



Report of Independent Auditors and  
Financial Statements

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

June 30, 2013 and 2012

**MOSS ADAMS** LLP

Certified Public Accountants | Business Consultants

*Acumen. Agility. Answers.*

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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 statement of financial position as of June 30, 2013, and the related statements of activities, cash flows, and functional expenses for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence 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, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matter***

The financial statements of The Global Fund for Women, Inc. as of June 30, 2012, were audited by other auditors whose report dated September 14, 2012, expressed an unmodified opinion on these statements.

*Moss Adams LLP*

San Francisco, California  
September 16, 2013

## **FINANCIAL STATEMENTS**

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**THE GLOBAL FUND FOR WOMEN, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,931,579	\$ 5,200,119
Investments	1,755,682	1,440,569
Contributions receivable	4,761,554	3,729,974
Other receivables	157,246	110,767
Prepaid expenses	<u>135,344</u>	<u>155,366</u>
Total current assets	<u>9,741,405</u>	<u>10,636,795</u>
<b>LONG-TERM ASSETS</b>		
Deposits	73,770	76,156
Investments designated for long-term purposes	5,816,970	5,334,140
Investments restricted for long-term purposes	4,842,969	4,353,570
Contributions receivable, net	2,871,098	3,450,469
Beneficial interest in trusts	305,844	285,108
Property and equipment, net	<u>288,655</u>	<u>424,212</u>
Total long-term assets	<u>14,199,306</u>	<u>13,923,655</u>
Total assets	<u>\$ 23,940,711</u>	<u>\$ 24,560,450</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Grants payable	\$ 2,991,290	\$ 3,643,896
Accounts payable and accrued expenses	364,820	319,052
Deferred support and revenue	<u>237,397</u>	<u>-</u>
Total current liabilities	3,593,507	3,962,948
Deferred rent	<u>75,280</u>	<u>86,034</u>
Total liabilities	<u>3,668,787</u>	<u>4,048,982</u>
<b>NET ASSETS</b>		
Unrestricted net assets	6,554,033	6,919,403
Temporarily restricted net assets	9,257,211	9,135,231
Permanently restricted net assets	<u>4,460,680</u>	<u>4,456,834</u>
Total net assets	<u>20,271,924</u>	<u>20,511,468</u>
Total liabilities and net assets	<u>\$ 23,940,711</u>	<u>\$ 24,560,450</u>

*See accompanying notes.*

**THE GLOBAL FUND FOR WOMEN, INC.**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2013 (with Comparative Totals for the Year Ended June 30, 2012)**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total 2013</b>	<b>Total 2012</b>
<b>Support and revenues</b>					
Contributions					
Foundations and other organizations	\$ 2,022,891	\$ 3,397,097	\$ -	\$ 5,419,988	\$ 5,334,153
Corporations	170,076	204,250	-	374,326	445,718
Government/multilateral	-	626,959	-	626,959	5,202,832
Individuals	3,787,151	4,904,333	-	8,691,484	6,680,877
Special event contributions	684,944	-	-	684,944	9,015
Less: Cost of direct benefit to donors	(242,738)	-	-	(242,738)	-
Net revenues from special events	442,206	-	-	442,206	9,015
Other income	65,201	-	-	65,201	-
Investment income	799,399	630,476	-	1,429,875	126,900
Change in value of split interest agreements	-	16,890	3,846	20,736	(8,503)
In-kind donations	46,950	-	-	46,950	82,027
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	17,873,019
<b>Expenses</b>					
Program services					
Grants awarded	8,940,954	-	-	8,940,954	7,775,761
Other program services	4,245,170	-	-	4,245,170	3,403,035
Total program services	13,186,124	-	-	13,186,124	11,178,796
Management and general	1,200,318	-	-	1,200,318	1,205,666
Fundraising	2,970,827	-	-	2,970,827	2,428,829
Total expenses	17,357,269	-	-	17,357,269	14,813,291
<b>Change in net assets</b>	(365,370)	121,980	3,846	(239,544)	3,059,728
<b>Net assets, beginning of year</b>	6,919,403	9,135,231	4,456,834	20,511,468	17,451,740
<b>Net assets, end of year</b>	\$ 6,554,033	\$ 9,257,211	\$ 4,460,680	\$ 20,271,924	\$ 20,511,468

*See accompanying notes.*

**THE GLOBAL FUND FOR WOMEN, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support and revenues</b>				
Contributions				
Foundations and other organizations	\$ 1,083,239	\$ 4,250,914	\$ -	\$ 5,334,153
Corporations	162,118	283,600	-	445,718
Government/multilateral	-	5,202,832	-	5,202,832
Individuals	5,566,628	1,114,249	-	6,680,877
Special event contributions	6,365	2,650	-	9,015
Investment income	91,455	35,445	-	126,900
Change in value of split interest agreements	-	(8,503)	-	(8,503)
In-kind donations	82,027	-	-	82,027
Net assets released from restrictions	6,412,482	(6,412,482)	-	-
Total support and revenues	<u>13,404,314</u>	<u>4,468,705</u>	<u>-</u>	<u>17,873,019</u>
<b>Expenses</b>				
Program services				
Grants awarded	7,775,761	-	-	7,775,761
Other program services	3,403,035	-	-	3,403,035
Total program services	<u>11,178,796</u>	<u>-</u>	<u>-</u>	<u>11,178,796</u>
Management and general	1,205,666	-	-	1,205,666
Fundraising	2,428,829	-	-	2,428,829
Total expenses	<u>14,813,291</u>	<u>-</u>	<u>-</u>	<u>14,813,291</u>
<b>Change in net assets</b>	(1,408,977)	4,468,705	-	3,059,728
<b>Net assets, beginning of year</b>	<u>8,328,380</u>	<u>4,666,526</u>	<u>4,456,834</u>	<u>17,451,740</u>
<b>Net assets, end of year</b>	<u>\$ 6,919,403</u>	<u>\$ 9,135,231</u>	<u>\$ 4,456,834</u>	<u>\$ 20,511,468</u>

*See accompanying notes.*

**THE GLOBAL FUND FOR WOMEN, INC.**  
**STATEMENTS OF CASH FLOWS**  
**June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (239,544)	\$ 3,059,728
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Realized and unrealized (gains) losses on investments, net	(1,113,898)	251,633
Contributions of stock and bond funds	(1,464,989)	(1,141,358)
Depreciation and amortization expense	174,518	181,103
Change in beneficial interest in trust	(20,736)	8,503
Changes in operating assets and liabilities		
Contributions receivable	(452,209)	(4,185,760)
Other receivables	(46,479)	(44,580)
Prepaid expenses	20,022	(25,653)
Deposits	2,386	(14,039)
Grants payable	(652,606)	396,470
Accounts payable and accrued expenses	45,768	83,805
Deferred support and revenue	237,397	-
Deferred rent	(10,754)	3,584
Net cash used by operating activities	<u>(3,521,124)</u>	<u>(1,426,564)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	(38,961)	(37,440)
Proceeds from sale of investments, net	6,514,753	5,153,494
Purchases of investments	(5,223,208)	(3,600,136)
Net cash provided by investing activities	1,252,584	1,515,918
Net increase (decrease) in cash and cash equivalents	(2,268,540)	89,354
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>5,200,119</u>	<u>5,110,765</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 2,931,579</u>	<u>\$ 5,200,119</u>

*See accompanying notes.*



**THE GLOBAL FUND FOR WOMEN, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2013 (With Comparative Totals for the Year Ended June 30, 2012)**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Pooled</u>	<u>Total 2013</u>	<u>Total 2012</u>
Grants awarded	\$ 8,940,954	\$ -	\$ -	\$ -	\$ 8,940,954	\$ 7,775,761
Other expenses						
Salaries	1,780,529	532,081	1,190,579	425,059	3,928,248	3,393,517
Payroll taxes	138,252	36,996	90,967	28,968	295,183	274,911
Employee benefits	<u>304,640</u>	<u>84,515</u>	<u>189,531</u>	<u>113,570</u>	<u>692,256</u>	<u>689,065</u>
Personnel costs	2,223,421	653,592	1,471,077	567,597	4,915,687	4,357,493
Advertising	1,000	-	-	-	1,000	5,250
Conferences and meetings	83,122	736	5,380	1,063	90,301	24,425
Depreciation	-	-	-	174,518	174,518	181,103
Information technology	9,523	202	522	20,821	31,068	33,719
Occupancy	4,200	-	-	763,708	767,908	732,374
Other	53,285	44,066	168,891	27,953	294,195	213,512
Outside/professional services	547,627	156,995	440,269	30,296	1,175,187	808,738
Postage and shipping	1,731	427	37,956	8,746	48,860	37,385
Printing and publications	6,146	210	67,181	84	73,621	43,692
Repairs and maintenance	-	-	-	13,520	13,520	6,138
Supplies	14,893	1,739	3,784	48,870	69,286	32,646
Telephone	6,618	6,351	1,466	42,178	56,613	43,095
Travel and meals	410,338	93,797	179,046	21,370	704,551	517,960
Pooled cost allocation	<u>883,266</u>	<u>242,203</u>	<u>595,255</u>	<u>(1,720,724)</u>	<u>-</u>	<u>-</u>
Total other expenses	<u>4,245,170</u>	<u>1,200,318</u>	<u>2,970,827</u>	<u>-</u>	<u>8,416,315</u>	<u>7,037,530</u>
Total expenses	<u>\$ 13,186,124</u>	<u>\$ 1,200,318</u>	<u>\$ 2,970,827</u>	<u>\$ -</u>	<u>\$ 17,357,269</u>	<u>\$ 14,813,291</u>

*See accompanying notes.*

**THE GLOBAL FUND FOR WOMEN, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2012**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Pooled</b>	<b>Total 2012</b>
Grants awarded	\$ 7,775,761	\$ -	\$ -	\$ -	\$ 7,775,761
Other expenses					
Salaries	1,480,278	532,398	1,006,261	374,580	3,393,517
Payroll taxes	117,500	41,162	83,469	32,780	274,911
Employee benefits	283,695	109,335	183,620	112,415	689,065
Personnel costs	1,881,473	682,895	1,273,350	519,775	4,357,493
Advertising	3,938	-	1,312	-	5,250
Conferences and meetings	18,195	16	3,021	3,193	24,425
Depreciation	-	-	-	181,103	181,103
Information technology	13,131	7	4,443	16,138	33,719
Occupancy	20,181	-	47,949	664,244	732,374
Other	32,685	12,968	133,756	34,103	213,512
Outside/professional services	354,397	121,556	239,870	92,915	808,738
Postage and shipping	4,341	15	26,566	6,463	37,385
Printing and publications	6,202	-	37,490	-	43,692
Repairs and maintenance	577	-	1,743	3,818	6,138
Supplies	7,447	2,130	11,060	12,009	32,646
Telecommunications	9,968	1,536	5,549	26,042	43,095
Travel and meals	247,680	87,994	132,403	49,883	517,960
Pooled cost allocations	802,820	296,549	510,317	(1,609,686)	-
Total other expenses	3,403,035	1,205,666	2,428,829	-	7,037,530
Total expenses	<u>\$ 11,178,796</u>	<u>\$ 1,205,666</u>	<u>\$ 2,428,829</u>	<u>\$ -</u>	<u>\$ 14,813,291</u>

*See accompanying notes.*

# THE GLOBAL FUND FOR WOMEN, INC.

## NOTES TO FINANCIAL STATEMENTS

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### 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 because these are the most effective ways to achieve social change. Formed as a California nonprofit public benefit corporation organized on June 24, 1987, the Organization is committed to smart grantmaking practices. Throughout its 26 year history, the Organization has developed wide-ranging experience and cultivated an extensive international network of advisors, grantees, and donors.

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

**Program services** – Program services include Grantmaking, Convening, Capacity Building, and Advocacy. 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. In addition to grantmaking, the key program activities include connecting and convening grantees, supporting and building the capacity of the grantees, and evaluating the impact of the grants.

**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, 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 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. The standard 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 active 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.

**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%.

**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, 2013 and 2012, respectively.

**Property and equipment and depreciation** – All acquisitions of property and equipment in excess of \$1,000 and expenditures for repairs, maintenance renewals and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are recorded at cost or, if donated, the approximate fair value on the date of donation. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis, primarily three to five years.

**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 \$224,159 and \$148,594 as of June 30, 2013 and 2012, 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 the use of donated assets. 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.

**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 Organization has variance power over these funds. 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, 2013, temporarily restricted funds designated for INWF totaled approximately \$700,000.

**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.

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

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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 2012 financial statements to conform to the 2013 presentation. These reclassifications had no impact on change in net assets or net asset balances.

**NOTE 2 – CONTRIBUTIONS RECEIVABLE**

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

	<u>Temporarily Restricted</u>
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>\$ 2,871,098</u>

Long-term contributions receivable are discounted using interest rates of 3% for the years ended June 30, 2013 and 2012, based on the expected time of receipt.

**NOTE 3 – PROPERTY AND EQUIPMENT**

Property and equipment is summarized as follows:

	<u>2013</u>	<u>2012</u>
Furniture and equipment	\$ 244,196	\$ 303,768
Leasehold improvements	698,724	698,724
Intangible property - website	<u>1,000</u>	<u>11,000</u>
	943,920	1,013,492
Less: Accumulated depreciation and amortization	<u>(655,265)</u>	<u>(589,280)</u>
Total property and equipment, net	<u>\$ 288,655</u>	<u>\$ 424,212</u>

For the years ended June 30, 2013 and 2012, depreciation and amortization expense was \$174,518 and \$181,103, respectively. During the years ended June 30, 2013 and 2012, the Organization disposed of property and equipment with a cost basis of \$108,532 and a net book value of zero, and a cost basis of \$71,386 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, 2013:

	<b>Assets at fair value as of June 30, 2013</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
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 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, 2012:

	Assets at fair value as of June 30, 2012			Total
	Level 1	Level 2	Level 3	
Fixed income				
Certificates of deposit	\$ -	\$ 200,000	\$ -	\$ 200,000
Corporate bonds	2,654,498	-	-	2,654,498
Government bonds	1,964,584	-	-	1,964,584
Total fixed income	4,619,082	200,000	-	4,819,082
Equities				
Common stock				
Energy	480,749	-	-	480,749
Materials	158,332	-	-	158,332
Industrial goods	555,036	-	-	555,036
Consumer discretionary	615,044	-	-	615,044
Consumer staples	509,408	-	-	509,408
Health care	568,724	-	-	568,724
Financial services	789,367	-	-	789,367
Technology	1,043,908	-	-	1,043,908
Telecommunications	168,307	-	-	168,307
Utilities	157,558	-	-	157,558
Total common stock	5,046,433	-	-	5,046,433
Preferred stock	146,631	-	-	146,631
Community investment promissory notes	-	375,000	-	375,000
International funds	741,133	-	-	741,133
Beneficial interest in trusts	-	-	285,108	285,108
Total	\$ 10,553,279	\$ 575,000	\$ 285,108	\$ 11,413,387

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:

	2013	2012
Beginning balance	\$ 285,108	\$ 293,611
Increase in value due to change in actuarial life expectancy	10,921	32,662
Increase (decrease) in value due to change in estimated fair value of underlying trust assets	9,815	(41,165)
Ending balance	\$ 305,844	\$ 285,108

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.

**NOTE 5 - INVESTMENTS**

Investment income consisted of the following:

	<b>2013</b>	<b>2012</b>
Interest and dividends on securities	\$ 314,984	\$ 378,106
Other bank interest	993	427
Realized gain on investments	567,817	-
Unrealized gain (loss) on investments	546,081	(251,633)
Total investment return	\$ 1,429,875	\$ 126,900

**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, 2013, are as follows:

Year ending June 30:		
2014	\$	718,948
2015		743,529
2016		240,531
Total operating lease commitments	\$	1,703,008

Rental expense was \$756,404 and \$717,683 in 2013 and 2012, 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 \$20,736 net increase and an \$8,503 net decrease in the value of the split interest agreements, for the years ended June 30, 2013 and 2012, respectively.

**NOTE 8 - CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash balances at various financial institutions and brokerage firms. The Federal Deposit Insurance Corporation ("FDIC") insures account balances up to \$250,000. Under the FDIC Transaction Account Guarantee Program ("TAGP"), all non-interest bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account.

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

The Organization has identified its financial instruments that are potentially subject to credit risk. These financial instruments consist principally of bank deposits and investments in fixed income securities. For bank deposits, the amounts in excess of federal insurance at June 30, 2013 and 2012, was \$1,234,512 and \$3,363,029, respectively.



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

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**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 \$132,445 and \$105,768 in for the years ended June 30, 2013 and 2012, respectively.

**NOTE 10 - UNRESTRICTED NET ASSETS**

Unrestricted net assets include a Board-designated Quasi Endowment Legacy Fund ("Legacy Fund") of \$6,134,990 and \$5,630,216, included in cash and cash equivalents and investments designated for long term purposes in the statements of financial position, for the years ended June 30, 2013 and 2012, 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>2013</u>	<u>2012</u>
Time restricted for general support	\$ 1,746,367	\$ 1,508,541
Purpose restricted for:		
Regional programs	5,369,790	5,726,529
Access to education	1,243,885	817,278
Ending gender based violence	104,342	43,259
Health and reproductive rights	24,500	38,283
Other restrictions	27,141	-
Fiscal sponsorship of women's funds	741,186	1,001,341
Total temporarily restricted net assets	<u>\$ 9,257,211</u>	<u>\$ 9,135,231</u>

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

	<u>2013</u>	<u>2012</u>
Time restricted for general support	\$ 1,061,207	\$ 1,227,409
Purpose restricted for:		
Regional programs	5,208,336	3,116,624
Access to education	1,720,852	495,955
Ending gender based violence	190,000	400,000
Health and reproductive rights	147,120	431,717
Other restrictions	183,783	-
Fiscal sponsorship of women's funds	1,146,727	740,777
Total temporarily restricted net assets released	<u>\$ 9,658,025</u>	<u>\$ 6,412,482</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, then the Organization is authorized to expend the principal to make up the shortage.

Also included in Permanently Restricted Net Assets is a permanently restricted pledge with a present value of \$100,000 and \$96,154 at June 30, 2013 and 2012, respectively. The pledge contains provisions restricting the income earned on the funds to certain regional and thematic uses.

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

**NOTE 13 - IN-KIND DONATIONS**

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

	<u>2013</u>	<u>2012</u>
Legal	\$ 22,321	\$ 66,123
Events/other	24,629	15,904
Total in-kind donations	<u>\$ 46,950</u>	<u>\$ 82,027</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, 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	6,134,990	-	-	6,134,990
Total	<u>\$ 6,134,990</u>	<u>\$ 761,537</u>	<u>\$ 4,460,680</u>	<u>\$ 11,357,207</u>

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

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>

Endowment net assets composition by type of fund as of June 30, 2012:

	<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	\$ -	\$ 324,610	\$ 4,360,680	\$ 4,685,290
Grace Jackson Fund	-	-	96,154	96,154
Board-designated Endowment funds				
Quasi Endowment fund	<u>5,630,216</u>	<u>-</u>	<u>-</u>	<u>5,630,216</u>
Total	<u>\$ 5,630,216</u>	<u>\$ 324,610</u>	<u>\$ 4,456,834</u>	<u>\$ 10,411,660</u>

Changes in endowment net assets for the year ended June 30, 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 5,864,494	\$ 471,858	\$ 4,456,834	\$ 10,793,186
Investment return				
Investment income	133,211	140,891	-	274,102
Realized and unrealized losses	(66,326)	(72,785)	-	(139,111)
Contributions	-	-	-	-
Appropriation of endowment assets of expenditures	<u>(301,163)</u>	<u>(215,354)</u>	<u>-</u>	<u>(516,517)</u>
Endowment net assets, end of year	<u>\$ 5,630,216</u>	<u>\$ 324,610</u>	<u>\$ 4,456,834</u>	<u>\$ 10,411,660</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 Employed for Achieving Objectives*

To satisfy its investment policy objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) through equity-based investments and current yield (interest and dividends) through fixed income investments. The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its return objectives within prudent risk constraints.

*Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Organization has a policy of appropriating for distribution each year an amount not to exceed six percent of its endowment fund's average asset fair market value 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.

**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 2008.

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, 2013 and 2012, 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 \$220,085 and \$160,000 during the years ended June 30, 2013 and 2012, 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. In July 2013, the Organization entered into a sub-lease for the New York office with lease terms of three years. The future lease payments are included in Note 6. The Organization has evaluated all subsequent events through September 16, 2013, the date of this report, and determined there are no additional material recognized or unrecognized subsequent events, the nature of which would require disclosure.