

# **The Global Fund for Women, Inc.**

Consolidated Financial Report  
June 30, 2021

## Contents

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Independent auditor's report	1-2
<hr/>	
Financial statements	
Consolidated statements of financial position	3
Consolidated statements of activities	4-5
Consolidated statements of functional expenses	6-7
Consolidated statements of cash flows	8
Notes to consolidated financial statements	9-23

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## Independent Auditor's Report

RSM US LLP

Board of Directors  
The Global Fund for Women, Inc.

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Global Fund for Women, Inc., which comprise the consolidated statement of financial position as of June 30, 2021, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 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. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

The financial statements of The Global Fund for Women, Inc., as of and for the year ended June 30, 2020, were audited by other auditors whose report, dated October 23, 2020, expressed an unmodified opinion on those statements.

*RSM US LLP*

San Francisco, California  
November 10, 2021

The Global Fund for Women, Inc.

Consolidated Statements of Financial Position  
June 30, 2021 and 2020

	2021	2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 33,307,768	\$ 24,668,200
Contributions receivable, net	18,576,558	7,663,298
Other receivables	769,782	744,925
Prepaid expenses	202,902	178,607
<b>Total current assets</b>	<b>52,857,010</b>	<b>33,255,030</b>
Noncurrent assets:		
Deposits	42,680	42,680
Investments	45,986,259	15,970,782
Contributions receivable, net of current portion	5,508,397	5,490,185
Beneficial interest in trusts	318,455	328,616
Property and equipment, net	95,803	140,777
<b>Total noncurrent assets</b>	<b>51,951,594</b>	<b>21,973,040</b>
<b>Total assets</b>	<b>\$ 104,808,604</b>	<b>\$ 55,228,070</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Grants payable	\$ 14,082,969	\$ 8,172,648
Accounts payable and accrued expenses	1,124,354	657,505
<b>Total current liabilities</b>	<b>15,207,323</b>	<b>8,830,153</b>
Long-term liabilities:		
PPP loan	-	977,350
Deferred rent	92,280	92,280
Grants payable, net of current portion	1,747,572	4,380,364
<b>Total long-term liabilities</b>	<b>1,839,852</b>	<b>5,449,994</b>
<b>Total liabilities</b>	<b>17,047,175</b>	<b>14,280,147</b>
Net assets:		
Without donor restrictions:		
Designated (Note 11)	38,648,444	9,915,912
Undesignated	12,948,994	3,028,238
Total without donor restrictions	51,597,438	12,944,150
With donor restrictions	36,163,991	28,003,773
<b>Total net assets</b>	<b>87,761,429</b>	<b>40,947,923</b>
<b>Total liabilities and net assets</b>	<b>\$ 104,808,604</b>	<b>\$ 55,228,070</b>

See notes to consolidated financial statements.

The Global Fund for Women, Inc.

**Consolidated Statement of Activities**  
**Year Ended June 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Contributions:			
Foundations and other organizations	\$ -	\$ 17,709,434	\$ 17,709,434
Corporations	200,000	527,971	727,971
Government/multilateral	-	615,501	615,501
Individuals	42,871,838	4,858,238	47,730,076
Program and other revenue	598,121	162,304	760,425
PPP loan forgiveness	977,350	-	977,350
Investment income, net	4,013,825	1,282,945	5,296,770
Change in value of beneficial interest in trusts	-	(10,161)	(10,161)
Net assets released from restrictions	16,986,014	(16,986,014)	-
<b>Total support and revenues</b>	<b>65,647,148</b>	<b>8,160,218</b>	<b>73,807,366</b>
Expenses:			
Program services:			
Grants and grantee services	20,427,101	-	20,427,101
Communications and engagement	1,712,457	-	1,712,457
<b>Total program services</b>	<b>22,139,558</b>	<b>-</b>	<b>22,139,558</b>
Management and general	2,726,748	-	2,726,748
Fundraising	2,127,553	-	2,127,553
<b>Total expenses</b>	<b>26,993,860</b>	<b>-</b>	<b>26,993,860</b>
<b>Change in net assets</b>	<b>38,653,288</b>	<b>8,160,218</b>	<b>46,813,506</b>
Net assets, beginning of year	12,944,150	28,003,773	40,947,923
Net assets, end of year	<u>\$ 51,597,438</u>	<u>\$ 36,163,991</u>	<u>\$ 87,761,429</u>

See notes to consolidated financial statements.

The Global Fund for Women, Inc.

**Consolidated Statement of Activities**  
**Year Ended June 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Contributions:			
Foundations and other organizations	\$ 1,880,648	\$ 2,886,789	\$ 4,767,437
Corporations	289,378	100,780	390,158
Government/multilateral	-	10,000,000	10,000,000
Individuals	5,764,114	8,748,659	14,512,773
Program and other revenue	1,172,483	687,652	1,860,135
Investment income, net	507,602	351,079	858,681
Change in value of beneficial interest in trusts	-	42,716	42,716
In-kind donations	192,128	-	192,128
Net assets released from restrictions	11,958,740	(11,958,740)	-
<b>Total support and revenues</b>	<b>21,765,093</b>	<b>10,858,935</b>	<b>32,624,028</b>
Expenses:			
Program services:			
Grants and grantee services	13,318,804	-	13,318,804
Communications and engagement	1,754,318	-	1,754,318
<b>Total program services</b>	<b>15,073,122</b>	<b>-</b>	<b>15,073,122</b>
Management and general	1,449,809	-	1,449,809
Fundraising	2,439,542	-	2,439,542
<b>Total expenses</b>	<b>18,962,473</b>	<b>-</b>	<b>18,962,473</b>
<b>Change in net assets</b>	<b>2,802,620</b>	<b>10,858,935</b>	<b>13,661,555</b>
Net assets, beginning of year	10,141,530	17,144,838	27,286,368
Net assets, end of year	<b>\$ 12,944,150</b>	<b>\$ 28,003,773</b>	<b>\$ 40,947,923</b>

See notes to consolidated financial statements.

The Global Fund for Women, Inc.

Statement of Functional Expenses  
Year Ended June 30, 2021

	Program Services			Management and General	Fundraising	Total
	Grants and Grantee Services	Communications and Engagement	Total Program Services			
Grants awarded	\$ 17,154,847	\$ -	\$ 17,154,847	\$ -	\$ -	\$ 17,154,847
Other expenses:						
Salaries	1,675,735	561,402	2,237,137	1,179,193	1,207,140	4,623,470
Payroll taxes	136,743	43,001	179,744	88,846	92,832	361,422
Employee benefits	197,481	75,277	272,758	432,857	136,524	842,139
<b>Personnel costs</b>	<b>2,009,959</b>	<b>679,680</b>	<b>2,689,639</b>	<b>1,700,897</b>	<b>1,436,496</b>	<b>5,827,031</b>
Advertising	-	58,037	58,037	1,674	14,710	74,421
Conferences and meetings	2,044	1,581	3,625	43,801	1,221	48,648
Depreciation and amortization	-	-	-	50,183	-	50,183
Information technology	50,298	66,951	117,249	68,586	55,392	241,227
Occupancy	220,111	64,627	284,738	62,271	119,227	466,236
Other	22,083	32,980	55,063	179,112	77,300	311,475
Outside/professional services	923,474	790,169	1,713,643	552,992	176,789	2,443,425
Postage and shipping	49	6	55	7,475	40,399	47,929
Printing and publications	-	500	500	87	183,893	184,480
Supplies	113	235	348	9,753	240	10,341
Telephone	37,301	11,003	48,304	9,430	20,173	77,908
Travel and meals	6,822	6,688	13,511	40,487	1,712	55,710
<b>Total other expenses</b>	<b>3,272,254</b>	<b>1,712,457</b>	<b>4,984,711</b>	<b>2,726,748</b>	<b>2,127,553</b>	<b>9,839,013</b>
<b>Total expenses</b>	<b>\$ 20,427,101</b>	<b>\$ 1,712,457</b>	<b>\$ 22,139,558</b>	<b>\$ 2,726,748</b>	<b>\$ 2,127,553</b>	<b>\$ 26,993,860</b>

See notes to consolidated financial statements.



The Global Fund for Women, Inc.

Statement of Functional Expenses  
Year Ended June 30, 2020

	Program Services			Management and General	Fundraising	Total
	Grants and Grantee Services	Communications and Engagement	Total Program Services			
Grants awarded	\$ 9,607,487	\$ -	\$ 9,607,487	\$ -	\$ -	\$ 9,607,487
Other expenses:						
Salaries	1,774,763	585,914	2,360,677	725,205	1,190,401	4,276,283
Payroll taxes	130,410	45,244	175,654	29,616	88,230	293,500
Employee benefits	323,910	108,830	432,740	66,562	197,149	696,451
<b>Personnel costs</b>	<b>2,229,083</b>	<b>739,988</b>	<b>2,969,071</b>	<b>821,383</b>	<b>1,475,780</b>	<b>5,266,234</b>
Advertising	-	169,990	169,990	2,780	23,126	195,896
Conferences and meetings	1,614	34	1,648	12,669	1,048	15,365
Depreciation and amortization	299,334	300,000	599,334	63,284	-	662,618
Information technology	1,533	39,441	40,974	91,783	16,536	149,293
Occupancy	212,956	194,500	407,456	38,734	65,000	511,190
Other	40,435	15,789	56,224	58,963	63,609	178,796
Outside/professional services	712,647	265,789	978,436	115,046	666,790	1,760,272
Postage and shipping	358	26	384	5,838	26,933	33,155
Printing and publications	1,120	728	1,848	4	58,887	60,739
Supplies	2,958	1,293	4,251	18,411	3,071	25,733
Telephone	138	273	411	46,695	64	47,170
Travel and meals	209,141	26,467	235,608	174,219	38,698	448,525
<b>Total other expenses</b>	<b>3,711,317</b>	<b>1,754,318</b>	<b>5,465,635</b>	<b>1,449,809</b>	<b>2,439,542</b>	<b>9,354,986</b>
<b>Total expenses</b>	<b>\$ 13,318,804</b>	<b>\$ 1,754,318</b>	<b>\$ 15,073,122</b>	<b>\$ 1,449,809</b>	<b>\$ 2,439,542</b>	<b>\$ 18,962,473</b>

See notes to consolidated financial statements.

The Global Fund for Women, Inc.

**Consolidated Statements of Cash Flows**  
**Years Ended June 30, 2021 and 2020**

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 46,813,506	\$ 13,661,555
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gains on investments	(4,680,843)	(505,180)
Change in discount on contributions receivable	(18,212)	(70,389)
Change in discount on grants payable	-	169,883
Depreciation and amortization	50,183	690,637
Change in value of beneficial interest in trust	10,161	(42,716)
Forgiveness of PPP loan	(977,350)	-
Changes in operating assets and liabilities:		
Contributions receivable	(10,913,260)	(7,630,463)
Other receivables	(24,857)	(522,270)
Prepaid expenses	(24,295)	(15,669)
Other assets	-	256,318
Grants payable	3,277,529	(233,120)
Accounts payable and accrued expenses	466,849	(241,229)
Deferred revenue	-	(480,000)
Deferred rent	-	(17,599)
<b>Net cash provided by operating activities</b>	<b>33,979,411</b>	<b>5,019,758</b>
Cash flows from investing activities		
Purchases of equipment	(5,209)	(655,372)
Proceeds from sale of investments	7,070,907	5,123,284
Purchases of investments	(32,405,541)	(6,661,406)
<b>Net cash used in investing activities</b>	<b>(25,339,843)</b>	<b>(2,193,494)</b>
Cash flows from financing activities:		
Proceeds from PPP loan	-	977,350
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>977,350</b>
<b>Net increase in cash and cash equivalents</b>	<b>8,639,568</b>	<b>3,803,614</b>
Cash and cash equivalents:		
Beginning of year	24,668,200	20,864,586
End of year	<b>\$ 33,307,768</b>	<b>\$ 24,668,200</b>

See notes to consolidated financial statements.

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 1. Organization and Summary of Significant Accounting Policies

**Organization:** The Global Fund for Women, Inc., is a global champion for the human rights of women and girls. It uses its powerful networks to find, fund, and amplify the courageous work of women who are building social movements and challenging the status quo. It is committed to getting money and attention where it will make the biggest difference for gender equality. Formed as a California nonprofit public benefit corporation organized on June 24, 1987, The Global Fund for Women, Inc., has invested in nearly 5,000 grassroots organizations in 175 countries, helping to win rights for millions of women and girls.

Global Fund for Women UK is a charitable entity set up as a company limited by guarantee in the UK on June 13, 2012. It is intended to operate as the sister charity of the Organization.

Global Fund for Women Fundamental Project LLC (the LLC), a California limited liability company, was formed on October 17, 2017. The Global Fund for Women, Inc. is the sole member of the LLC. The LLC was formed to hold title and rights to the Fundamental docuseries.

The aforementioned entities are collectively referred to as the Organization within these notes to the consolidated financial statements.

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

**Grants and grantee services:** Grants and grantee services include direct grantmaking and related grantmaking activities. Direct grants are made to seed, strengthen, and link women's rights groups outside the United States of America and are recorded as expenses in the period the contribution is made in accordance with ASU 2018-08. Grantee services are related to the Organization's direct grantmaking program and include:

*Grantee support and grants operations:* such as capacity-building and convening to enhance grantee organizations and bring them together, as well as reviewing applications, conducting due diligence, and reporting.

*Learning evaluation and impact:* activities that measure the impact and effectiveness of the Organization's grant investments and other programmatic activities; for example, by measuring the social change impact of the Organization's grant making.

**Communications and engagement:** Advocacy activities are related to advocacy, partnerships and the mobilization of resources to influence philanthropy to support women's rights organizations.

**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 for organizational governance activities.

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

**Basis of accounting:** The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP) applicable to nonprofit organizations. Assets are generally sequenced according to their nearness of conversion to cash, and liabilities according to the nearness of their maturity and resulting use of cash.

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 1. Organization and Summary of Significant Accounting Policies (Continued)

**Principles of consolidation:** The consolidated financial statements include the accounts of Global Fund for Women, Inc., Global Fund for Women UK and Global Fund for Women Fundamental Project LLC. These entities have been consolidated due to the presence of common control and economic interest, as required under U.S. GAAP. All significant intercompany balances and transactions have been eliminated in the consolidation.

**Fair value of financial instruments:** Fair value is defined as 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. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. U.S. GAAP describes three levels of input that may be used to measure fair value:

**Level 1:** Quoted prices in active markets for identical assets or liabilities.

**Level 2:** Observable inputs other than Level 1, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3:** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

From time to time, investments will be transferred between levels based on the characteristics of the investments.

**Cash and cash equivalents:** For purposes of the consolidated statements of cash flows, cash equivalents include highly liquid debt instruments with an original purchased maturity of three months or less.

**Investments:** The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in investment income in the accompanying consolidated statements of activities.

**Contributions receivable:** The Organization reports gifts of cash and other assets as with donor restrictions 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 expend the original principal except in the event of losses or to make a scheduled payout, the assets are reported as net assets with donor restrictions. When a donor restriction is met, it is released and transferred to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Net assets are also released from donor restrictions when time restrictions are satisfied. Contributions with payment terms in excess of one year are currently subject to discounting at 0.21% and 0.18% for 2021 and 2020, respectively.

**Allowance for doubtful accounts:** The allowance for doubtful accounts reflects the Organization's best estimate of probable losses inherent in the Organization's contributions 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, 2021 and 2020.

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 1. Organization and Summary of Significant Accounting Policies (Continued)

**Other receivables:** Included in other receivables are receivables from credit card disputes, employee benefit plan charges, and fees for service contracts. All receivables are expected to be collected within a year.

**Beneficial interest in trusts:** The Organization initially records beneficial interest in trusts based on asset value per the trustee and using the life expectancy of the beneficiaries to calculate the net present value of the asset. All unrealized gains and losses included are attributable to assets held at the end of the reporting period and are included in changes in value of beneficial interest in trusts agreements on the statements of activities. Valuation is reviewed annually by management by updating the life expectancy of the income beneficiary and using the fair market value from the trustee.

**Property and equipment and depreciation:** All acquisitions of property and equipment in excess of \$2,500 and expenditures in excess of \$2,500 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, at 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. There were no impairment losses of long-lived assets as of June 30, 2021 and 2020.

**Compensated absences:** The Organization accrues a liability for vested vacations to which employees are entitled depending on the length of service and other factors. Accrued vacation benefits of \$152,595 and \$229,242 as of June 30, 2021 and 2020, respectively, are included in accounts payable and accrued expenses on the consolidated statements of financial position.

**Grants awarded:** Effective July 1, 2020, the Organization adopted the contributions made component of ASU 2018-08, "*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*". As a result of the adoption, contributions made are recognized as grants payable in the period made; that is when an oral or written agreement has been entered into. Prior to the adoption of this new guidance, grants payable were recorded by the Organization upon approval by the Board of Directors. Upon adoption, there was no impact to net assets or grants payable.

**Deferred rent:** Rent expense for the Organization's facilities and administrative offices is recognized on the straight-line basis over the original term of each lease.

**Net assets:** The Organization reports gifts of cash and other assets as restricted support, if they are received with donor stipulations that limit their use. Gifts other than cash are generally sold as soon as practical. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The Organization's net assets are categorized as follows:

**Without donor restrictions:** Net assets not subject to donor-imposed restrictions, even though their use may be limited in other respects, such as by board designation. These net assets are intended for use by management and the Board of Directors for general operations. It includes contributions without donor restrictions, income earned on net assets with and without donor restrictions and amounts for which restrictions have expired.

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 1. Organization and Summary of Significant Accounting Policies (Continued)

**With donor restrictions:** Net assets with resources restricted by donors for a specific purpose, based on a time restriction, or subject to gift instrument restrictions that require the principal to be invested in perpetuity. The related investment income, expense, and realized and unrealized gains and losses of endowment funds are maintained in net assets with donor restrictions until released.

**Donations of goods and services:** Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

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

**Functional allocation of expenses:** Personnel expenses are charged to the Organization's program and supporting services based on periodic time activity reports. Where possible expenses are directly identified and charged to the function they benefit. Expenses that benefit multiple functions are pooled and allocated on the basis of direct personnel expenses these expenses include the cost and management of facilities, information technology and human resources.

**Taxes:** The Global Fund for Women, Inc. is a not-for-profit organization, exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code (the Code), and contributions to it are tax deductible as prescribed by the Code. Global Fund for Women is also exempt from California income tax under Section 23701d of the California Revenue and Taxation Code. There is no unrelated business income tax for the years ended June 30, 2021 and 2020; as such, no provision for income taxes has been reflected in the accompanying consolidated financial statements.

Global Fund for Women, Inc. 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.

Global Fund for Women Fundamental Project LLC, a California limited liability company, is considered a disregarded entity for federal tax purposes and therefore falls under the exemption of Global Fund for Women, Inc.

Global Fund for Women UK, a charitable entity set up as a company limited by guarantee in the UK, is considered to pass the tests set out in Paragraph 1, Schedule 6 of the Finance Act 2010; and therefore, meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income and capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively for charitable purposes.

The Organization assesses its accounting for uncertainties in income taxes recognized in its consolidated financial statements and prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization has not identified any uncertain tax positions at June 30, 2021 or 2020.

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 1. Organization and Summary of Significant Accounting Policies (Continued)

**Recently adopted accounting pronouncements:** During 2021, the Organization adopted the contributions made component of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): clarifying the Scope and Accounting Guidance for Contributions Received and Made*. The adoption did not have significant effect on the consolidated financial statements.

Effective July 1, 2020 the Organization adopted ASU No. 2018-13 (“ASU 2018-13”), *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*.” This accounting standard update includes removals, modifications, and additions to Topic 820, and certain disclosures required by the update are not required for non-public entities.. The adoption to the consolidated financial statements resulted in removing the rollforward of Level 3 investments no longer required for non-public entities.

Effective July 1, 2020 the Organization adopted ASU No. 2014-09 (“ASU 2014-09”), *Revenue from Contracts with Customers (Topic 606)*.” ASU 2014-09 outlines a single comprehensive standard for revenue recognition across all industries and supersedes most existing revenue recognition guidance. In addition, ASU 2014-09 requires new and enhanced disclosures. The two permitted transition methods under ASU 2014-09 and the related ASUs are the full retrospective method, in which the standard would be applied to each prior reporting period presented and the cumulative effect of applying the standard would be recognized at the earliest period shown, and the modified retrospective method, in which the cumulative effect of applying the standard would be recognized at the date of initial application. The Organization adopted this standard using the modified retrospective method. The adoption of this guidance only applied to program service fee contracts, did not have a material impact on the consolidated financial statements and resulted in no transition adjustment.

**Program service fees:** Program service fee contracts are reciprocal agreements and the Organization recognizes this revenue in accordance with the five-step model under the guidance in ASU 2014 09, *Revenue from Contracts with Customers (Topic 606)*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

Program services fees revenue is recognized over time as services are provided by the Organization to its customers. Program services fees subject to ASC 606 were \$598,121 for the year ended June 30, 2021 and are included in program and other revenue on the consolidated statements of activities. Contract assets at June 30, 2021 and 2020 are approximately \$650,000 and \$710,000, respectively.

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 1. Organization and Summary of Significant Accounting Policies (Continued)

**Recent accounting pronouncements not yet adopted:** In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the consolidated statement of financial position and disclosing key information about leasing arrangements in the consolidated financial statements of lessees. The effective date of ASU 2016-02 was deferred for the Organization by ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) Effective Dates for Certain entities*, to fiscal years beginning after December 15, 2021. The adoption is effective for the Organization beginning July 1, 2022. Management is currently evaluating the impact of the provisions of ASU 2016-02 on the consolidated financial statements.

**Use of estimates:** The preparation of consolidated 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 these estimates. Such estimates include present value discounts applied to long-term contributions receivable and beneficial interest in trust, fair value of investments, and functional expense allocations.

**Reclassifications:** Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on net assets or changes in net assets.

#### Note 2. Contributions Receivable, Net

Contributions receivable, net, as of June 30, consist of amounts expected to be collected in:

	2021	2020
Less than one year	\$ 3,576,558	\$ 7,663,298
One to five years	20,520,000	5,520,000
Gross contributions receivable	24,096,558	13,183,298
Less discount for present value	(11,603)	(29,815)
Net contributions receivable	24,084,955	13,153,483
Less current portion	(18,576,558)	(7,663,298)
Contributions receivable, net of current portion	<u>\$ 5,508,397</u>	<u>\$ 5,490,185</u>

#### Note 3. Property and Equipment

Property and equipment are summarized as follows as of June 30:

	2021	2020
Furniture and equipment	\$ 211,012	\$ 259,807
Leasehold improvements	20,898	20,898
Intangible property - website	-	627,353
	231,910	908,058
Less accumulated depreciation and amortization	(136,108)	(767,281)
Total property and equipment, net	<u>\$ 95,803</u>	<u>\$ 140,777</u>



## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 3. Property and Equipment (Continued)

For the years ended June 30, 2021 and 2020, depreciation and amortization expense was \$50,183 and \$662,618. During the years ended June 30, 2021 and 2020, the Organization disposed of property and equipment with a cost basis of \$676,148 and \$0, respectively, and a net book value of zero.

#### Note 4. Fair Value of Financial Instruments

The following table sets forth the Organization's assets that are measured at fair value on a recurring basis as of June 30, 2021:

	Assets at Fair Value as of June 30, 2021			
	Level 1	Level2	Level3	Total
Equities:				
Common stock:				
Materials	\$ 525,905	\$ -	\$ -	\$ 525,905
Industrial goods	2,142,115	-	-	2,142,115
Consumer discretionary	2,272,152	-	-	2,272,152
Consumer staples	958,175	-	-	958,175
Health care	2,239,385	-	-	2,239,385
Financial services	2,048,982	-	-	2,048,982
Technology	5,220,300	-	-	5,220,300
Telecommunications	1,272,622	-	-	1,272,622
Utilities	257,453	-	-	257,453
Real estate	644,986	-	-	644,986
Total common stock	17,582,076	-	-	17,582,076
Community investment promissory notes	-	1,022,222	-	1,022,222
Mutual funds	6,372,525	-	-	6,372,525
Bond funds	12,749,122	-	-	12,749,122
International funds	8,260,313	-	-	8,260,313
Beneficial interest in trusts	-	-	318,455	318,455
Total	\$ 44,964,036	\$ 1,022,222	\$ 318,455	\$ 46,304,714

**The Global Fund for Women, Inc.**

**Notes to Consolidated Financial Statements**

**Note 4. Fair Value of Financial Instruments (Continued)**

The following table sets forth the Organization's assets that are measured at fair value on a recurring basis as of June 30, 2020:

	Assets at Fair Value as of June 30, 2020			
	Level 1	Level2	Level3	Total
<b>Fixed income:</b>				
Corporate bonds	\$ -	\$ 3,749,511	\$ -	\$ 3,749,511
Government bonds	-	1,658,989	-	1,658,989
Municipal bonds	-	157,673	-	157,673
Total fixed income	-	5,566,173	-	5,566,173
<b>Equities:</b>				
<b>Common stock:</b>				
Energy	65,403	-	-	65,403
Materials	144,833	-	-	144,833
Industrial goods	673,224	-	-	673,224
Consumer discretionary	778,159	-	-	778,159
Consumer staples	456,940	-	-	456,940
Health care	1,046,457	-	-	1,046,457
Financial services	620,227	-	-	620,227
Technology	2,057,942	-	-	2,057,942
Telecommunications	727,428	-	-	727,428
Utilities	125,726	-	-	125,726
Real estate	304,837	-	-	304,837
Total common stock	7,001,176	-	-	7,001,176
Community investment promissory notes	-	1,000,000	-	1,000,000
Mutual funds	780,911	-	-	780,911
Bond funds	409,708	-	-	409,708
International funds	1,212,814	-	-	1,212,814
Beneficial interest in trusts	-	-	328,616	328,616
Total	\$ 9,404,609	\$ 6,566,173	\$ 328,616	\$ 16,299,398

**Note 5. Grants Payable, Net**

Grants with payment terms in excess of one year are currently subject to discounting at .18% for 2021. Grants payable are expected to be disbursed as of June 30, 2021, as follows:

Years ending June 30:	
2022	\$ 14,082,969
2023	1,770,209
Grants payable	15,853,178
Discount	(22,637)
Grants payable, net	\$ 15,830,541

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 6. PPP Loan

On April 22, 2020, the Organization received loan proceeds in the amount of \$977,350 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four-week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first 16 months according to latest PPP guidelines. During 2021, the Organization received full forgiveness on their PPP loan from the Small Business Administration. The loan forgiveness totaling \$977,350 is included in total support and revenues on the consolidated statement of activities.

#### Note 7. Commitments and Contingencies

**Commitments:** The Organization leases its facilities under an operating lease expiring on January 31, 2023. 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 are as follows:

Years ending June 30:	
2022	\$ 416,509
2023	41,066
Total operating lease commitments	<u>\$ 457,575</u>

Rental expense was \$457,929 and \$490,629 in 2021 and 2020, respectively.

**Contingencies:** The novel coronavirus (COVID-19) outbreak in the world is unprecedented. It has had a significant impact on the economy and businesses, and the future impact is unknown. The Organization has been operating in a virtual and remote environment before the outbreak. Technological infrastructure has been strong and has provided many alternative accesses for everyone. The Organization has taken advantage of programs like the PPP loan program to support operations during the pandemic and did not experience significant financial challenges in fiscal year 2021. While we believe the outbreak disruption is temporary, there is considerable uncertainty around its duration. The impact on the Organization's future financial position and operating results could have a material impact to its liquidity should the pandemic continue indefinitely.

#### Note 8. Beneficial Interest in Trusts

The Organization has been named a beneficiary under certain unconditional irrevocable split-interest agreements received from various donors. The split-interest agreements are administered by an outside trustee and generally provide for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (the designated beneficiaries' lifetimes). At the end of the trust term, the remaining assets are available for the Organization's use. The present value of the estimated future payment to be received is calculated using a discount rate of 6% and applicable actuarial life tables. The Organization annually revalues the fair value of the remainder interest to be received from each donor, based on the changes since the prior year. The resulting change is recorded as a change in value of beneficial interest in trusts on the statements of activities. The Organization recognized a decrease of \$10,161 in the value of the beneficial interest in trusts for the year ended June 30, 2021 and an increase of \$42,716 during the year ended June 30, 2020.

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 9. Concentrations 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.

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 and community investment promissory notes. For bank deposits, the amounts in excess of federal insurance at June 30, 2021 and 2020, were approximately \$30,616,000 and \$24,019,000, respectively. The Organization also holds various debt and equity investments, which may at times exceed the Securities Investor Protection Corporation (SIPC) insurance threshold. The Organization closely monitors these balances and has not experienced credit losses.

#### Note 10. Retirement Plan

The Organization has a tax-deferred contributory IRC 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 5% of the annual salary for all eligible employees. Retirement expense, recorded as part of employee benefits, was \$241,232 and \$194,999 for the years ended June 30, 2021 and 2020, respectively.

#### Note 11. Net Assets Without Donor Restrictions

Net assets without donor restrictions include a board-designated Quasi Endowment Legacy Fund (Legacy Fund) of \$38,648,444 and \$9,915,912 as of June 30, 2021 and 2020, respectively. This fund is comprised of investments in the consolidated statements of financial position. The Legacy Fund has been established to provide the Organization with the greatest flexibility in long-term planning, utilization, and investment, and permits the expenditures of the principal.

#### Note 12. Net Assets With Donor Restrictions

Net assets with donor restrictions are released from restrictions or the incurrence of expenses satisfying the restricted purposes specified by the donors by the passage of time. They are expected to be released through fiscal year ending June 30, 2022.

Net assets with donor restrictions were restricted for the following at June 30:

	2021	2020
Time restricted for general support	\$ 6,706,488	\$ 14,253,412
Purpose restricted for:		
Thematic grantmaking	3,703,321	8,292,245
Access to education	6,026,098	4,499,872
Advocacy programs	279,810	511,269
Other restrictions	3,307,135	250,000
Movement	450,000	-
Fiscal sponsorship of women's funds	15,691,140	196,975
Total net assets with donor restrictions	<u>\$ 36,163,991</u>	<u>\$ 28,003,773</u>

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 12. Net Assets With Donor Restrictions (Continued)

Net assets with donor restrictions were released for the following during the year ended June 30:

	2021	2020
Time restricted for general support	\$ 4,906,236	\$ 4,126,964
Purpose restricted for:		
Thematic grantmaking	10,493,010	6,963,397
Advocacy programs	180,534	765,027
Other restrictions	709,848	-
Fiscal sponsorship of women's funds	696,386	103,352
Total net assets with donor restrictions released	<u>\$ 16,986,014</u>	<u>\$ 11,958,740</u>

#### Note 13. In-Kind Donations

The Organization recognized contribution revenue for in-kind donations received at their estimated fair values for the following at June 30:

	2021	2020
Stock donation	\$ -	\$ 42,128
Advertising and marketing	-	150,000
Total in-kind donations	<u>\$ -</u>	<u>\$ 192,128</u>

#### Note 14. 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 UPMIFA 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 nets assets with donor restrictions the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations or distributions to the perpetual 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 not classified as net assets with donor restrictions are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 14. Endowment Fund (Continued)

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

Endowment net assets composition by type of fund as of June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
The Lewis T. and Patsy P. Preston Fund	\$ -	\$ 7,323,796	\$ 7,323,796
Grace Jackson Fund	-	14,019	14,019
Board-designated endowment funds:			
Quasi Endowment Legacy Fund	38,648,444	-	38,648,444
	<u>\$ 38,648,444</u>	<u>\$ 7,337,815</u>	<u>\$ 45,986,259</u>

Changes in endowment net assets for the year ended June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 9,915,912	\$ 6,054,870	\$ 15,970,782
Investment return:			
Investment income	260,934	354,993	615,927
Realized and unrealized gains	3,752,891	927,952	4,680,843
Designation of net assets	24,718,707	-	24,718,707
Endowment net assets, end of year	<u>\$ 38,648,444</u>	<u>\$ 7,337,815</u>	<u>\$ 45,986,259</u>

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 14. Endowment Fund (Continued)

Endowment net assets composition by type of fund as of June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
The Lewis T. and Patsy P. Preston Fund	\$ -	\$ 6,040,851	\$ 6,040,851
Grace Jackson Fund	-	14,019	14,019
Board-designated endowment funds:			
Quasi Endowment Legacy Fund	9,915,912	-	9,915,912
	<u>\$ 9,915,912</u>	<u>\$ 6,054,870</u>	<u>\$ 15,970,782</u>

Changes in endowment net assets for the year ended June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 8,686,195	\$ 5,983,900	\$ 14,670,095
Investment return:			
Investment income	263,232	164,563	427,795
Realized and unrealized gains	318,664	186,516	505,180
Designation of net assets	647,821	-	647,821
Appropriation of endowment assets for expenditures	-	(280,109)	(280,109)
Endowment net assets, end of year	<u>\$ 9,915,912</u>	<u>\$ 6,054,870</u>	<u>\$ 15,970,782</u>

**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:** To satisfy its investment policy objectives, the Organization relies on a total return strategy in which investment returns are achieved through capital appreciation (realized and unrealized) of equity-based investments, and current yield (interest and dividends) on 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 6% of its endowment fund's average asset fair market value over the past 12 quarters. 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.

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 14. Endowment Fund (Continued)

**Socially-responsible investment policy:** The Organization has an investment policy that is directly in line with the philosophy of its work and its organizational values. To prevent a conflict with these values, the Organization seeks to invest in companies whose policies it supports and avoids investment in companies whose behavior it considers reprehensible. The Organization avoids companies that derive revenue from products seen as harmful to the rights of women and girls, in particular their health and freedom from violence. The secondary avoidance screen avoids investing in companies that have business practices that do not uphold the dignity and rights of female workers and consumers. The supportive investment screens include investing in alternative energy and companies that believe in a high quality of products and services, research, being of service to the economically disadvantaged, and fostering a sense of community and respect in the workplace. The proactive social investment includes shareholder activism on issues that reflect the Organization's values.

#### Note 15. Related-Party Transactions

During the years ended June 30, 2021 and 2020, the Organization paid grants to organizations of which board members are either presidents or the executive directors. Members of the board who are either the president or the executive director of a grantee organization recuse themselves when the board decides whether to approve these grants. The Organization awarded two such grants totaling \$97,192 and one such grant totaling \$50,000 during the years ended June 30, 2021 and 2020, respectively.

#### Note 16. Liquidity and Funds Available

The following table reflects the Organization's financial assets as of June 30, 2021 and 2020, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

Financial assets available to meet cash needs for general expenditures within one year of June 30, 2021:

	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 33,307,768	\$ 24,668,200
Contributions and other receivable, net	18,576,558	7,663,298
Other receivables	769,782	744,925
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 52,654,108</u>	<u>\$ 33,076,423</u>

General expenditures include all recurring operating expenses of the Organization including grants. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and investments, which are available for general expenditures, grants payable, liabilities, and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Organization throughout the year. Management is aware of the cyclical nature of the Organization's cash flow related to various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. Additionally, the Organization has board-designated net assets that could be available for current operations with board approval, if necessary (see Note 11).



**Note 17. Subsequent Events**

Subsequent events are events or transactions that occur after the consolidated statement of financial position date but before the consolidated financial statements are available to be issued. The Organization recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. The Organization's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before the consolidated financial statements were available to be issued.

The Organization has evaluated all subsequent events through November 10, 2021, the date that the consolidated financial statements are available to be issued, and determined there are no material recognized or unrecognized subsequent events, the nature of which would require disclosure.