
THE GLOBAL FUND FOR WOMEN, INC.

FINANCIAL STATEMENTS

AND

REPORT OF INDEPENDENT AUDITORS

For the years ended June 30, 2011 and 2010

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, 2011 and 2010 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, 2011 and 2010, 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 30, 2011

THE GLOBAL FUND FOR WOMEN, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2011 and 2010

| | <u>2011</u> | <u>2010</u> |
|--|----------------------|----------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 5,110,765 | \$ 4,934,702 |
| Investments at fair value | 11,791,912 | 10,589,770 |
| Contributions receivable | 2,070,062 | 2,569,006 |
| Quasi-endowment contributions receivable | - | 25,000 |
| Other receivables | 66,187 | 66,166 |
| Prepaid expenses | 129,713 | 113,695 |
| Total Current Assets | <u>19,168,639</u> | <u>18,298,339</u> |
| Long-Term Assets: | | |
| Deposits | 62,117 | 64,617 |
| Contributions receivable, long-term, net | 924,621 | 1,291,328 |
| Contributions receivable from remainder trust | 197,457 | 163,528 |
| Permanent endowment contributions receivable, long-term | 96,154 | 92,456 |
| Property and equipment - net of accumulated depreciation | 567,875 | 671,399 |
| Total Long-Term Assets | <u>1,848,224</u> | <u>2,283,328</u> |
| Total Assets | <u>\$ 21,016,863</u> | <u>\$ 20,581,667</u> |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities: | | |
| Grants payable | \$ 3,247,426 | \$ 2,742,109 |
| Accounts payable and accrued expenses | 235,247 | 309,908 |
| Total Current Liabilities | <u>3,482,673</u> | <u>3,052,017</u> |
| Deferred rent liability | <u>82,450</u> | <u>64,526</u> |
| Total Liabilities | <u>3,565,123</u> | <u>3,116,543</u> |
| Net Assets: | | |
| Unrestricted net assets: | | |
| Quasi-endowment funds | 5,864,494 | 5,814,594 |
| Not designated | 2,463,886 | 2,345,385 |
| Total unrestricted net assets | <u>8,328,380</u> | <u>8,159,979</u> |
| Temporarily restricted net assets | 4,666,526 | 5,286,824 |
| Permanently restricted net assets | 4,456,834 | 4,018,321 |
| Total Net Assets | <u>17,451,740</u> | <u>17,465,124</u> |
| Total Liabilities and Net Assets | <u>\$ 21,016,863</u> | <u>\$ 20,581,667</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, 2011

(With Combined Comparative Totals for 2010)

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total 2011</u> | <u>Total 2010</u> |
|---------------------------------------|---------------------|-----------------------------------|-----------------------------------|-----------------------|-----------------------|
| Support and Revenues: | | | | | |
| Contributions: | | | | | |
| Foundations and other organizations | \$ 2,191,024 | \$ 2,039,831 | \$ - | \$ 4,230,855 | \$ 2,779,448 |
| Corporations | 230,243 | 1,499,111 | - | 1,729,354 | 774,406 |
| Government/Multilateral | - | 244,388 | - | 244,388 | 36,568 |
| Individuals | 4,241,721 | 3,006,250 | 503,698 | 7,751,669 | 8,251,820 |
| Special event contributions | 59,350 | - | - | 59,350 | 52,667 |
| Other income | 17,370 | - | - | 17,370 | 1,080 |
| Investment income | 974,517 | 664,552 | - | 1,639,069 | 888,805 |
| Net assets released from restrictions | <u>8,139,615</u> | <u>(8,074,430)</u> | <u>(65,185)</u> | <u>-</u> | <u>-</u> |
| Total support and revenues | <u>15,853,840</u> | <u>(620,298)</u> | <u>438,513</u> | <u>15,672,055</u> | <u>12,784,794</u> |
| Grants awarded: | 8,865,609 | - | - | 8,865,609 | 8,512,111 |
| Expenses: | | | | | |
| Program services | 3,181,816 | - | - | 3,181,816 | 3,031,204 |
| Management and general | 1,369,725 | - | - | 1,369,725 | 917,509 |
| Fundraising | <u>2,268,289</u> | <u>-</u> | <u>-</u> | <u>2,268,289</u> | <u>2,372,379</u> |
| Total expenses | <u>6,819,830</u> | <u>-</u> | <u>-</u> | <u>6,819,830</u> | <u>6,321,092</u> |
| Total grants awarded and expenses | <u>15,685,439</u> | <u>-</u> | <u>-</u> | <u>15,685,439</u> | <u>14,833,203</u> |
| Change in net assets | 168,401 | (620,298) | 438,513 | (13,384) | (2,048,409) |
| Net assets at beginning of year | <u>8,159,979</u> | <u>5,286,824</u> | <u>4,018,321</u> | <u>17,465,124</u> | <u>19,513,533</u> |
| Net assets at end of year | <u>\$ 8,328,380</u> | <u>\$ 4,666,526</u> | <u>\$ 4,456,834</u> | <u>\$ 17,451,740</u> | <u>\$ 17,465,124</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

| | <u>Unrestricted</u> | Temporarily <u>Restricted</u> | Permanently <u>Restricted</u> | <u>Total</u> |
|---------------------------------------|---------------------|----------------------------------|----------------------------------|----------------------|
| Support and Revenues: | | | | |
| Contributions: | | | | |
| Foundations and other organizations | \$ 1,377,446 | \$ 1,402,002 | \$ - | \$ 2,779,448 |
| Corporations | 352,186 | 422,220 | - | 774,406 |
| Government/Multilateral | - | 36,568 | - | 36,568 |
| Individuals | 4,841,553 | 2,956,708 | 453,559 | 8,251,820 |
| Special event contributions | 52,667 | - | - | 52,667 |
| Other income | 1,080 | - | - | 1,080 |
| Investment income | 554,108 | 121,735 | 212,962 | 888,805 |
| Net assets released from restrictions | 7,105,328 | (6,971,046) | (134,282) | - |
| Total support and revenues | <u>14,284,368</u> | <u>(2,031,813)</u> | <u>532,239</u> | <u>12,784,794</u> |
| Grants awarded: | 8,512,111 | - | - | 8,512,111 |
| Expenses: | | | | |
| Program services | 3,031,204 | - | - | 3,031,204 |
| Management and general | 917,509 | - | - | 917,509 |
| Fundraising | 2,372,379 | - | - | 2,372,379 |
| Total expenses | <u>6,321,092</u> | <u>-</u> | <u>-</u> | <u>6,321,092</u> |
| Total grants awarded and expenses | <u>14,833,203</u> | <u>-</u> | <u>-</u> | <u>14,833,203</u> |
| Change in net assets | (548,835) | (2,031,813) | 532,239 | (2,048,409) |
| 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> |
| Net assets at end of year | <u>\$ 8,159,979</u> | <u>\$ 5,286,824</u> | <u>\$ 4,018,321</u> | <u>\$ 17,465,124</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, 2011 and 2010

| | <u>2011</u> | <u>2010</u> |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Changes in net assets | \$ (13,384) | \$ (2,048,409) |
| Adjustments to reconcile change in net assets to net cash used by operating activities: | | |
| Appreciation/(depreciation) on investments | (1,334,654) | (590,846) |
| Contributions of stock and bond funds | (482,451) | (440,746) |
| Depreciation expense | 181,740 | 171,605 |
| Amortization of discount on charitable remainder trust | 16,453 | 1,368 |
| Changes in operating assets and liabilities: | | |
| Contributions receivable | 865,651 | 1,990,716 |
| Endowment contributions receivable | 21,302 | 277,681 |
| Other receivables | (21) | 9,778 |
| Prepaid expenses | (16,019) | (1,681) |
| Deposits | 2,500 | (997) |
| Grants payable | 505,317 | (311,678) |
| Accounts payable and accrued expenses | (74,661) | (47,788) |
| Deferred rent liability | 17,924 | 32,262 |
| Net cash used by operating activities | <u>(310,303)</u> | <u>(958,735)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of equipment | (78,216) | (69,699) |
| Proceeds from sale of investments, net | 4,814,278 | 4,764,645 |
| Purchases of securities | (4,249,696) | (4,719,523) |
| Net cash provided/(used) by investing activities | <u>486,366</u> | <u>(24,577)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| | <u>-</u> | <u>-</u> |
| Net change in cash and equivalents | 176,063 | (983,312) |
| Cash and cash equivalents at beginning of year | <u>4,934,702</u> | <u>5,918,014</u> |
| Cash and cash equivalents at end of year | <u>\$ 5,110,765</u> | <u>\$ 4,934,702</u> |
| Supplemental disclosures | | |
| Donated Securities | <u>\$ 482,451</u> | <u>\$ 440,746</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, 2011

(With Combined Comparative Totals for 2010)

| | Program | Management | | Total | Total |
|-------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
| | <u>Services</u> | and <u>General</u> | <u>Fundraising</u> | <u>2011</u> | <u>2010</u> |
| Salaries | \$ 1,531,940 | \$ 652,846 | \$ 977,273 | \$ 3,162,059 | \$ 3,119,709 |
| Payroll taxes | 126,011 | 51,635 | 79,078 | 256,724 | 246,651 |
| Employee benefits | 296,114 | 125,917 | 177,270 | 599,301 | 564,452 |
| Personnel costs | <u>1,954,065</u> | <u>830,398</u> | <u>1,233,621</u> | <u>4,018,084</u> | <u>3,930,812</u> |
| Conferences and meetings | 12,544 | 1,892 | 3,950 | 18,386 | 16,933 |
| Depreciation | 90,847 | 40,032 | 50,861 | 181,740 | 171,605 |
| Grant expenses | 108,508 | - | - | 108,508 | 104,568 |
| Information technology | 19,962 | 5,053 | 13,842 | 38,857 | 71,344 |
| Occupancy | 350,903 | 146,086 | 231,139 | 728,128 | 728,287 |
| Other | 38,065 | 31,396 | 102,555 | 172,016 | 169,148 |
| Outside/Professional services | 352,639 | 190,600 | 499,886 | 1,043,125 | 640,438 |
| Postage and shipping | 4,354 | 1,977 | 4,464 | 10,795 | 16,327 |
| Printing and publications | 15,103 | 1,919 | 16,259 | 33,281 | 31,098 |
| Repairs and maintenance | 5,391 | 2,369 | 3,051 | 10,811 | 8,205 |
| Supplies | 15,525 | 8,499 | 11,608 | 35,632 | 41,694 |
| Telephone | 20,494 | 7,015 | 12,361 | 39,870 | 37,010 |
| Travel and meals | 193,416 | 102,489 | 84,692 | 380,597 | 353,623 |
| Total expenses | <u>\$ 3,181,816</u> | <u>\$ 1,369,725</u> | <u>\$ 2,268,289</u> | <u>\$ 6,819,830</u> | <u>\$ 6,321,092</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

| | Program <u>Services</u> | Management and <u>General</u> | <u>Fundraising</u> | <u>Total</u> |
|--------------------------------|----------------------------|-------------------------------------|---------------------|---------------------|
| Salaries | \$ 1,521,814 | \$ 494,681 | \$ 1,103,214 | \$ 3,119,709 |
| Payroll taxes | 120,430 | 39,427 | 86,794 | 246,651 |
| Employee benefits | 270,343 | 97,764 | 196,345 | 564,452 |
| Personnel costs | <u>1,912,587</u> | <u>631,872</u> | <u>1,386,353</u> | <u>3,930,812</u> |
| Conferences and meetings | 7,969 | 1,181 | 7,783 | 16,933 |
| Depreciation | 87,990 | 28,952 | 54,663 | 171,605 |
| Grant expenses | 104,568 | - | - | 104,568 |
| Information technology | 42,004 | 1,043 | 28,297 | 71,344 |
| Occupancy | 359,094 | 112,044 | 257,149 | 728,287 |
| Other | 42,055 | 9,762 | 117,331 | 169,148 |
| Outside /Professional services | 180,377 | 84,057 | 376,004 | 640,438 |
| Postage and shipping | 5,966 | 1,676 | 8,685 | 16,327 |
| Printing and publications | 5,417 | 12 | 25,669 | 31,098 |
| Repairs and maintenance | 4,207 | 1,384 | 2,614 | 8,205 |
| Supplies | 17,164 | 7,327 | 17,203 | 41,694 |
| Telephone | 19,351 | 5,744 | 11,915 | 37,010 |
| Travel and meals | 242,455 | 32,455 | 78,713 | 353,623 |
| Total expenses | <u>\$ 3,031,204</u> | <u>\$ 917,509</u> | <u>\$ 2,372,379</u> | <u>\$ 6,321,092</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, 2011

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.

Description of Program and Supporting Services

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

Program Services Include Grants and Publications

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

Management and general 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, 2011

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

The Organization is required to disclose estimated fair values of its financial instruments. The fair value estimates presented herein are based on relevant information available to management as of June 30, 2011. Because the reporting requirements exclude certain financial instruments and all non-financial instruments the aggregate fair value amounts presented herein do not represent management's estimate of the underlying value of the Organization.

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.

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). The Organization uses 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 GLOBAL FUND FOR WOMEN, INC.
Notes to the financial statements
June 30, 2011

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

Fair Value of Financial Instruments (continued)

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 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 GLOBAL FUND FOR WOMEN, INC.
Notes to the financial statements
June 30, 2011

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

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 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 \$4,456,834 and \$4,018,321 in permanently restricted net assets and \$4,666,526 and \$5,286,824 in temporarily restricted net assets at June 30, 2011 and 2010, respectively.

Quasi-Endowment funds

Quasi-Endowment Funds are unrestricted 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 purchased maturity of three months or less.

THE GLOBAL FUND FOR WOMEN, INC.
Notes to the financial statements
June 30, 2011

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

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, 2011 and 2010, 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.

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.

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 \$141,720 and \$169,482 as of June 30, 2011 and 2010, respectively.

THE GLOBAL FUND FOR WOMEN, INC.
Notes to the financial statements
June 30, 2011

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

New Accounting Pronouncements

In January 2010, the FASB issued guidance to improve disclosures about fair value measurements. The guidance provides amendments to require new disclosures regarding transfers in and out of Levels 1 and 2 of the fair value measurement hierarchy, and activity in Level 3, and to clarify existing disclosures regarding the level of disaggregation, inputs and valuation techniques. The guidance is effective for interim and annual reporting periods beginning after December 15, 2009, except for the new disclosures regarding purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements, which are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The Organization does not expect this guidance to have a material impact on these financial statements.

2. Contributions Receivable:

Contributions receivable at June 30, 2011 are summarized as follows:

| <u>Expected Receipt of Contribution in:</u> | <u>Temporarily Restricted</u> | <u>Permanent Endowment</u> |
|---|-----------------------------------|--------------------------------|
| 2011-2012 | \$2,070,062 | \$ - |
| 2012-2013 | 804,063 | 100,000 |
| 2013-2014 | 77,500 | - |
| 2014-2015 | <u>77,500</u> | <u>-</u> |
| Gross contributions receivable | 3,029,125 | 100,000 |
| Less discount for present value | <u>34,442</u> | <u>3,846</u> |
| Net contributions receivable | 2,994,683 | 96,154 |
| Less current portion | <u>2,070,062</u> | <u>-</u> |
| Long-term receivables | <u>\$ 924,621</u> | <u>\$ 96,154</u> |

Long-term contributions receivable are discounted using interest rates of 3% and 4% for the years ended June 30, 2011 and 2010, respectively, based on the expected time of receipt.

THE GLOBAL FUND FOR WOMEN, INC.
Notes to the financial statements
June 30, 2011

3. Property and Equipment:

Property and equipment is summarized as follows:

| | <u>2011</u> | <u>2010</u> |
|--------------------------------|-------------------|------------------|
| Furniture and equipment | \$ 337,714 | \$287,784 |
| Leasehold improvements | 698,724 | 698,724 |
| Intangible property - website | <u>11,000</u> | <u>63,454</u> |
| | 1,047,438 | 1,049,962 |
| Less: Accumulated depreciation | <u>479,563</u> | <u>378,563</u> |
| Total property and equipment | <u>\$ 567,875</u> | <u>\$671,399</u> |

For the years ended June 30, 2011 and 2010, depreciation was \$181,740 and \$171,605 respectively.

4. Fair Value of Financial Instruments:

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, 2011:

| Description | Level 1 | Level 2 | Level 3 | 2011 |
|-------------------------|---------------------|----------------|----------------|---------------------|
| Corporate bonds | \$ 5,516,655 | \$ - | \$ - | \$ 5,516,655 |
| Certificates of deposit | - | - | - | - |
| Equity mutual funds | 879,356 | - | - | 879,356 |
| Equities | <u>5,395,901</u> | - | - | <u>5,395,901</u> |
| Total | <u>\$11,791,912</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$11,791,912</u> |

| Description | Level 1 | Level 2 | Level 3 | 2010 |
|-------------------------|---------------------|------------------|----------------|---------------------|
| 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>4,445,969</u> |
| Total | <u>\$10,538,397</u> | <u>\$ 51,373</u> | <u>\$ -</u> | <u>\$10,589,770</u> |

THE GLOBAL FUND FOR WOMEN, INC.
Notes to the financial statements
June 30, 2011

5. Investments:

Investments at June 30, 2011 and 2010 consist of the following:

| | <u>2011</u> | | <u>2010</u> | |
|-------------------------|---------------------|---------------------|---------------------|----------------------|
| | <u>Cost</u> | <u>Market Value</u> | <u>Cost</u> | <u>Market Value</u> |
| Corporate bonds | \$ 5,424,673 | \$ 5,516,655 | \$ 5,253,530 | \$ 5,398,020 |
| Certificates of deposit | - | - | 50,603 | 51,373 |
| Equity mutual funds | 1,159,025 | 879,356 | 1,290,979 | 694,408 |
| Equities | <u>4,444,741</u> | <u>5,395,901</u> | <u>4,468,782</u> | <u>4,445,969</u> |
| Total investments | <u>\$11,028,439</u> | <u>\$11,791,912</u> | <u>\$11,063,894</u> | <u>\$ 10,589,770</u> |

Investment income consisted of the following:

| | <u>2011</u> | <u>2010</u> |
|--------------------------------------|--------------------|------------------|
| Interest and dividends on securities | \$303,619 | \$ 291,980 |
| Other bank interest | 796 | 5,979 |
| Appreciation of investments | <u>1,334,654</u> | <u>590,846</u> |
| Total investment return | <u>\$1,639,069</u> | <u>\$888,805</u> |

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, 2011 are as follows:

| | |
|-----------------------------------|--------------------|
| Year Ended June 30: | |
| 2012 | \$ 638,803 |
| 2013 | 653,141 |
| 2014 | 667,480 |
| 2015 | 681,820 |
| Thereafter | <u>171,351</u> |
| Total operating lease commitments | <u>\$2,812,595</u> |

Rental expense was \$713,425 and \$711,960 in 2011 and 2010 respectively.

THE GLOBAL FUND FOR WOMEN, INC.
Notes to the financial statements
June 30, 2011

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.

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, 2011 and 2010 was approximately \$1,333,883 and \$4,108,287, 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. The Organization contributes five percent of the annual salary for all eligible employees. Retirement expense was \$124,488 and \$100,189 in 2011 and 2010, 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 Organization 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 Organization to invade the principal of the "Legacy" Fund, except in the case of an emergency and as a last resort.

THE GLOBAL FUND FOR WOMEN, INC.
Notes to the financial statements
June 30, 2011

11. Temporarily Restricted Net Assets:

Net assets restricted to use in future years:

| | 2011 | 2010 |
|-----------------------------------|---------------------|---------------------|
| General and Administration | \$ 1,540,555 | \$ 2,380,896 |
| Regional Programs | 1,433,935 | 1,196,746 |
| Increasing Access to Education | 722,013 | 795,031 |
| Preston Fund for Girls' Education | 471,858 | - |
| Ending Gender Based Violence | 250,000 | 492,719 |
| Women's Funds | 184,275 | 107,677 |
| Special Grantmaking Initiatives | 63,890 | 55,902 |
| Women's Health and Sexual Rights | - | 232,853 |
| Quasi-Endowment pledges | - | 25,000 |
| | <u>\$ 4,666,526</u> | <u>\$ 5,286,824</u> |

Net assets restricted released in the current year:

| | 2011 | 2010 |
|----------------------------------|---------------------|---------------------|
| General and Administration | \$ 1,675,140 | \$ 1,575,510 |
| Regional Programs | 2,495,044 | 1,901,877 |
| Increasing Access to Education | 2,886,406 | 1,673,604 |
| Ending Gender Based Violence | 253,800 | 320,000 |
| Women's Funds | 380,703 | 399,001 |
| Special Grantmaking Initiatives | 183,522 | 58,978 |
| Women's Health and Sexual Rights | 265,000 | 399,661 |
| Quasi-Endowment pledges | - | 281,240 |
| Other Programs | - | 495,457 |
| | <u>\$ 8,139,615</u> | <u>\$ 7,105,328</u> |

12. Permanently Restricted Net Assets:

During 2003 The Organization 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 \$96,154. The pledge contains provisions restricting the income earned on the funds to certain regional and thematic uses.

THE GLOBAL FUND FOR WOMEN, INC.
Notes to the financial statements
June 30, 2011

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.

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

THE GLOBAL FUND FOR WOMEN, INC.
Notes to the financial statements
June 30, 2011

13. Endowment Fund: (continued)

Endowment net assets composition by type of fund as of June 30, 2011 :

| | <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 | \$ - | 471,858 | 4,360,680 | \$ 4,832,538 |
| Grace Jackson Fund | - | - | 96,154 | 96,154 |
| Board-designated Endowment funds: | | | | |
| Quasi Endowment fund | <u>5,864,494</u> | <u>-</u> | <u>-</u> | <u>5,864,494</u> |
| Total funds | \$ <u>5,864,494</u> | <u>471,858</u> | <u>4,456,834</u> | \$ <u>10,793,186</u> |

Changes in endowment net assets for the year ended June 30, 2011:

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|-----------------------------------|----------------------|
| Endowment net assets, Beginning of year | \$ 5,773,552 | - | 4,018,321 | \$ 9,791,873 |
| Investment Return: | | | | |
| Investment income | 141,288 | 108,595 | - | 249,883 |
| Net appreciation (realized and unrealized) | 758,548 | 505,232 | - | 1,263,780 |
| Contributions | - | - | 503,698 | 503,698 |
| Appropriation of endowment assets of expenditures | (763,549) | (141,969) | (65,185) | (970,703) |
| Other changes: | | | | |
| Transfer to create board- designated endowment funds | <u>(45,345)</u> | <u>-</u> | <u>-</u> | <u>(45,345)</u> |
| Endowment net assets, ending of year | \$ <u>5,864,494</u> | <u>471,858</u> | <u>4,456,834</u> | \$ <u>10,793,186</u> |

THE GLOBAL FUND FOR WOMEN, INC.
Notes to the financial statements
June 30, 2011

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>\$ 5,773,552</u> | <u>-</u> | <u>4,018,321</u> | <u>\$ 9,791,873</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>\$ 5,773,552</u> | <u>-</u> | <u>4,018,321</u> | <u>\$ 9,791,873</u> |

THE GLOBAL FUND FOR WOMEN, INC.
Notes to the financial statements
June 30, 2011

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. Tax Status:

The Organization is a not-for-profit organization, exempt from federal income tax under Section 501(c)(3) of the U.S Internal Revenue Code (the Code), and contributions to it are tax deductible as prescribed by the Code. The Foundation is also exempt from California income tax under Section 23701d of Revenue and Taxation Code.

The Organization has been classified as an organization that is not a private foundation under Section 509(a)(1) and has been designated as a "publicly supported" organization under Section 170(b)(1)(A)(vi) of the Code.

THE GLOBAL FUND FOR WOMEN, INC.
Notes to the financial statements
June 30, 2011

14. Tax Status: (continued)

In June 2006, FASB issued ASC 740, *Accounting for Uncertainty in Income Taxes*. ASC 740 addresses the accounting for uncertainties in income taxes recognized in an enterprise's financial statements and prescribes a threshold of more-likely-than-not for recognition and de-recognition of tax positions taken or expected to be taken in a tax return. ASC 740 also provides related guidance on measurement, classification, interest and penalties, and disclosure. There was no material impact to the Organization's financial statements as a result of the adoption of ASC 740.

15. Related Party Transactions:

During 2011, the Organization paid three grants totaling \$75,600 to organizations, of which a board member is the President or the Executive Director.

16. Subsequent Events:

The Organization has evaluated all subsequent events through September 30, 2011, the date of this report, and determined there are no material recognized or unrecognized subsequent events, the nature of which would require disclosure.