

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

Consolidated Financial Report  
June 30, 2023

## 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	9-22

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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, 2023 and 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and the changes 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). We also conducted our 2023 audit in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*RSM US LLP*

Washington, D.C.  
November 21, 2023

The Global Fund for Women, Inc.

Consolidated Statements of Financial Position  
June 30, 2023 and 2022

	2023	2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 23,673,183	\$ 16,420,908
Contributions receivable, net	13,503,898	22,047,229
Other receivables	82,480	574,285
Prepaid expenses	209,270	218,073
<b>Total current assets</b>	<b>37,468,831</b>	<b>39,260,495</b>
Noncurrent assets:		
Deposits	71,195	33,530
Investments	61,584,831	60,286,478
Contributions receivable, net of current portion	9,852,103	3,418,866
Beneficial interest in trusts	335,379	323,970
Property and equipment, net	-	79,797
<b>Total noncurrent assets</b>	<b>71,843,508</b>	<b>64,142,641</b>
<b>Total assets</b>	<b>\$ 109,312,339</b>	<b>\$ 103,403,136</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Grants payable	\$ 12,656,103	\$ 10,921,316
Accounts payable and accrued expenses	1,246,085	794,987
<b>Total current liabilities</b>	<b>13,902,188</b>	<b>11,716,303</b>
Long-term liabilities:		
Grants payable, net of current portion	10,617,904	6,899,253
<b>Total long-term liabilities</b>	<b>10,617,904</b>	<b>6,899,253</b>
<b>Total liabilities</b>	<b>24,520,092</b>	<b>18,615,556</b>
Net assets:		
Without donor restrictions:		
Designated	34,955,579	35,603,044
Undesignated	4,590,720	55,094
<b>Total without donor restrictions</b>	<b>39,546,299</b>	<b>35,658,138</b>
With donor restrictions	45,245,948	49,129,442
<b>Total net assets</b>	<b>84,792,247</b>	<b>84,787,580</b>
<b>Total liabilities and net assets</b>	<b>\$ 109,312,339</b>	<b>\$ 103,403,136</b>

See notes to consolidated financial statements.

The Global Fund for Women, Inc.

Consolidated Statement of Activities  
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Contributions:			
Foundations and other organizations	\$ 526,119	\$ 13,042,768	\$ 13,568,887
Corporations	211,813	273,276	485,089
Government/multilateral	338	1,846,813	1,847,151
Individuals	8,285,199	12,318,602	20,603,801
Program and other revenue	296,259	(280,485)	15,774
Investment income, net	6,636,568	240,641	6,877,209
Change in value of beneficial interest in trusts	-	11,409	11,409
Net assets released from restrictions	31,336,518	(31,336,518)	-
<b>Total support and revenues</b>	<b>47,292,814</b>	<b>(3,883,494)</b>	<b>43,409,320</b>
Expenses:			
Program services:			
Grants and grantee services	20,070,532	-	20,070,532
Fiscal sponsorship programs	15,827,528	-	15,827,528
Communications and engagement	1,555,612	-	1,555,612
<b>Total program services</b>	<b>37,453,672</b>	<b>-</b>	<b>37,453,672</b>
Supporting services:			
Management and general	3,397,453	-	3,397,453
Fundraising	2,553,528	-	2,553,528
<b>Total expenses</b>	<b>43,404,653</b>	<b>-</b>	<b>43,404,653</b>
<b>Change in net assets</b>	<b>3,888,161</b>	<b>(3,883,494)</b>	<b>4,667</b>
Net assets:			
Beginning	35,658,138	49,129,442	84,787,580
Ending	\$ 39,546,299	\$ 45,245,948	\$ 84,792,247

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 loss, 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)	-
<b>Total support and revenues</b>	<b>13,652,222</b>	<b>12,965,451</b>	<b>26,617,673</b>
Expenses:			
Program services:			
Grants and grantee services	20,885,835	-	20,885,835
Fiscal sponsorship programs	1,495,144	-	1,495,144
Communications and engagement	1,164,989	-	1,164,989
<b>Total program services</b>	<b>23,545,968</b>	<b>-</b>	<b>23,545,968</b>
Supporting services:			
Management and general	2,712,575	-	2,712,575
Fundraising	2,428,739	-	2,428,739
<b>Total expenses</b>	<b>28,687,282</b>	<b>-</b>	<b>28,687,282</b>
<b>Change in net assets</b>	<b>(15,035,060)</b>	<b>12,965,451</b>	<b>(2,069,609)</b>
Net assets:			
Beginning	50,693,198	36,163,991	86,857,189
Ending	<b>\$ 35,658,138</b>	<b>\$ 49,129,442</b>	<b>\$ 84,787,580</b>

See notes to consolidated financial statements.

The Global Fund for Women, Inc.

Consolidated Statement of Functional Expenses  
Year Ended June 30, 2023

	Program Services			Supporting Services			Total
	Grants and Grantee Services	Fiscal Sponsorship Programs	Communications and Engagement	Total Program Services	Management and General	Fundraising	
Grants awarded	\$ 13,995,906	\$ 13,061,749	\$ -	\$ 27,057,655	\$ -	\$ -	\$ 27,057,655
Other expenses:							
Salaries	2,221,049	349,959	753,943	3,324,951	1,732,649	1,228,400	6,286,000
Payroll taxes	207,103	31,096	58,846	297,045	113,273	76,946	487,264
Employee benefits	305,495	77,974	135,941	519,410	488,078	202,509	1,209,997
<b>Personnel costs</b>	<b>2,733,647</b>	<b>459,029</b>	<b>948,730</b>	<b>4,141,406</b>	<b>2,334,000</b>	<b>1,507,855</b>	<b>7,983,261</b>
Advertising	109,010	4,170	3,081	116,261	2,617	13,484	132,362
Conferences and meetings	3,384	6,956	3,646	13,986	11,371	3,890	29,247
Depreciation and amortization	7,615	1,278	2,643	11,536	6,576	4,200	22,312
Information technology	108,737	25,916	22,584	157,237	79,357	73,985	310,579
Occupancy	105,426	22,936	36,589	164,951	102,192	58,434	325,577
Other	143,281	40,231	96,875	280,387	93,517	81,878	455,782
Outside/professional services	2,342,704	1,975,009	396,822	4,714,535	490,502	600,534	5,805,571
Postage and shipping	5,727	680	534	6,941	3,833	47,373	58,147
Printing and publications	14,026	1,291	900	16,217	213	75,621	92,051
Supplies	40,271	10,213	4,530	55,014	13,698	10,986	79,698
Telephone	13,590	8,904	4,395	26,889	10,848	6,965	44,702
Travel and meals	447,208	209,166	34,283	690,657	248,729	68,323	1,007,709
<b>Total other expenses</b>	<b>6,074,626</b>	<b>2,765,779</b>	<b>1,555,612</b>	<b>10,396,017</b>	<b>3,397,453</b>	<b>2,553,528</b>	<b>16,346,998</b>
<b>Total expenses</b>	<b>\$ 20,070,532</b>	<b>\$ 15,827,528</b>	<b>\$ 1,555,612</b>	<b>\$ 37,453,672</b>	<b>\$ 3,397,453</b>	<b>\$ 2,553,528</b>	<b>\$ 43,404,653</b>

See notes to consolidated financial statements.



The Global Fund for Women, Inc.

**Consolidated Statement of Functional Expenses**  
**Year Ended June 30, 2022**

	Program Services				Supporting Services		
	Grants and Grantee Services	Fiscal Sponsorship Programs	Communications and Engagement	Total Program Services	Management and General	Fundraising	Total
Grants awarded	\$ 16,710,111	\$ 450,282	\$ 10,000	\$ 17,170,393	\$ -	\$ -	\$ 17,170,393
Other expenses:							
Salaries	2,101,036	166,913	654,716	2,922,665	1,110,587	1,298,477	5,331,729
Payroll taxes	149,492	16,217	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
<b>Personnel costs</b>	<b>2,808,661</b>	<b>183,130</b>	<b>863,050</b>	<b>3,854,841</b>	<b>1,438,596</b>	<b>1,706,030</b>	<b>6,999,467</b>
Advertising	1,972	-	35,809	37,781	534	17,236	55,551
Conferences and meetings	8,859	2,149	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	45,322	1,439	28,721	75,482	94,579	41,546	211,607
Occupancy	165,016	1,700	50,567	217,283	84,641	85,818	387,742
Other	54,363	329,268	13,773	397,404	165,491	35,325	598,220
Outside/professional services	837,943	507,742	108,379	1,454,064	778,270	272,304	2,504,638
Postage and shipping	5,298	820	805	6,923	3,539	47,702	58,164
Printing and publications	975	153	-	1,128	-	85,476	86,604
Supplies	17,293	1,380	2,268	20,941	5,772	6,980	33,693
Telephone	38,572	2,175	11,714	52,461	40,768	20,429	113,658
Travel and meals	162,217	14,906	30,881	208,004	90,844	85,678	384,526
<b>Total other expenses</b>	<b>4,175,724</b>	<b>1,044,862</b>	<b>1,154,989</b>	<b>6,375,575</b>	<b>2,712,575</b>	<b>2,428,739</b>	<b>11,516,889</b>
<b>Total expenses</b>	<b>\$ 20,885,835</b>	<b>\$ 1,495,144</b>	<b>\$ 1,164,989</b>	<b>\$ 23,545,968</b>	<b>\$ 2,712,575</b>	<b>\$ 2,428,739</b>	<b>\$ 28,687,282</b>

See notes to consolidated financial statements.

The Global Fund for Women, Inc.

**Consolidated Statements of Cash Flows**  
**Years Ended June 30, 2023 and 2022**

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 4,667	\$ (2,069,609)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gains (losses) on investments	(5,053,131)	12,938,896
Change in discount on contributions receivable	422,162	14,232
Change in discount on grants payable	(1,481,068)	(28,392)
Loss on disposal of assets	61,564	-
Depreciation and amortization	22,312	60,903
Change in value of beneficial interest in trust	(11,409)	(5,515)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Contributions receivable	1,687,932	(1,395,372)
Other receivables	491,805	187,194
Prepaid expenses	8,803	(15,171)
Deposits	(37,665)	9,150
Increase (decrease) in:		
Grants payable	6,934,506	2,028,456
Accounts payable and accrued expenses	451,098	(303,664)
Deferred rent	-	(92,280)
<b>Net cash provided by operating activities</b>	<b>3,501,576</b>	<b>11,328,828</b>
Cash flows from investing activities		
Purchases of equipment	(4,079)	(44,896)
Proceeds from sale of investments	7,434,772	2,610,239
Purchases of investments	(3,679,994)	(29,849,354)
<b>Net cash provided by (used in) investing activities</b>	<b>3,750,699</b>	<b>(27,284,011)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>7,252,275</b>	<b>(15,955,183)</b>
Cash and cash equivalents:		
Beginning	16,420,908	32,376,091
Ending	<b>\$ 23,673,183</b>	<b>\$ 16,420,908</b>

See notes to consolidated financial statements.

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies

**Nature of activities:** Global Fund for Women envisions a world where movements for gender justice have transformed power and privilege for a few into equity and equality for all. Formed as a California nonprofit public benefit corporation organized on June 24, 1987, to fill a critical gap in funding for local women's rights organizations, Global Fund for Women, Inc., has since invested in nearly 5,000 grassroots organizations in 175 countries. Our funding has supported efforts to win rights for millions of women, girls and marginalized groups around the globe. Today, we are the leading funder of gender justice organization, initiatives and movement worldwide.

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.

A description of the organization's major program services follows:

**Grants and grantee services:**

**Grantee support and grants operations** includes activities 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 and evaluation** includes 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.

**Fiscal sponsorship programs:** Our fiscal sponsorship program is a continuation of our commitment to foster gender justice movements and helps sustain them by allowing US donors to support women's funds directly. This strengthens community-based efforts to advance gender justice movements in other countries.

**Communications and engagement:** Communications and engagement activities are related to advocacy, partnerships and the mobilization of resources to influence philanthropy to support gender justice movements.

A summary of the Organization's significant accounting policies follows:

**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.

**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. Nature of Activities and Significant Accounting Policies (Continued)

**Basis of presentation:** The consolidated financial statements presentation follows the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). As required by the Non-Profit Entities Topic of the FASB ASC, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

**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.

**Financial risk:** The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any such loss in the past and does not believe it is exposed to any significant financial risk on these balances.

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

The Organization invests funds in professionally managed portfolios that are exposed to various risks, such as interest rate, credit and market value risk. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amount reported in the consolidated financial statements. As a result, investment balances reported in the accompanying consolidated financial statements may not be reflective of the portfolio's value during subsequent periods.

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, 2023 and 2022, contributions receivable consist of grants and promises to give from grant making foundations, corporations, government agencies or individual donors. As further described in Note 2, these receivables are subject to discount. Contributions with payment terms in excess of one year are currently subject to discounting at rates ranging from 0.75% to 3.81% during the fiscal years 2023 and 2022.

**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, 2023 and 2022.

**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. During the year ended June 30, 2023, the Organization closed all offices and became fully remote. Therefore, all remaining property and equipment from the office was disposed of. There were no impairment losses of long-lived assets as of June 30, 2023 and 2022.

**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 \$403,222 and \$279,836 as of June 30, 2023 and 2022, respectively, are included in accounts payable and accrued expenses on the consolidated statements of financial position.

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

**Grants awarded:** The Organization accounts for grants awarded in accordance with contributions made component of Accounting Standards Codification Topic 958, *Not-for-Profit Entities*. Unconditional contributions made are recognized as grants payable in the period made; that is when an oral or written agreement has been entered into.

**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 (see Note 7).

**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. The Organization has conditional contributions of \$8,000,000 as of June 30, 2023, which have not been recognized on the consolidated statement of financial position because the conditions associated with the contribution have not been met. As of June 30, 2022, there were no conditional contributions.

**Contributions of nonfinancial assets:** Contributions of nonfinancial assets, including eligible donated services, supplies, property and equipment and other assets are recorded at fair value. 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. There were no contributions of nonfinancial assets for the years ended June 30, 2023 and 2022.

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

**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.

**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 Accounting Standards Codification (ASC) 606 were \$810,730 and \$766,685 for the years ended June 30, 2023 and 2022, respectively, and are included in program and other revenue on the consolidated statements of activities. Contract assets at June 30, 2023 and 2022 are approximately \$86,000 and \$575,000, 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, 2021 was \$761,479.

**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, 2023 and 2022; 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.

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

**Use of estimates:** The preparation of consolidated financial statements in conformity with U.S. GAAP 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.

**Adopted accounting pronouncements:** In February 2016, the Financial Accounting Standards Board (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 notes to consolidated financial statements. The adoption was effective for the Organization beginning July 1, 2022. Management has reviewed all existing leases and determined the impact of the provisions of ASU 2016-02 on the consolidated financial statements to be minimal.

**Reclassifications:** Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between the periods presented. The reclassifications had no impact on previously reported net assets.

**Subsequent events:** The Organization has evaluated events through November 21, 2023, the date on which the consolidated financial statements were available to be issued.

#### Note 2. Contributions Receivable, Net

Contributions receivable, net, as of June 30, 2023 and 2022, consist of amounts expected be collected in:

	2023	2022
Less than one year	\$ 13,503,898	\$ 22,047,229
One to five years	10,300,100	3,444,701
<b>Gross contributions receivable</b>	<b>23,803,998</b>	<b>25,491,930</b>
Less discount for present value	(447,997)	(25,835)
<b>Net contributions receivable</b>	<b>23,356,001</b>	<b>25,466,095</b>
Less current portion	(13,503,898)	(22,047,229)
<b>Contributions receivable, net of current portion</b>	<b>\$ 9,852,103</b>	<b>\$ 3,418,866</b>

#### Note 3. Property and Equipment

Property and equipment are summarized as follows as of June 30, 2023 and 2022:

	2023	2022
Furniture and equipment	\$ -	\$ 255,910
Leasehold improvements	-	20,898
	-	276,808
Less accumulated depreciation and amortization	-	(197,011)
<b>Total property and equipment, net</b>	<b>\$ -</b>	<b>\$ 79,797</b>



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

**Notes to Consolidated Financial Statements**

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

For the years ended June 30, 2023 and 2022, depreciation and amortization expense was \$22,314 and \$60,903, respectively. During the year ended June 30, 2023, the Organization disposed of property and equipment with a cost basis of \$280,890 and a net book value of \$61,564.

**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, 2023:

	Level 1	Level 2	Level 3	Total
Investments:				
Equities:				
Common stock:				
Materials	\$ 575,829	\$ -	\$ -	\$ 575,829
Industrial goods	1,982,792	-	-	1,982,792
Consumer discretionary	1,826,851	-	-	1,826,851
Consumer staples	2,035,138	-	-	2,035,138
Health care	3,783,071	-	-	3,783,071
Financial services	2,080,320	-	-	2,080,320
Technology	6,265,702	-	-	6,265,702
Telecommunications	1,145,400	-	-	1,145,400
Utilities	394,300	-	-	394,300
Real estate	792,473	-	-	792,473
Total common stock	20,881,876	-	-	20,881,876
Community investment promissory notes	-	788,983	-	788,983
Mutual funds	9,392,176	-	-	9,392,176
Bond funds	17,236,123	-	-	17,236,123
International funds	13,285,673	-	-	13,285,673
Total investments	60,795,848	788,983	-	61,584,831
Beneficial interest in trusts	-	-	335,379	335,379
Total	\$ 60,795,848	\$ 788,983	\$ 335,379	\$ 61,920,210

## 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, 2022:

	Level 1	Level 2	Level 3	Total
Investments:				
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
Total investments	59,364,303	922,175	-	60,286,478
Beneficial interest in trusts	-	-	323,970	323,970
Total	\$ 59,364,303	\$ 922,175	\$ 323,970	\$ 60,610,448

Investments restricted for endowments in the amounts of \$20,974,983 and \$41,798,458 are included in the above total investments, at June 30, 2023 and 2022, respectively.

#### Note 5. 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 5.47% 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 \$11,409 in the value of the beneficial interest in trusts for the year ended June 30, 2023 and an increase of \$5,515 in the value of the beneficial interest in trusts for the year ended June 30, 2022.

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

**Notes to Consolidated Financial Statements**

**Note 6. Grants Payable**

Grants with payment terms in excess of one year are currently subject to discounting at rates ranging from 1.45% to 3.81% for 2023 and 2022. Grants payable are expected to be disbursed as of June 30, 2023, as follows:

	2023	2022
Years ending June 30:		
2023		\$ 10,921,316
2024	\$ 12,656,103	5,343,848
2025	3,270,000	1,606,433
2026 and later	8,880,000	-
Grants payable	24,806,103	17,871,597
Discount	(1,532,096)	(51,028)
	23,274,007	17,820,569
Current portion	(12,656,103)	(10,921,316)
Grants payable, net of current portion	<u>\$ 10,617,904</u>	<u>\$ 6,899,253</u>

**Note 7. Net Assets Without Donor Restrictions**

Net assets without donor restrictions include a board-designated Quasi Endowment Future Fund (Future Fund) of \$14,955,579 and \$35,603,044 as of June 30, 2023 and 2022, respectively. This fund is comprised of investments in the consolidated statements of financial position. The Future 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. Also included in net assets without donor restrictions are board-designated reserves of \$20,000,000 as of June 30, 2023 and 2022. These reserves are included in investments in the consolidated statements of financial position.

**Note 8. Net Assets With Donor Restrictions**

Net assets with donor restrictions were restricted for the following at June 30, 2023 and 2022:

	2023	2022
Time restricted for general support	\$ 1,048,764	\$ 5,658,278
Purpose restricted for:		
Thematic grantmaking	3,268,906	4,609,486
Advocacy programs	161,056	144,435
Other restrictions	9,738,775	1,730,517
Movement	4,771,488	4,167,174
Fiscal sponsorship of women's funds	20,237,555	26,624,138
	38,177,780	37,275,750
Restricted for endowments:		
Access to education	6,019,404	6,195,414
Total net assets with donor restrictions	<u>\$ 45,245,948</u>	<u>\$ 49,129,442</u>

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 8. Net Assets With Donor Restrictions (Continued)

Net assets with donor restrictions were released for the following during the years ended June 30, 2023 and 2022:

	2023	2022
Time restricted for general support	\$ 4,534,743	\$ 5,543,925
Purpose restricted for:		
Thematic grantmaking	2,577,292	5,080,587
Advocacy programs	106,655	30,000
Other restrictions	4,654,191	4,214,653
Movement	3,384,752	868,717
Fiscal sponsorship of women's funds	15,745,733	1,477,506
	<u>26,468,623</u>	<u>11,671,463</u>
Restricted for endowments:		
Access to education	333,152	96,544
Total net assets with donor restrictions released	<u>\$ 31,336,518</u>	<u>\$ 17,311,932</u>

#### Note 9. 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 California enacted version of 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: (a) 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. 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

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#### Note 9. Endowment Fund (Continued)

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

**Strategies:** 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.

**Underwater policy:** From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor originally contributed as an endowment fund to the Organization. There were no such deficiencies at June 30, 2023 and 2022.

Endowment net assets composition by type of fund as of June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
The Lewis T. and Patsy P. Preston Fund	\$ -	\$ 6,005,385	\$ 6,005,385
Grace Jackson Fund	-	14,019	14,019
Board-designated endowment funds:			
Quasi Endowment Future Fund	14,955,579	-	14,955,579
	<u>\$ 14,955,579</u>	<u>\$ 6,019,404</u>	<u>\$ 20,974,983</u>

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

**Notes to Consolidated Financial Statements**

**Note 9. Endowment Fund (Continued)**

Changes in endowment net assets for the year ended June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 35,603,044	\$ 6,195,414	\$ 41,798,458
Investment return:			
Investment income, net	1,652,727	157,142	1,809,869
Amounts undesignated by board	(22,300,192)	-	(22,300,192)
Amounts appropriated for expenditure	-	(333,152)	(333,152)
Endowment net assets, end of year	<u>\$ 14,955,579</u>	<u>\$ 6,019,404</u>	<u>\$ 20,974,983</u>

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 Future 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 loss, net	(10,759,044)	(1,045,858)	(11,804,902)
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>

**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 \$380,443 and \$404,911 for the years ended June 30, 2023 and 2022, respectively.

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

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#### Note 11. Related-Party Transactions

During the years ended June 30, 2023 and 2022, 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 three such grants totaling \$59,500 and four such grants totaling \$1,211,200 during the years ended June 30, 2023 and 2022, respectively.

#### Note 12. Liquidity and Funds Available

The following table reflects the Organization's financial assets as of June 30, 2023 and 2022, 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, 2023 and 2022:

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 23,673,183	\$ 16,420,908
Contributions receivable, net	13,503,898	22,047,229
Other receivables	82,480	574,285
Total financial assets available	37,259,561	39,042,422
Contributions receivable, net with donor restrictions	(5,734,611)	(4,796,480)
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 31,524,950</u>	<u>\$ 34,245,942</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 7).

#### Note 13. Commitments and Contingencies

**Commitments:** The Organization leased facilities under an operating lease which expired in December 2022. In accordance with ASC 840 for June 30, 2022, minimum rental commitments under the operating leases were as follows:

Year ending June 30:	
2023	\$ 234,710

Rental expense was \$233,596 and \$348,302 in 2023 and 2022, respectively.