



Report of Independent Auditors and
Financial Statements

The Global Fund for Women, Inc.

June 30, 2014 and 2013

MOSS ADAMS L.P.

Certified Public Accountants | Business Consultants

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REPORT OF INDEPENDENT AUDITORS

The Board of Directors
The Global Fund for Women, Inc.

Report on Financial Statements

We have audited the accompanying financial statements of The Global Fund for Women, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Global Fund for Women, Inc. as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



San Francisco, California
October 3, 2014

FINANCIAL STATEMENTS

THE GLOBAL FUND FOR WOMEN, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,276,715	\$ 2,931,579
Investments	-	1,755,682
Contributions receivable	4,227,676	4,761,554
Other receivables	91,639	157,246
Prepaid expenses	200,480	135,344
Total current assets	<u>7,796,510</u>	<u>9,741,405</u>
LONG-TERM ASSETS		
Deposits	98,115	73,770
Investments designated for long-term purposes	6,597,168	5,816,970
Investments restricted for long-term purposes	5,338,572	4,842,969
Contributions receivable, net	3,824,975	2,871,098
Beneficial interest in trusts	334,966	305,844
Property and equipment, net	208,319	288,655
Total long-term assets	<u>16,402,115</u>	<u>14,199,306</u>
Total assets	<u>\$ 24,198,625</u>	<u>\$ 23,940,711</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Grants payable	\$ 2,279,598	\$ 2,991,290
Accounts payable and accrued expenses	553,385	364,820
Deferred support and revenue	-	237,397
Total current liabilities	<u>2,832,983</u>	<u>3,593,507</u>
Deferred rent	64,691	75,280
Total liabilities	<u>2,897,674</u>	<u>3,668,787</u>
NET ASSETS		
Unrestricted net assets	5,850,926	6,554,033
Temporarily restricted net assets	10,989,345	9,257,211
Permanently restricted net assets	4,460,680	4,460,680
Total net assets	<u>21,300,951</u>	<u>20,271,924</u>
Total liabilities and net assets	<u>\$ 24,198,625</u>	<u>\$ 23,940,711</u>

See accompanying notes.

THE GLOBAL FUND FOR WOMEN, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2014 (with Comparative Totals for the Year Ended June 30, 2013)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2014</u>	<u>Total 2013</u>
SUPPORT AND REVENUES					
Contributions					
Foundations and other organizations	\$ 2,367,584	\$ 8,947,243	\$ -	\$ 11,314,827	\$ 8,682,175
Corporations	152,687	269,720	-	422,407	374,326
Government/multilateral	-	243,748	-	243,748	626,959
Individuals	2,676,850	500,784	-	3,177,634	5,429,297
Special event contributions	1,026,004	11,250	-	1,037,254	684,944
Less: Cost of direct benefit to donors	<u>(355,654)</u>	<u>-</u>	<u>-</u>	<u>(355,654)</u>	<u>(242,738)</u>
Net revenues from special events	670,350	11,250	-	681,600	442,206
Other income	-	-	-	-	65,201
Investment income	959,752	778,942	-	1,738,694	1,429,875
Change in value of split interest agreements	-	29,122	-	29,122	20,736
In-kind donations	130,241	-	-	130,241	46,950
Net assets released from restrictions	<u>9,048,675</u>	<u>(9,048,675)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support and revenues	16,006,139	1,732,134	-	17,738,273	17,117,725
EXPENSES					
Program services					
Grants awarded	7,351,607	-	-	7,351,607	8,940,954
Grants and grantee services	3,635,290	-	-	3,635,290	3,014,071
Advocacy and innovation	<u>1,773,073</u>	<u>-</u>	<u>-</u>	<u>1,773,073</u>	<u>1,231,099</u>
Total program services	12,759,970	-	-	12,759,970	13,186,124
Management and general	1,391,879	-	-	1,391,879	1,200,318
Fundraising	<u>2,557,397</u>	<u>-</u>	<u>-</u>	<u>2,557,397</u>	<u>2,970,827</u>
Total expenses	16,709,246	-	-	16,709,246	17,357,269
CHANGE IN NET ASSETS	(703,107)	1,732,134	-	1,029,027	(239,544)
NET ASSETS, beginning of year	<u>6,554,033</u>	<u>9,257,211</u>	<u>4,460,680</u>	<u>20,271,924</u>	<u>20,511,468</u>
NET ASSETS, end of year	<u>\$ 5,850,926</u>	<u>\$ 10,989,345</u>	<u>\$ 4,460,680</u>	<u>\$ 21,300,951</u>	<u>\$ 20,271,924</u>

See accompanying notes.

THE GLOBAL FUND FOR WOMEN, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2013</u>
SUPPORT AND REVENUES				
Contributions				
Foundations and other organizations	\$ 3,072,078	\$ 5,610,097	\$ -	\$ 8,682,175
Corporations	170,076	204,250	-	374,326
Government/multilateral	-	626,959	-	626,959
Individuals	2,737,964	2,691,333	-	5,429,297
Special event contributions	684,944	-	-	684,944
Less: Cost of direct benefit to donors	(242,738)	-	-	(242,738)
Net revenues from special events	442,206	-	-	442,206
Other income	65,201	-	-	65,201
Investment income	799,399	630,476	-	1,429,875
Change in value of split interest agreements	-	16,890	3,846	20,736
In-kind donations	46,950	-	-	46,950
Net assets released from restrictions	9,658,025	(9,658,025)	-	-
Total support and revenues	16,991,899	121,980	3,846	17,117,725
EXPENSES				
Program services				
Grants awarded	8,940,954	-	-	8,940,954
Grants and grantee services	3,014,071	-	-	3,014,071
Advocacy and innovation	1,231,099	-	-	1,231,099
Total program services	13,186,124	-	-	13,186,124
Management and general	1,200,318	-	-	1,200,318
Fundraising	2,970,827	-	-	2,970,827
Total expenses	17,357,269	-	-	17,357,269
CHANGE IN NET ASSETS	(365,370)	121,980	3,846	(239,544)
NET ASSETS, beginning of year	6,919,403	9,135,231	4,456,834	20,511,468
NET ASSETS, end of year	<u>\$ 6,554,033</u>	<u>\$ 9,257,211</u>	<u>\$ 4,460,680</u>	<u>\$ 20,271,924</u>

See accompanying notes.

THE GLOBAL FUND FOR WOMEN, INC.
STATEMENTS OF CASH FLOWS
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 1,029,027	\$ (239,544)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Realized and unrealized gains on investments, net	(1,446,240)	(1,113,898)
Contributed assets	(34,135)	-
Discount on contributions receivable	182,114	20,907
Depreciation and amortization	157,086	174,518
Change in beneficial interest in trust	(29,122)	(20,736)
Changes in operating assets and liabilities		
Contributions receivable	(602,113)	(473,116)
Other receivables	65,607	(46,479)
Prepaid expenses	(65,136)	20,022
Deposits	(24,345)	2,386
Grants payable	(711,692)	(652,606)
Accounts payable and accrued expenses	188,565	45,768
Deferred support and revenue	(237,397)	237,397
Deferred rent	(10,589)	(10,754)
Net cash used by operating activities	<u>(1,538,370)</u>	<u>(2,056,135)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	(42,615)	(38,961)
Proceeds from sale of investments, net	5,257,678	5,049,764
Purchases of investments	<u>(3,331,557)</u>	<u>(5,223,208)</u>
Net cash provided by investing activities	1,883,506	(212,405)
Net increase (decrease) in cash and cash equivalents	345,136	(2,268,540)
CASH AND CASH EQUIVALENTS, beginning of year	<u>2,931,579</u>	<u>5,200,119</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 3,276,715</u>	<u>\$ 2,931,579</u>

See accompanying notes.

THE GLOBAL FUND FOR WOMEN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2014 (With Comparative Totals for the Year Ended June 30, 2013)

	<u>Grants and Grantee Services</u>	<u>Advocacy and Innovation</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Pooled</u>	<u>Total 2014</u>	<u>Total 2013</u>
Grants awarded	\$ 7,351,607	\$ -	\$ -	\$ -	\$ -	\$ 7,351,607	\$ 8,940,954
Other expenses							
Salaries	1,351,560	907,858	500,098	971,647	580,323	4,311,486	3,928,248
Payroll taxes	104,810	71,392	36,172	72,813	45,658	330,845	295,183
Employee benefits	242,512	144,202	82,678	158,939	167,872	796,203	692,256
Personnel costs	1,698,882	1,123,452	618,948	1,203,399	793,853	5,438,534	4,915,687
Advertising	2,639	1,749	313	3,200	4,796	12,697	1,000
Conferences and meetings	89,845	12,522	117	4,243	25	106,752	90,301
Depreciation	-	8,586	-	-	148,500	157,086	174,518
Information technology	20,897	43,109	8,370	19,245	95,374	186,995	31,068
Occupancy	6,573	453	2,461	150	743,066	752,703	767,908
Other	16,997	2,000	18,047	76,942	53,876	167,862	294,195
Outside/professional services	555,088	25,574	267,157	223,555	409,394	1,480,768	1,175,187
Postage and shipping	3,701	770	67	21,842	9,362	35,742	48,860
Printing and publications	5,239	683	159	119,584	67,159	192,824	73,621
Repairs and maintenance	-	684	-	-	9,203	9,887	13,520
Supplies	2,999	1,879	1,074	3,339	35,258	44,549	69,286
Telephone	8,922	4,059	6,222	2,015	39,392	60,610	56,613
Travel and meals	307,779	87,297	114,038	167,108	34,408	710,630	704,551
Pooled cost allocation	915,729	460,256	354,906	712,775	(2,443,666)	-	-
Total other expenses	3,635,290	1,773,073	1,391,879	2,557,397	-	9,357,639	8,416,315
Total expenses	<u>\$ 10,986,897</u>	<u>\$ 1,773,073</u>	<u>\$ 1,391,879</u>	<u>\$ 2,557,397</u>	<u>\$ -</u>	<u>\$ 16,709,246</u>	<u>\$ 17,357,269</u>

See accompanying notes.

THE GLOBAL FUND FOR WOMEN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2013

	<u>Grants and Grantee Services</u>	<u>Advocacy and Innovation</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Pooled</u>	<u>Total 2013</u>
Grants awarded	\$ 8,940,954	\$ -	\$ -	\$ -	\$ -	\$ 8,940,954
Other expenses						
Salaries	1,264,176	516,353	532,081	1,190,579	425,059	3,928,248
Payroll taxes	98,159	40,093	36,996	90,967	28,968	295,183
Employee benefits	216,294	88,346	84,515	189,531	113,570	692,256
Personnel costs	1,578,629	644,792	653,592	1,471,077	567,597	4,915,687
Advertising	710	290	-	-	-	1,000
Conferences and meetings	59,017	24,105	736	5,380	1,063	90,301
Depreciation	-	-	-	-	174,518	174,518
Information technology	6,761	2,762	202	522	20,821	31,068
Occupancy	2,982	1,218	-	-	763,708	767,908
Other	37,832	15,453	44,066	168,891	27,953	294,195
Outside/professional services	388,815	158,812	156,995	440,269	30,296	1,175,187
Postage and shipping	1,229	502	427	37,956	8,746	48,860
Printing and publications	4,364	1,782	210	67,181	84	73,621
Repairs and maintenance	-	-	-	-	13,520	13,520
Supplies	10,574	4,319	1,739	3,784	48,870	69,286
Telephone	4,699	1,919	6,351	1,466	42,178	56,613
Travel and meals	291,340	118,998	93,797	179,046	21,370	704,551
Pooled cost allocation	627,119	256,147	242,203	595,255	(1,720,724)	-
Total other expenses	3,014,071	1,231,099	1,200,318	2,970,827	-	8,416,315
Total expenses	<u>\$ 11,955,025</u>	<u>\$ 1,231,099</u>	<u>\$ 1,200,318</u>	<u>\$ 2,970,827</u>	<u>\$ -</u>	<u>\$ 17,357,269</u>

See accompanying notes.

THE GLOBAL FUND FOR WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Global Fund for Women, Inc. (the “Organization”) invests time, expertise and money in courageous women and women-led organizations to advance the rights of women and girls worldwide. Formed as a California nonprofit public benefit corporation organized on June 24, 1987, the Global Fund for Women is committed to smart grantmaking and advocacy. Global Fund for Women has a 25 year history of taking bold steps to advance women’s human rights and has cultivated an extensive international network of advisors, grantees, advocates and donors.

The Global Fund for Women, Inc. and the International Museum of Women (“IMOW”), an innovative online museum with a mission to inspire creativity, awareness, and action on vital global issues for women founded in 1997, merged. The merger brought together the Global Fund for Women’s expertise on issues, grantmaking and fundraising with the International Museum of Women’s skills in awareness-raising, online advocacy and digital story-telling. Under the terms of the merger, IMOW became a part of Global Fund for Women, Inc. on March 1, 2014. At the date of the merger, IMOW’s assets, liabilities, and net assets consisted of cash and cash equivalents (\$427,779), contributions receivable (\$235,700), other current assets (\$5,150), property and equipment, net (\$34,135), accounts payable and accrued expenses (\$30,910), and unrestricted net assets (\$671,854). At the date of the merger, the Organization recorded \$671,854 (equal to IMOW’s unrestricted net assets) as temporarily restricted net assets, for the purpose of supporting IMOW’s advocacy and innovation activities, in accordance with IMOW’s donor intentions.

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

The following program and supporting services are included in the accompanying 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 when approved by the Board of Directors for payment. Grantee Services are related to the Global Fund for Women’s direct grantmaking program and include: Grants Operations (\$2,074,885), such as reviewing applications, conducting due diligence, reporting; Learning Evaluation and Impact (\$795,595); and Capacity-building and Convening (\$764,810) to enhance grantee organizations and bring them together. Amounts listed in parentheses above represent total expenses for the year ended June 30, 2014.

Advocacy and innovation – Advocacy activities are related to advocacy, partnerships and the mobilization of resources to influence philanthropy to support women’s rights organizations.

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

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

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“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, fair value of investments and depreciation.

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. 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 prices, 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. The Organization's policy is to recognize transfers in and transfers out at the beginning of the period in which the event or change in circumstances occurred.

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

Investments – The Organization carries investments in marketable securities with readily determinable fair value and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. During the year ended June 30, 2014, the Organization moved the board designated reserve from managed investments to cash and cash equivalents.

Contributions receivable – Contributions are measured at their fair value and reported as increases in net assets. The Organization reports gifts of cash and other assets as restricted contributions when they are received with donor stipulations that limit the use of the donated assets. When the intent of the donor is that the assets are to remain in perpetuity and the Organization does not have the right to expend the original principal except in the event of losses or to make a scheduled payout, the assets are reported as permanently restricted. When a donor restriction is met, temporarily restricted net assets are released to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Net assets are also released from donor restrictions when time restrictions are satisfied. Contributions with payment terms in excess of one year are currently subject to discounting at 3% for 2014.

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, 2014 and 2013, respectively.

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.

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 \$302,713 and \$224,159 as of June 30, 2014 and 2013, respectively are included in accounts payable and accrued expenses in the statements of financial position.

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

Net assets – The Organization reports gifts of cash and other assets as restricted support, if they are received with donor stipulations that limit their use. Gifts other than cash are generally sold as soon as practical. When a donor restriction expires; that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. The Organization's net assets are categorized as follows:

Unrestricted net assets – Unrestricted net assets include unrestricted contributions, income earned on unrestricted or restricted net assets, and amounts for which restrictions have expired.

Temporarily restricted net assets – Temporarily restricted net assets represent resources restricted by donors for a specific purpose or based on a time restriction and the earnings on permanently restricted endowments. The related investment income, expense and realized and unrealized gains and losses of endowment funds are maintained in temporarily restricted net assets until released.

THE GLOBAL FUND FOR WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS

Permanently restricted net assets – Permanently restricted net assets represent cash and investments that are subject to gift instrument restrictions that require the principal to be invested in perpetuity. For permanently restricted endowments, the related investment income, expenses, and realized and unrealized gains or losses are included in temporarily restricted net assets in accordance with the Uniform Prudent Management of Institutional Funds Act (the “UPMIFA”).

Fiscal sponsorship – The Organization offers a fiscal sponsorship program for selected partner organizations whose work furthers the Organization’s mission and exempt purpose. The priority areas of focus for the fiscal sponsorship program are women’s funds and other grant making entities, although requests from other organizations are also considered. The largest organization in the fiscal sponsorship program is the International Network of Women’s Funds (“INWF”), a membership association linking Women’s Funds to promote philanthropy with a feminist perspective. INWF’s mission is to strengthen the political and financial capacity of Women’s Funds to empower women and girls and redistribute resources to transform their lives and communities. In the fiscal year ended June 30, 2014, temporarily restricted funds designated for INWF totaled approximately \$1,200,000.

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

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

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

Reclassifications – Certain reclassifications have been made to the 2013 financial statements to conform to the 2014 presentation. These reclassifications had no impact on change in net assets or net asset balances.

New accounting pronouncements – In October 2012, the FASB issued Accounting Standards Update (“ASU”) No. 2012-05, *Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows* (“ASU 2012-05”). The standard requires not-for-profit organizations to classify cash receipts from the sale of donated financial assets consistently with cash donations received, in the statement of cash flows, if those cash receipts were from the sale of donated financial assets that upon receipt were directed, without any organization imposed limitations, for sale and were converted nearly immediately into cash. Accordingly, the cash receipts from the sale of those financial assets should be classified as cash inflows from operating activities, unless the donor restricted the use of the contributed resources to long-term purposes, in which case those cash receipts should be classified as cash flows from financing activities. Otherwise, cash receipts from the sale of donated financial assets should be classified as cash flows from investing activities by the organization. The adoption of ASU 2012-05 is effective for the Organization beginning July 1, 2013. The adoption of ASU 2012-05 did not have a material impact on the Organization’s financial statements.

NOTE 2 – CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2014, are summarized as follows:

Expected receipt of contribution in:	
2014 - 2015	\$ 4,227,676
2015 - 2016	1,821,187
2016 - 2017	550,000
2017 - 2018	500,000
Over five years	<u>1,356,375</u>
Gross contributions receivable	8,455,238
Less discount for present value	<u>(402,587)</u>
Net contributions receivable	8,052,651
Less current portion	<u>(4,227,676)</u>
Long-term receivables	<u>\$ 3,824,975</u>

THE GLOBAL FUND FOR WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS

Contributions receivable at June 30, 2013, are summarized as follows:

Expected receipt of contribution in:		
2013 - 2014	\$	4,761,554
2014 - 2015		1,681,989
2015 - 2016		833,687
2016 - 2017		150,000
Over five years		<u>425,895</u>
Gross contributions receivable		7,853,125
Less discount for present value		<u>(220,473)</u>
Net contributions receivable		7,632,652
Less current portion		<u>(4,761,554)</u>
Long-term receivables	\$	<u><u>2,871,098</u></u>

Long-term contributions receivable are discounted using interest rates of 3% for the years ended June 30, 2014 and 2013, based on the expected time of receipt.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows:

	<u>2014</u>	<u>2013</u>
Furniture and equipment	\$ 122,145	\$ 244,196
Leasehold improvements	698,724	698,724
Intangible property - website	<u>79,785</u>	<u>1,000</u>
	900,654	943,920
Less: Accumulated depreciation and amortization	<u>(692,335)</u>	<u>(655,265)</u>
Total property and equipment, net	<u><u>\$ 208,319</u></u>	<u><u>\$ 288,655</u></u>

For the years ended June 30, 2014 and 2013, depreciation and amortization expense was \$157,086 and \$174,518, respectively. During the years ended June 30, 2014 and 2013, the Organization disposed of property and equipment with a cost basis of \$163,167 and a net book value of zero, and a cost basis of \$108,532 and a net book value of zero, respectively.

THE GLOBAL FUND FOR WOMEN, INC.
NOTES TO 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, 2014:

	Assets at fair value as of June 30, 2014			
	Level 1	Level 2	Level 3	Total
Fixed income				
Certificates of deposit	\$ -	\$ 100,133	\$ -	\$ 100,133
Corporate bonds	2,205,025	-	-	2,205,025
Government bonds	1,541,608	-	-	1,541,608
Total fixed income	3,746,633	100,133	-	3,846,766
Equities				
Common stock				
Energy	489,804	-	-	489,804
Materials	258,252	-	-	258,252
Industrial goods	686,096	-	-	686,096
Consumer discretionary	854,732	-	-	854,732
Consumer staples	464,845	-	-	464,845
Health care	945,237	-	-	945,237
Financial services	1,148,005	-	-	1,148,005
Technology	1,250,485	-	-	1,250,485
Telecommunications	51,323	-	-	51,323
Utilities	96,091	-	-	96,091
Total common stock	6,244,870	-	-	6,244,870
Community investment promissory notes	-	626,156	-	626,156
International funds	1,217,948	-	-	1,217,948
Beneficial interest in trusts	-	-	334,966	334,966
Total	<u>\$ 11,209,451</u>	<u>\$ 726,289</u>	<u>\$ 334,966</u>	<u>\$ 12,270,706</u>

THE GLOBAL FUND FOR WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS

The following table sets forth the Organization's assets that are measured at fair value on a recurring basis as of June 30, 2013:

	Assets at fair value as of June 30, 2013			
	Level 1	Level 2	Level 3	Total
Fixed income				
Certificates of deposit	\$ -	\$ 199,730	\$ -	\$ 199,730
Corporate bonds	3,160,822	-	-	3,160,822
Government bonds	1,829,896	-	-	1,829,896
Total fixed income	4,990,718	199,730	-	5,190,448
Equities				
Common stock				
Energy	592,542	-	-	592,542
Materials	139,305	-	-	139,305
Industrial goods	581,431	-	-	581,431
Consumer discretionary	663,542	-	-	663,542
Consumer staples	493,185	-	-	493,185
Health care	677,756	-	-	677,756
Financial services	922,257	-	-	922,257
Technology	1,296,215	-	-	1,296,215
Telecommunications	156,508	-	-	156,508
Utilities	211,893	-	-	211,893
Total common stock	5,734,634	-	-	5,734,634
Community investment promissory notes	-	475,000	-	475,000
International funds	1,015,539	-	-	1,015,539
Beneficial interest in trusts	-	-	305,844	305,844
Total	<u>\$ 11,740,891</u>	<u>\$ 674,730</u>	<u>\$ 305,844</u>	<u>\$ 12,721,465</u>

The following table provides a rollforward analysis of assets in the Statements of Financial Position, measured at fair value using significant unobservable inputs (Level 3) on a recurring basis during the year ended June 30:

	2014	2013
Beginning balance	\$ 305,844	\$ 285,108
Increase in value due to change in actuarial life expectancy	118	10,921
Increase in value due to change in estimated fair value of underlying trust assets	29,004	9,815
Ending balance	<u>\$ 334,966</u>	<u>\$ 305,844</u>

The Organization initially records beneficial interests 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 split interest agreements on the Statements of Activities. Valuation is reviewed annually by management by updating the life expectancy of the income beneficiary and using the fair market value from the trustee.

There were no significant transfers in and out of Level 1 and Level 2 fair value measurements.

THE GLOBAL FUND FOR WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - INVESTMENT INCOME

Investment income consisted of the following:

	<u>2014</u>	<u>2013</u>
Interest and dividends on securities	\$ 291,741	\$ 314,984
Other bank interest	713	993
Realized gain on investments	646,396	567,817
Unrealized gain on investments	799,844	546,081
Total investment income	<u>\$ 1,738,694</u>	<u>\$ 1,429,875</u>

NOTE 6 - COMMITMENTS

The Organization leases its facilities under operating leases expiring on July 2, 2016. Management expects that in the normal course of business, leases that expire will be renewed under available options or replaced by other leases. Minimum rental commitments under the operating leases at June 30, 2014, are as follows:

Year ending June 30:	
2015	\$ 743,529
2016	240,531
Total operating lease commitments	<u>\$ 984,060</u>

Rental expense was \$735,056 and \$756,404 in 2014 and 2013, respectively.

NOTE 7 - 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 split interest agreements on the statements of activities. The Organization recognized a \$29,122 and \$20,736 net increase in the value of the split interest agreements, for the years ended June 30, 2014 and 2013, respectively.

NOTE 8 - 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. Under the FDIC Transaction Account Guarantee Program ("TAGP"), all non-interest bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account.

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

The Organization has identified its financial instruments that are potentially subject to credit risk. These financial instruments consist principally of bank deposits and investments in fixed income securities and community investment promissory notes. For bank deposits, the amounts in excess of federal insurance at June 30, 2014 and 2013, were \$2,776,715 and \$1,234,512, respectively.

THE GLOBAL FUND FOR WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – RETIREMENT PLAN

The Organization has a tax-deferred contributory Section 403(b) retirement plan covering all regular employees who work 20 hours or more per week after one year of service. The Organization contributes five percent of the annual salary for all eligible employees. Retirement expense was \$170,272 and \$132,445 for the years ended June 30, 2014 and 2013, respectively.

NOTE 10 – UNRESTRICTED NET ASSETS

Unrestricted net assets include a Board-designated Quasi Endowment Legacy Fund (“Legacy Fund”) of \$5,850,926 and \$6,134,990, included in cash and cash equivalents and investments designated for long term purposes in the statements of financial position as of June 30, 2014 and 2013, respectively. 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. However, it is neither the practice nor the intent of the Organization to expend the principal of the Legacy Fund, except in the case of an emergency and as a last resort.

NOTE 11 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were restricted for the following at June 30:

	<u>2014</u>	<u>2013</u>
Time restricted for general support	\$ 4,351,861	\$ 1,746,367
Purpose restricted for:		
Regional programs	2,783,211	5,369,790
Access to education	1,292,568	1,243,885
Ending gender based violence	646,216	104,342
Health and reproductive rights	-	24,500
Advocacy and innovation programs	503,527	-
Organizational capacity	216,438	-
Other restrictions	1,000	27,141
Fiscal sponsorship of women's funds	1,194,524	741,186
Total temporarily restricted net assets	<u>\$ 10,989,345</u>	<u>\$ 9,257,211</u>

Temporarily restricted net assets were released for the following at June 30:

	<u>2014</u>	<u>2013</u>
Time restricted for general support	\$ 1,413,804	\$ 1,061,207
Purpose restricted for:		
Regional programs	4,268,745	5,208,336
Access to education	751,254	1,720,852
Ending gender based violence	765,450	190,000
Health and reproductive rights	245,000	147,120
Advocacy and innovation programs	225,887	-
Organizational capacity	510,704	-
Other restrictions	14,900	183,783
Fiscal sponsorship of women's funds	852,931	1,146,727
Total temporarily restricted net assets released	<u>\$ 9,048,675</u>	<u>\$ 9,658,025</u>

NOTE 12 – PERMANENTLY RESTRICTED NET ASSETS

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

THE GLOBAL FUND FOR WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS

Also included in Permanently Restricted Net Assets is a permanently restricted pledge with a present value of \$100,000 and \$100,000 at June 30, 2014 and 2013, respectively. The pledge contains provisions restricting the income earned on the funds to certain regional and thematic uses.

NOTE 13 - IN-KIND DONATIONS

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

	<u>2014</u>	<u>2013</u>
Legal	\$ 126,161	\$ 22,321
Events/other	4,080	24,629
Total in-kind donations	<u>\$ 130,241</u>	<u>\$ 46,950</u>

NOTE 14 - ENDOWMENT FUND

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

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

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

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

Endowment net assets composition by type of fund as of June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds				
The Lewis T. and Patsy P. Preston Fund	\$ -	\$ 1,297,659	\$ 4,360,680	\$ 5,658,339
Grace Jackson Fund	-	-	100,000	100,000
Board-Designated Endowment Funds				
Quasi Endowment Fund	5,850,926	-	-	5,850,926
Total	<u>\$ 5,850,926</u>	<u>\$ 1,297,659</u>	<u>\$ 4,460,680</u>	<u>\$ 11,609,265</u>

THE GLOBAL FUND FOR WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS

Changes in endowment net assets for the year ended June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 6,134,990	\$ 761,537	\$ 4,460,680	\$ 11,357,207
Investment return				
Investment income	156,945	134,796	-	291,741
Realized and unrealized gains	779,891	644,146	-	1,424,037
Contributions	210,820	-	-	210,820
Appropriation of endowment assets of expenditures	<u>(1,431,720)</u>	<u>(242,820)</u>	<u>-</u>	<u>(1,674,540)</u>
Endowment net assets, end of year	<u>\$ 5,850,926</u>	<u>\$ 1,297,659</u>	<u>\$ 4,460,680</u>	<u>\$ 11,609,265</u>

Endowment net assets composition by type of fund as of June 30, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds				
The Lewis T. and Patsy P. Preston Fund	\$ -	\$ 761,537	\$ 4,360,680	\$ 5,122,217
Grace Jackson Fund	-	-	100,000	100,000
Board-Designated Endowment Funds				
Quasi Endowment Fund	<u>6,134,990</u>	<u>-</u>	<u>-</u>	<u>6,134,990</u>
Total	<u>\$ 6,134,990</u>	<u>\$ 761,537</u>	<u>\$ 4,460,680</u>	<u>\$ 11,357,207</u>

Changes in endowment net assets for the year ended June 30, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 5,630,216	\$ 324,610	\$ 4,456,834	\$ 10,411,660
Investment return				
Investment income	141,974	123,988	-	265,962
Realized and unrealized gains	614,376	506,127	-	1,120,503
Contributions	-	-	3,846	3,846
Appropriation of endowment assets of expenditures	<u>(251,576)</u>	<u>(193,188)</u>	<u>-</u>	<u>(444,764)</u>
Endowment net assets, end of year	<u>\$ 6,134,990</u>	<u>\$ 761,537</u>	<u>\$ 4,460,680</u>	<u>\$ 11,357,207</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 both capital appreciation (realized and unrealized) through equity-based investments and current yield (interest and dividends) through fixed income investments. The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its return objectives within prudent risk constraints.

THE GLOBAL FUND FOR WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS

Employed for Achieving Objectives

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distribution each year an amount not to exceed six percent of its endowment fund's average asset fair market value over the past twelve 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 are deriving revenue from products seen as harmful to the rights of women and girls, in particular their health and freedom from violence. The secondary avoidance screen avoids investing in companies that have business practices that do not uphold the dignity and rights of female workers and consumers. The supportive investment screens include investing in alternative energy and companies that believe in a high quality of products and services, research, being of service to the economically disadvantaged, and fostering a sense of community and respect in the workplace. The proactive social investment includes shareholder activism on issues that reflect the Organization's values.

NOTE 15 – TAX STATUS

The Organization 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. The Organization is also exempt from California income tax under Section 23701d of Revenue and Taxation Code. The Organization is generally no longer subject to tax examinations relating to federal and state tax returns for years prior to 2009.

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

The Organization assesses its accounting for uncertainties in income taxes recognized in its financial statements and prescribes a threshold of more-likely-than-not for recognition and de-recognition of tax positions or expected to be taken in a tax return.

NOTE 16 – RELATED PARTY TRANSACTIONS

During the years ended June 30, 2014 and 2013, the Organization paid grants to organizations for which a board member is the President or the Executive Director. Members of the Board who are either the President or the Executive Director of a Global Fund for Women grantee organization recuse themselves when the Board decides whether to approve these grants. The Organization awarded two such grants totaling \$50,000 and \$220,085 during the years ended June 30, 2014 and 2013, respectively.

NOTE 17 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. The Organization recognizes in the 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 financial statements. The Organization's 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 financial statements were available to be issued. The Organization has evaluated all subsequent events through October 3, 2014, the date of this report, and determined there are no material recognized or unrecognized subsequent events, the nature of which would require disclosure.