

The Global Fund for Women, Inc.

Consolidated Financial Report
June 30, 2022

Contents

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	9-22



RSM US LLP

Independent Auditor's Report

Board of Directors
The Global Fund for Women, Inc.

Opinion

We have audited the consolidated financial statements of The Global Fund for Women, Inc. (the Organization), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, and the change in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

RSM US LLP

San Jose, California
October 31, 2022

The Global Fund for Women, Inc.

Consolidated Statements of Financial Position
June 30, 2022 and 2021

	2022	2021 (Revised)
Assets		
Current assets:		
Cash and cash equivalents	\$ 16,420,908	\$ 32,376,091
Contributions receivable, net	22,047,229	18,576,558
Other receivables	574,285	761,479
Prepaid expenses	218,073	202,902
Total current assets	39,260,495	51,917,030
Noncurrent assets:		
Deposits	33,530	42,680
Investments	60,286,478	45,986,259
Contributions receivable, net of current portion	3,418,866	5,508,397
Beneficial interest in trusts	323,970	318,455
Property and equipment, net	79,797	95,803
Total noncurrent assets	64,142,641	51,951,594
Total assets	\$ 103,403,136	\$ 103,868,624
Liabilities and Net Assets		
Current liabilities:		
Grants payable	\$ 10,921,316	\$ 14,072,933
Accounts payable and accrued expenses	794,987	1,098,650
Total current liabilities	11,716,303	15,171,583
Long-term liabilities:		
Deferred rent	-	92,280
Grants payable, net of current portion	6,899,253	1,747,572
Total long-term liabilities	6,899,253	1,839,852
Total liabilities	18,615,556	17,011,435
Net assets:		
Without donor restrictions:		
Designated (Note 11)	35,603,044	38,648,444
Undesignated	55,094	12,044,754
Total without donor restrictions	35,658,138	50,693,198
With donor restrictions	49,129,442	36,163,991
Total net assets	84,787,580	86,857,189
Total liabilities and net assets	\$ 103,403,136	\$ 103,868,624

See notes to consolidated financial statements.

The Global Fund for Women, Inc.

**Consolidated Statement of Activities
Year Ended June 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Contributions:			
Foundations and other organizations	\$ -	\$ 13,137,008	\$ 13,137,008
Corporations	-	949,908	949,908
Government/multilateral	-	5,533,310	5,533,310
Individuals	6,423,330	11,697,500	18,120,830
Program and other revenue	766,685	-	766,685
Investment return, net	(10,849,725)	(1,045,858)	(11,895,583)
Change in value of beneficial interest in trusts	-	5,515	5,515
Net assets released from restrictions	17,311,932	(17,311,932)	-
Total support and revenues	13,652,222	12,965,451	26,617,673
Expenses:			
Program services:			
Grants and grantee services	22,380,979	-	22,380,979
Communications and engagement	1,164,989	-	1,164,989
Total program services	23,545,968	-	23,545,968
Management and general	2,712,575	-	2,712,575
Fundraising	2,428,739	-	2,428,739
Total expenses	28,687,282	-	28,687,282
Change in net assets	(15,035,060)	12,965,451	(2,069,609)
Net assets, beginning of year (revised)	50,693,198	36,163,991	86,857,189
Net assets, end of year	<u>\$ 35,658,138</u>	<u>\$ 49,129,442</u>	<u>\$ 84,787,580</u>

See notes to consolidated financial statements.

The Global Fund for Women, Inc.

**Consolidated Statement of Activities (Revised)
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	42,081,537	4,858,238	46,939,775
Program and other revenue	598,121	162,304	760,425
PPP loan forgiveness	977,350	-	977,350
Investment income, net	4,100,610	1,282,945	5,383,555
Change in value of beneficial interest in trusts	-	(10,161)	(10,161)
Net assets released from restrictions	16,986,014	(16,986,014)	-
Total support and revenues	64,943,632	8,160,218	73,103,850
Expenses:			
Program services:			
Grants and grantee services	19,903,004	-	19,903,004
Communications and engagement	1,712,457	-	1,712,457
Total program services	21,615,461	-	21,615,461
Management and general	2,687,548	-	2,687,548
Fundraising	2,127,552	-	2,127,552
Total expenses	26,430,561	-	26,430,561
Change in net assets	38,513,071	8,160,218	46,673,289
Net assets, beginning of year (revised)	12,180,127	28,003,773	40,183,900
Net assets, end of year (revised)	\$ 50,693,198	\$ 36,163,991	\$ 86,857,189

See notes to consolidated financial statements.

The Global Fund for Women, Inc.

Consolidated Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services			Management and General	Fundraising	Total
	Grants and Grantee Services	Communications and Engagement	Total Program Services			
Grants awarded	\$ 17,160,393	\$ 10,000	\$ 17,170,393	\$ -	\$ -	\$ 17,170,393
Other expenses:						
Salaries	2,267,949	654,716	2,922,665	1,110,587	1,298,477	5,331,729
Payroll taxes	165,709	45,487	211,196	31,871	87,619	330,686
Employee benefits	558,133	162,847	720,980	296,138	319,934	1,337,052
Personnel costs	2,991,791	863,050	3,854,841	1,438,596	1,706,030	6,999,467
Advertising	1,972	35,809	37,781	534	17,236	55,551
Conferences and meetings	11,008	1,105	12,113	1,624	8,379	22,116
Depreciation and amortization	29,233	7,917	37,150	7,917	15,836	60,903
Information technology	46,761	28,721	75,482	94,579	41,546	211,607
Occupancy	166,716	50,567	217,283	84,641	85,818	387,742
Other	383,631	13,773	397,404	165,491	35,325	598,220
Outside/professional services	1,345,685	108,379	1,454,064	778,270	272,304	2,504,638
Postage and shipping	6,118	805	6,923	3,539	47,702	58,164
Printing and publications	1,128	-	1,128	-	85,476	86,604
Supplies	18,673	2,268	20,941	5,772	6,980	33,693
Telephone	40,747	11,714	52,461	40,768	20,429	113,658
Travel and meals	177,123	30,881	208,004	90,844	85,678	384,526
Total other expenses	5,220,586	1,154,989	6,375,575	2,712,575	2,428,739	11,516,889
Total expenses	\$ 22,380,979	\$ 1,164,989	\$ 23,545,968	\$ 2,712,575	\$ 2,428,739	\$ 28,687,282

See notes to consolidated financial statements.

The Global Fund for Women, Inc.

Consolidated Statement of Functional Expenses (Revised)
Year Ended June 30, 2021

	Program Services			Management and General	Fundraising	Total
	Grants and Grantee Services	Communications and Engagement	Total Program Services			
Grants awarded	\$ 16,725,914	\$ -	\$ 16,725,914	\$ -	\$ -	\$ 16,725,914
Other expenses:						
Salaries	1,580,571	561,402	2,141,973	1,179,193	1,207,140	4,528,306
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
Personnel costs	1,914,795	679,680	2,594,475	1,700,896	1,436,496	5,731,867
Advertising	-	58,037	58,037	1,674	14,710	74,421
Conferences and meetings	2,044	1,581	3,625	43,801	1,221	48,647
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	146,028	77,300	278,391
Outside/professional services	923,474	790,169	1,713,643	546,995	176,789	2,437,427
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	77,907
Travel and meals	6,822	6,688	13,510	40,369	1,712	55,591
Total other expenses	3,177,090	1,712,457	4,889,547	2,687,548	2,127,552	9,704,647
Total expenses	\$ 19,903,004	\$ 1,712,457	\$ 21,615,461	\$ 2,687,548	\$ 2,127,552	\$ 26,430,561

See notes to consolidated financial statements.

The Global Fund for Women, Inc.

Consolidated Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021 (Revised)
Cash flows from operating activities:		
Change in net assets	\$ (2,069,609)	\$ 46,673,289
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gains on investments	12,938,896	(4,680,843)
Change in discount on contributions receivable	14,232	(18,212)
Change in discount on grants payable	(28,392)	-
Depreciation and amortization	60,903	50,183
Change in value of beneficial interest in trust	(5,515)	10,161
Forgiveness of Paycheck Protection Plan loan	-	(977,350)
Changes in operating assets and liabilities:		
Contributions receivable	(1,395,372)	(11,451,604)
Other receivables	187,194	(16,554)
Prepaid expenses	(15,171)	(24,295)
Deposits	9,150	-
Grants payable	2,028,456	3,314,446
Accounts payable and accrued expenses	(303,664)	449,319
Deferred rent	(92,280)	-
Net cash provided by operating activities	11,328,828	33,328,540
Cash flows from investing activities		
Purchases of equipment	(44,896)	(5,209)
Proceeds from sale of investments	2,610,239	7,070,907
Purchases of investments	(29,849,354)	(32,405,541)
Net cash used in investing activities	(27,284,011)	(25,339,843)
Net (decrease) increase in cash and cash equivalents	(15,955,183)	7,988,697
Cash and cash equivalents:		
Beginning of year	32,376,091	24,387,394
End of year	\$ 16,420,908	\$ 32,376,091

See notes to consolidated financial statements.

The Global Fund for Women, Inc.

Notes to Consolidated Financial Statements

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 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.

Revision: As of and for the year ended June 30, 2021, the Organization consolidated Global Fund for Women UK which is a charitable entity set up as a company limited by guarantee in the UK on June 13, 2012. It was initially established to operate as the sister charity of the Organization; however, in 2018 the by-laws of the UK entity were changed such that the Organization no longer had control, and thus should not have consolidated the entity after this period in accordance with ASC 958-810. The financial statements as of and for the year ended June 30, 2021 have been revised in these financial statements to remove the consolidation of Global Fund for Women UK in accordance with the accounting principles generally accepted in the United States and for comparison with the year ended June 30, 2022. The revision resulted in a reduction of \$939,980 in cash and cash equivalents and total assets, a reduction of \$35,740 in grants payable and total liabilities and reduction of \$904,240 in net assets as of June 30, 2021. The revision resulted in a reduction of contribution revenue of \$790,301, increase in investment return of \$86,785, a reduction in grants awarded of \$428,933, reduction in personnel costs of \$95,164, a reduction in other costs of \$39,202, and a reduction in the change in net assets of \$140,217 for the year ended June 30, 2021.

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.

The Global Fund for Women, Inc.

Notes to Consolidated Financial Statements

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

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.

Principles of consolidation: The consolidated financial statements include the accounts of Global Fund for Women, Inc., 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. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

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: Investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values are reflected at fair value and in the consolidated statements of financial position. Unrealized gains and losses are included in investment return in the accompanying consolidated statements of activities.

The Global Fund for Women, Inc.

Notes to Consolidated Financial Statements

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

The fair value of mutual funds is based on quoted market prices. Investments in equity instruments traded on national securities exchanges are stated at the last reported sales price on the day of valuation. These financial instruments are classified as Level 1 in the fair value hierarchy. The fair value of community investment promissory notes is based on its amortized cost at the stated interest rate or cost.

Contributions receivable: As of June 30, 2022 and 2021, contributions receivable consist of grants and pledges from grant making foundations, corporations, government agencies or individual donors. As further described in Note 3, these receivables are subject to discount. Contributions with payment terms in excess of one year are currently subject to discounting at 0.75% and 0.21% for 2022 and 2021, 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, 2022 and 2021.

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 consolidated 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, 2022 and 2021.

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 \$279,836 and \$152,595 as of June 30, 2022 and 2021, respectively, are included in accounts payable and accrued expenses on the consolidated statements of financial position.

Grants awarded: The Organization accounts for grants awarded in accordance with contributions made component of ASU 2018-08, "*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*". Contributions made are recognized as grants payable in the period made; that is when an oral or written agreement has been entered into.

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.

The Global Fund for Women, Inc.

Notes to Consolidated Financial Statements

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

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. Net assets without donor restrictions also includes board designated net assets which represents a quasi-endowment (Note 11).

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.

Contribution revenue: Contributions are recognized at fair value as revenue when received or unconditionally promised. An additional discount is added to the present value of contributions, which represents an additional factor in the fair value measurements and are based on management's estimates. The discounts on those pledges are computed using an interest rate for the year in which the promise was received and considers market and credit risk as applicable. Amortization of the discount is included in contributed income. All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a 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 consolidated statement of activities as net assets released from restrictions. Conditional contributions are those contributions that contain donor-imposed rights of refund/return and barriers (performance obligations and/or controlling stipulations. Conditional contributions are recognized into revenue when conditions are satisfied and then follow the above policies for unconditional contributions. Conditional contributions received in advance of satisfying conditions are recorded as refundable advances.

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.

The Global Fund for Women, Inc.

Notes to Consolidated Financial Statements

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

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, 2022 and 2021; 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.

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 \$766,685 and \$598,121 for the years ended June 30, 2022 and 2021, respectively, and are included in program and other revenue on the consolidated statements of activities. Contract assets at June 30, 2022 and 2021 are approximately \$575,000 and \$650,000, respectively.

Contract balances: The timing of revenue recognition may not align with the right to invoice. The Organization records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred revenue) also is recorded. If revenue is recognized in advance of the right to invoice, a contract asset (unbilled receivable) is recorded. The accounts receivable balance as of July 1, 2020 was \$744,924.

The Global Fund for Women, Inc.

Notes to Consolidated Financial Statements

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 estimates the impact of the provisions of ASU 2016-02 on the consolidated financial statements to be minimal.

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.

Note 2. Contributions Receivable, Net

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

	2022	2021
Less than one year	\$ 22,047,229	\$ 3,576,558
One to five years	3,444,701	20,520,000
Gross contributions receivable	25,491,930	24,096,558
Less discount for present value	(25,835)	(11,603)
Net contributions receivable	25,466,095	24,084,955
Less current portion	(22,047,229)	(18,576,558)
Contributions receivable, net of current portion	\$ 3,418,866	\$ 5,508,397

Note 3. Property and Equipment

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

	2022	2021
Furniture and equipment	\$ 255,910	\$ 211,013
Leasehold improvements	20,898	20,898
	276,808	231,911
Less accumulated depreciation and amortization	(197,011)	(136,108)
Total property and equipment, net	\$ 79,797	\$ 95,803

For the years ended June 30, 2022 and 2021, depreciation and amortization expense was \$60,903 and \$50,183. During the years ended June 30, 2022 and 2021, the Organization disposed of property and equipment with a cost basis of \$0 and \$676,148, respectively, and a net book value of zero.

The Global Fund for Women, Inc.

Notes to Consolidated Financial Statements

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, 2022:

	Assets at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Equities:				
Common stock:				
Materials	\$ 641,147	\$ -	\$ -	\$ 641,147
Industrial goods	1,749,409	-	-	1,749,409
Consumer discretionary	2,255,250	-	-	2,255,250
Consumer staples	2,355,133	-	-	2,355,133
Health care	3,838,192	-	-	3,838,192
Financial services	3,332,808	-	-	3,332,808
Technology	5,348,859	-	-	5,348,859
Telecommunications	1,524,274	-	-	1,524,274
Utilities	453,818	-	-	453,818
Real estate	990,835	-	-	990,835
Total common stock	22,489,725	-	-	22,489,725
Community investment promissory notes	-	922,175	-	922,175
Mutual funds	8,612,902	-	-	8,612,902
Bond funds	17,439,342	-	-	17,439,342
International funds	10,822,334	-	-	10,822,334
Beneficial interest in trusts	-	-	323,970	323,970
Total	\$59,364,303	\$ 922,175	\$ 323,970	\$60,610,448

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, 2021:

	Assets at Fair Value as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
Equities:				
Common stock:				
Materials	\$ 525,907	\$ -	\$ -	\$ 525,907
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	17,582,077	-	-	17,582,077
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	\$44,964,037	\$ 1,022,222	\$ 318,455	\$46,304,714

Note 5. Grants Payable

Grants with payment terms in excess of one year are currently subject to discounting at 0.75% and 0.18% for 2022 and 2021, respectively. Grants payable are expected to be disbursed as of June 30, 2022, as follows:

Years ending June 30:	
2023	\$ 10,921,316
2024	5,343,848
2025	1,606,433
Grants payable	17,871,597
Discount	(51,028)
	17,820,569
Current portion	(10,921,316)
Grants payable, net of current portion	\$ 6,899,253

The Global Fund for Women, Inc.

Notes to Consolidated Financial Statements

Note 6. Paycheck Protection Program 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 was 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 for 2021.

Note 7. Commitments and Contingencies

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

Years ending June 30:	
2023	\$ 234,710

Rental expense was \$348,302 and \$457,929 in 2022 and 2021, respectively.

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 an increase of \$5,515 in the value of the beneficial interest in trusts for the year ended June 30, 2022 and a decrease of \$10,161 during the year ended June 30, 2021.

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, 2022 and 2021, were approximately \$13,499,000 and \$30,616,000, 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.

The Global Fund for Women, Inc.

Notes to Consolidated Financial Statements

Note 10. Retirement Plans

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.

Effective January 1, 2021, the Organization enacted a 457(b) retirement plan. The plan is open to the executive director and key employees and must be approved by the chief executive officer of the plan sponsor. There is no minimum deferral. Matching and nonelective contributions are allowed and a formula is used to allocate such contributions.

Retirement expense, recorded as part of employee benefits, was \$404,911 and \$241,232 for the years ended June 30, 2022 and 2021, respectively.

Note 11. Net Assets Without Donor Restrictions

Net assets without donor restrictions include a board-designated Quasi Endowment Legacy Fund (Legacy Fund) of \$35,603,044 and \$38,648,444 as of June 30, 2022 and 2021, 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 were restricted for the following at June 30:

	2022	2021
Time restricted for general support	\$ 5,658,278	\$ 6,706,488
Purpose restricted for:		
Thematic grantmaking	4,609,486	3,703,321
Access to education	6,195,414	6,026,098
Advocacy programs	144,435	279,810
Other restrictions	1,730,517	3,307,135
Movement	4,167,174	450,000
Fiscal sponsorship of women's funds	26,624,138	15,691,140
Total net assets with donor restrictions	<u>\$ 49,129,442</u>	<u>\$ 36,163,991</u>

The Global Fund for Women, Inc.

Notes to Consolidated Financial Statements

Note 12. Net Assets With Donor Restrictions (Continued)

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

	2022	2021
Time restricted for general support	\$ 5,543,925	\$ 4,906,236
Purpose restricted for:		
Thematic grantmaking	5,080,587	10,493,010
Access to education	96,544	-
Advocacy programs	30,000	180,534
Other restrictions	4,214,653	709,848
Movement	868,717	-
Fiscal sponsorship of women's funds	1,477,506	696,386
Total net assets with donor restrictions released	<u>\$ 17,311,932</u>	<u>\$ 16,986,014</u>

Note 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 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 net 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.

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 Consolidated Financial Statements

Note 13. Endowment Fund (Continued)

Endowment net assets composition by type of fund as of June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
The Lewis T. and Patsy P. Preston Fund	\$ -	\$ 6,181,395	\$ 6,181,395
Grace Jackson Fund	-	14,019	14,019
Board-designated endowment funds:			
Quasi Endowment Legacy Fund	35,603,044	-	35,603,044
	<u>\$ 35,603,044</u>	<u>\$ 6,195,414</u>	<u>\$ 41,798,458</u>

Changes in endowment net assets for the year ended June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 38,648,444	\$ 7,337,815	\$ 45,986,259
Investment return:			
Investment income	1,057,910	76,084	1,133,994
Realized and unrealized losses	(11,816,954)	(1,121,942)	(12,938,896)
Designation of net assets	8,076,315	-	8,076,315
Amounts appropriated for expenditure	(362,671)	(96,543)	(459,214)
Endowment net assets, end of year	<u>\$ 35,603,044</u>	<u>\$ 6,195,414</u>	<u>\$ 41,798,458</u>

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>

The Global Fund for Women, Inc.

Notes to Consolidated Financial Statements

Note 13. Endowment Fund (Continued)

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>

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.

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.

The Global Fund for Women, Inc.

Notes to Consolidated Financial Statements

Note 14. Related-Party Transactions

During the years ended June 30, 2022 and 2021, 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 four such grants totaling \$1,211,200 and two such grant totaling \$97,192 during the years ended June 30, 2022 and 2021, respectively.

Note 15. Liquidity and Funds Available

The following table reflects the Organization's financial assets as of June 30, 2022 and 2021, 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:

	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 16,420,908	\$ 33,307,768
Contributions receivable, net	22,047,229	18,576,558
Other receivables	574,285	769,782
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 39,042,422</u>	<u>\$ 52,654,108</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 16. 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 October 31, 2022, the date that the consolidated financial statements are available to be issued.

The Organization has applied for and was awarded a grant in the amount of \$10,000,000 from USAID on September 28, 2022 with an obligated amount of \$5,000,000.