Summary of Significant Accounting Policies: (continued)

New Accounting Pronouncements

In January 2010, the FASB issued Accounting Standards Update (ASU) 2010-06, “*Value Measurements and Disclosures — Improving Disclosures about Fair value Measurements*” (“ASU 2010-06”), that amends ASC Subtopic 820-10, “Fair Value Measurements and Disclosures —Overall”, and requires reporting entities to disclose (1) the amount of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers, and (2) separate information about purchases, sales, issuance and settlements in the reconciliation of fair value measurements using significant unobservable inputs (Level 3). ASU 2010-06 also requires reporting entities to provide fair value measurement disclosures for each class of assets and liabilities and disclose the inputs and valuation techniques for fair value measurements that fall within Levels 2 and 3 of the fair value hierarchy. These disclosures and clarification are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuance, and settlements in the roll-forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. The Organization does not expect the provisions of ASU 2010-06 to have a material impact on its financial statements.

In June of 2009, the FASB issued guidance now codified as FASB ASC Topic 105, “Generally Accepted Accounting Principles,” as the single source of authoritative nongovernmental U.S. GAAP. FASB ASC Topic 105 does not change current U.S. GAAP, but is intended to simplify user access to all authoritative U.S. GAAP by providing all authoritative literature related to a particular topic in one place. All existing accounting standard documents will be superseded and all other accounting literature not included in the FASB Codification will be considered non-authoritative. These provisions of FASB ASC Topic 105 are effective for interim and annual periods ending after September 15, 2009 and, accordingly, are effective for the Organization for the current fiscal reporting period. The adoption of this pronouncement did not have an impact on the Organization’s financial condition or results of operations, but will impact the financial reporting process by eliminating all references to pre-codification standards.

**THE GLOBAL FUND FOR WOMEN, INC.**  
**Notes to the financial statements**  
**June 30, 2010**

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2. Contributions receivable:

Contributions receivable at June 30, 2010 are summarized as follows:

<u>Expected receipt of contribution in:</u>	<u>Temporarily Restricted</u>	<u>Quasi and Permanent Endowment</u>
2010-2011	\$2,569,006	\$ 25,000
2011-2012	722,500	100,000
2012-2013	477,500	-
2013-2014	77,500	-
2014-2015 and after	<u>77,500</u>	<u>-</u>
Gross contributions receivable	3,924,006	125,000
Less discount for present value	<u>63,672</u>	<u>7,544</u>
Net contributions receivable	3,860,334	117,456
Less current portion	<u>2,569,006</u>	<u>25,000</u>
Long-term receivables	<u>\$1,291,328</u>	<u>\$ 92,456</u>

Long-term contributions receivable are discounted using interest rates of 3% and 4% based on the expected time of receipt.

3. Property and equipment:

Property and equipment is valued as stated in Note 1 and is summarized as follows:

	<u>2010</u>	<u>2009</u>
Furniture and equipment	\$ 287,784	\$291,675
Leasehold improvements	698,724	768,305
Intangible property - website	<u>63,454</u>	<u>69,760</u>
	1,049,962	1,129,740
Less: Accumulated depreciation	<u>378,563</u>	<u>356,435</u>
Total property and equipment	<u>\$ 671,399</u>	<u>\$773,305</u>

For the years ended June 30, 2010 and 2009, depreciation was \$171,605 and \$154,396 in 2010 and 2009, respectively. Depreciation is computed on the straight line method over three to five years. Amortization of leasehold improvements is computed on the straight line method over the life of the asset or the term of the lease if shorter.

**THE GLOBAL FUND FOR WOMEN, INC.**  
**Notes to the financial statements**  
**June 30, 2010**

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4. Fair Value of Financial Instruments:

As defined in ASC 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price methodology). ASC 820 establishes a framework for measuring fair value that includes a hierarchy used to classify inputs used in measuring fair value. The hierarchy prioritizes inputs to valuation techniques used to measure fair value into three levels which are either observable or unobservable. Observable inputs reflect market data obtained from independent sources while unobservable inputs reflect an entity's view of market assumptions in the absence of observable market information.

The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The three levels of the fair value hierarchy defined by ASC 820 are as follows:

Level 1: Fair value is based on unadjusted quoted prices in active markets that are accessible to The Organization for identical assets or liabilities. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. These generally provide the most reliable evidence and are used to measure fair value whenever available. The Organization's Level 1 assets and liabilities include exchange traded equities. Valuations are obtained from readily available pricing sources for market transactions involving identical assets.

Level 2: Fair value is based upon significant inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable for substantially the full term of the asset or liability through corroboration with observable market data as of the reporting date. Level 2 inputs include quoted market prices in active markets for similar assets and liabilities, quoted market prices in markets that are not active for identical or similar assets or liabilities, model-derived valuations whose inputs are observable or whose significant value drivers are observable and other observable inputs.

Level 3: Fair value is based on significant unobservable inputs which reflect the entity's or third party pricing service assumptions about the assumptions market participants would use in pricing an asset or liability. Valuations are estimated based on non-binding broker prices or internally developed valuation models or methodologies, discounted cash flow models and other similar techniques. The following table sets forth the Organization's assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2010:

**THE GLOBAL FUND FOR WOMEN, INC.**  
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4. Fair Value of Financial Instruments: - (continued)

<b>Description</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>2010</b>
Corporate bonds	\$5,398,020	\$ -	\$ -	\$5,398,020
Certificates of deposit	-	51,373	-	51,373
Equity mutual funds	694,408	-	-	694,408
Equities	<u>4,445,969</u>	<u>-</u>	<u>-</u>	<u>4,445,969</u>
<b>Total</b>	<b><u>\$10,808,397</u></b>	<b><u>\$ 51,373</u></b>	<b><u>\$ -</u></b>	<b><u>\$10,589,770</u></b>

<b>Description</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>2009</b>
Corporate bonds	\$4,386,096	\$ -	\$ -	\$4,386,096
Certificates of deposit	-	49,970	-	49,970
Equity mutual funds	739,062	-	-	739,062
Equities	<u>4,446,906</u>	<u>-</u>	<u>-</u>	<u>4,446,906</u>
<b>Total</b>	<b><u>\$9,572,064</u></b>	<b><u>\$ 49,970</u></b>	<b><u>\$ -</u></b>	<b><u>\$9,622,034</u></b>

5. Investments:

Investments in marketable securities at June 30, 2010 and 2009 consist of the following:

	<u>2010</u>		<u>2009</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Corporate bonds	\$ 5,253,530	\$ 5,398,020	\$ 4,276,969	\$ 4,386,096
Certificates of deposit	50,603	51,373	50,000	49,970
Equity mutual funds	1,290,979	694,408	1,414,281	739,062
Equities	<u>4,468,782</u>	<u>4,445,969</u>	<u>4,983,869</u>	<u>4,446,906</u>
<b>Total investments</b>	<b><u>\$11,063,894</u></b>	<b><u>\$10,589,770</u></b>	<b><u>\$10,725,119</u></b>	<b><u>\$ 9,622,034</u></b>

Investment return consisted of the following:

	<u>2010</u>	<u>2009</u>
Interest and dividends on securities	\$291,980	\$ 436,881
Other bank interest	5,979	36,840
Appreciation/(depreciation) of investments	<u>590,846</u>	<u>(1,392,673)</u>
<b>Total investment return</b>	<b><u>\$888,805</u></b>	<b><u>\$(918,952)</u></b>

**THE GLOBAL FUND FOR WOMEN, INC.**  
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6. Commitments:

The Organization leases its operating facilities under operating leases expiring on September 30, 2015. Management expects that in the normal course of business, leases that expire will be renewed under available options or replaced by other leases. Minimum rental commitments under the operating leases at June 30, 2010 are as follows:

Year Ended June 30:	
2011	\$ 644,463
2012	638,802
2013	653,141
2014	667,480
2015	681,819
Thereafter	<u>171,351</u>
Total operating lease commitments	<u>\$3,457,056</u>

Rental expense was \$711,960 and \$630,960 in 2010 and 2009 respectively.

7. Charitable Remainder Trust:

The Organization was named as a beneficiary of a Charitable Remainder Trust to be received after the death of the last remaining living beneficiary. The Global Fund for Women has recorded the present value of the assets using applicable mortality tables and an interest rate of 6%.

8. Concentration of Credit Risk:

The Organization maintains its cash balances at various financial institutions and brokerage firms. The Federal Deposit Insurance Corporation (FDIC) insures account balances up to \$250,000. Under the FDIC Transaction Account Guarantee Program (TAGP), all non-interest bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account.

Coverage under TAGP is in addition to and separate from the coverage available under the FDIC's general deposit insurance rules.

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8. Concentration of Credit Risk: - (continued)

The Organization has identified its financial instruments that are potentially subject to credit risk. These financial instruments consist principally of bank deposits and investments in fixed income securities. For bank deposits, the amounts in excess of federal insurance at June 30, 2010 and 2009 was approximately \$4,108,287 and \$2,569,564, respectively.

9. Retirement Plan:

The Organization has a tax-deferred contributory Section 403(b) retirement plan covering all regular employees who work 20 hours or more per week after one year of service. Retirement expense was \$100,189 and \$156,765 in 2010 and 2009, respectively.

10. Unrestricted Net Assets:

Unrestricted net assets include a Board-designated Quasi Endowment “Legacy” Fund. The “Legacy” Fund has been established to provide the Global Fund for Women with the most flexibility in long-term planning, utilization and investment, and permits the invasion of the principal. However, it is neither the practice nor the intent of the Global Fund for Women to invade the principal of the “Legacy” Fund, except in the case of an emergency and as a last resort.

11. Temporarily Restricted Net Assets:

	<u>2010</u>	<u>2009</u>
Net assets restricted to use in future years:		
Quasi-Endowment pledges	\$ 25,000	\$ 306,240
Women’s Health and Sexual Rights	232,853	495,631
General and Administration	2,380,896	3,406,063
Women’s Funds	107,677	299,505
Ending Gender Based Violence	492,719	415,727
Regional Programs	1,196,746	1,750,379
Increasing Access to Education	795,031	132,092
Reclaiming Peace Special Initiative	55,902	-
Other Programs	-	513,000
Total	<u>\$5,286,824</u>	<u>\$7,318,637</u>

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11. Temporarily Restricted Net Assets: - (continued)

	<u>2010</u>	<u>2009</u>
Net assets restricted released in the current year:		
Quasi-Endowment pledges	\$ 281,240	\$ 583,228
Women's Health and Sexual Rights	399,661	398,450
General and Administration	1,575,510	1,362,356
Women's Funds	399,001	386,629
Ending Gender Based Violence	320,000	154,000
Regional Programs	1,901,877	822,211
Increasing Access to Education	1,673,604	129,732
Reclaiming Peace Special Initiative	58,978	-
Economic & Environmental Justice	-	268,500
Other Programs	<u>495,457</u>	<u>638,482</u>
Total	<u>\$7,105,328</u>	<u>\$4,743,588</u>

12. Permanently Restricted Net Assets:

During 2003 The Global Fund for Women, Inc. received the remaining net assets of the Lewis T. and Patsy P. Preston Fund which ceased operations and went out of business. The income from these net assets, up to six percent per annum, is restricted to certain programs. If the income falls below six percent, then the Global Fund for Women is authorized to invade the principal to make up the shortage.

Also included in Permanently Restricted Net Assets is a permanently restricted pledge with a present value of \$92,456. The pledge contains provisions restricting the income earned on the funds to certain regional and thematic uses.

13. Endowment Fund:

The Organization's endowment consists of three funds established for a variety of purposes and includes donor-restricted funds. Net assets associated with this endowment are classified and reported based on the existence or absence of donor-imposed restrictions.

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**Notes to the financial statements**  
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13. Endowment Fund: (continued)

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations or distributions to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation or distribution is added to the fund. The remaining portion of the donor-restricted net assets that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization

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13. Endowment Fund: (continued)

**Endowment net assets composition by type of fund as of June 30, 2010 :**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds:				
The Lewis T. and Patsy P. Preston Fund	\$ (41,042)	-	3,925,865	\$ 3,884,823
Grace Jackson Fund	-	-	92,456	92,456
Board-designated Endowment funds:				
Quasi Endowment fund	<u>5,814,594</u>	<u>-</u>	<u>-</u>	<u>5,814,594</u>
Total funds	\$ <u><u>5,773,552</u></u>	<u><u>-</u></u>	<u><u>4,018,321</u></u>	\$ <u><u>9,791,873</u></u>

**Changes in endowment net assets for the year ended June 30, 2010:**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, Beginning of year	\$ 5,704,328	-	3,486,082	\$ 9,190,410
Investment Return:				
Investment income	146,777	87,843	-	234,620
Net appreciation (realized and unrealized)	339,552	-	212,962	552,514
Contributions	10,000	-	453,559	463,559
Appropriation of endowment assets of expenditures	(17,186)	(87,843)	(134,282)	(239,311)
Other changes:				
Transfer to create board- designated endowment funds	<u>(409,919)</u>	<u>-</u>	<u>-</u>	<u>(409,919)</u>
Endowment net assets, ending of year	\$ <u><u>5,773,552</u></u>	<u><u>-</u></u>	<u><u>4,018,321</u></u>	\$ <u><u>9,791,873</u></u>

**THE GLOBAL FUND FOR WOMEN, INC.**  
**Notes to the financial statements**  
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13. Endowment Fund: (continued)

*Return Objectives and Risk Parameters*

The Organization has adopted investment and spending policies for endowment assets that attempt to preserve the purchasing power of the Endowment Fund and at the same time provide a regular and growing distribution of funds for the use of the Organization, consistent with the terms of the Endowment Fund Distribution Policy and the terms governing each of the individual endowment funds. A balanced approach is to be taken between risk, preservation of capital, income and growth.

*Strategies Employed for Achieving Objectives*

To satisfy its investment policy objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) through equity-based investments and current yield (interest and dividends) through fixed income investments. The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its return objectives within prudent risk constraints.

*Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Organization has a policy of appropriating for distribution each year an amount not to exceed six percent of its endowment fund's average asset fair market value. The Board of Directors may request all, a portion, or none of the appropriation be distributed in accordance with the endowment fund's purpose as defined by the endowment agreement or applicable board resolution. Any portion of the distribution not appropriated by the Board shall be kept in the endowment fund, be governed by the endowment investment policy, and be available for future distribution in accordance with the distribution policy.

14. Subsequent Events

The Organization has evaluated all subsequent events through September 10, 2010, the date of this report, and determined there are no material recognized or unrecognized subsequent events, the nature of which would require disclosure.