



*Report of Independent Auditors and  
Consolidated Financial Statements*

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

*June 30, 2020 and 2019*



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## **Report of Independent Auditors**

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

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of The Global Fund for Women, Inc. (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

#### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated 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, 2020 and 2019, 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.

*Moss Adams LLP*

San Francisco, California  
October 23, 2020

## **Consolidated Financial Statements**

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**The Global Fund for Women, Inc.**  
**Consolidated Statements of Financial Position**  
**June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 24,668,200	\$ 20,864,586
Contributions receivable, net	7,663,298	3,686,223
Other receivables	744,925	222,655
Prepaid expenses	178,607	162,938
	<u>33,255,030</u>	<u>24,936,402</u>
<b>NON-CURRENT ASSETS</b>		
Deposits	42,680	42,680
Investments designated for long-term purposes	9,915,912	7,853,969
Investments restricted for long-term purposes	6,054,870	6,073,511
Contributions receivable, net of current portion	5,490,185	1,766,408
Beneficial interest in trusts	328,616	285,900
Property and equipment, net	140,777	176,042
Other assets	-	256,318
	<u>21,973,040</u>	<u>16,454,828</u>
Total current assets	<u>\$ 55,228,070</u>	<u>\$ 41,391,230</u>
Total non-current assets	<u>21,973,040</u>	<u>16,454,828</u>
Total assets	<u>\$ 55,228,070</u>	<u>\$ 41,391,230</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Grants payable	\$ 8,172,648	\$ 6,062,808
Accounts payable and accrued expenses	657,505	898,734
Deferred revenue	-	480,000
	<u>8,830,153</u>	<u>7,441,542</u>
Total current liabilities	8,830,153	7,441,542
Notes payable	977,350	-
Deferred rent	92,280	109,879
Grants payable, net of current portion	4,380,364	6,553,441
	<u>5,449,994</u>	<u>6,663,320</u>
Total long-term liabilities	5,449,994	6,663,320
Total liabilities	<u>14,280,147</u>	<u>14,104,862</u>
<b>NET ASSETS</b>		
Without donor restrictions	12,944,150	10,141,530
With donor restrictions	28,003,773	17,144,838
	<u>40,947,923</u>	<u>27,286,368</u>
Total net assets	40,947,923	27,286,368
Total liabilities and net assets	<u>\$ 55,228,070</u>	<u>\$ 41,391,230</u>

**The Global Fund for Women, Inc.**  
**Consolidated Statement of Activities**  
**For the Year Ended June 30, 2020 (with Comparative Totals for the Year Ended June 30, 2019)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2020</u>	<u>Total 2019</u>
<b>SUPPORT AND REVENUES</b>				
Contributions				
Foundations and other organizations	\$ 1,880,648	\$ 2,886,789	\$ 4,767,437	\$ 2,274,533
Corporations	289,378	100,780	390,158	290,744
Government/multilateral	-	10,000,000	10,000,000	20,000
Individuals	5,764,114	8,748,659	14,512,773	13,197,709
Bequests	-	-	-	1,452,465
Other income	1,172,483	687,652	1,860,135	416,488
Investment income, net	507,602	351,079	858,681	1,244,617
Change in value of beneficial interest in trusts	-	42,716	42,716	18,862
In-kind donations	192,128	-	192,128	11,213
Net assets released from restrictions	11,958,740	(11,958,740)	-	-
	<u>21,765,093</u>	<u>10,858,935</u>	<u>32,624,028</u>	<u>18,926,631</u>
<b>EXPENSES</b>				
Program services				
Grants awarded	9,607,487	-	9,607,487	10,806,590
Grants and grantee services	3,711,317	-	3,711,317	2,342,045
Advocacy	1,754,318	-	1,754,318	1,736,722
	<u>15,073,122</u>	<u>-</u>	<u>15,073,122</u>	<u>14,885,357</u>
Management and general	1,449,809	-	1,449,809	1,468,081
Fundraising	2,439,542	-	2,439,542	2,530,269
	<u>18,962,473</u>	<u>-</u>	<u>18,962,473</u>	<u>18,883,707</u>
<b>CHANGE IN NET ASSETS</b>	2,802,620	10,858,935	13,661,555	42,924
<b>NET ASSETS</b> , beginning of year	<u>10,141,530</u>	<u>17,144,838</u>	<u>27,286,368</u>	<u>27,243,444</u>
<b>NET ASSETS</b> , end of year	<u>\$ 12,944,150</u>	<u>\$ 28,003,773</u>	<u>\$ 40,947,923</u>	<u>\$ 27,286,368</u>

See accompanying notes.

**The Global Fund for Women, Inc.**  
**Consolidated Statement of Activities**  
**For the Year Ended June 30, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total 2019</b>
<b>SUPPORT AND REVENUES</b>			
Contributions			
Foundations and other organizations	\$ 224,817	\$ 2,049,716	\$ 2,274,533
Corporations	261,121	29,623	290,744
Government/multilateral	-	20,000	20,000
Individuals	6,001,218	7,196,491	13,197,709
Bequests	1,452,465	-	1,452,465
Other income	416,488	-	416,488
Investment income, net	689,187	555,430	1,244,617
Change in value of beneficial interest in trusts	-	18,862	18,862
In-kind donations	11,213	-	11,213
Net assets released from restrictions	10,313,806	(10,313,806)	-
Total support and revenues	19,370,315	(443,684)	18,926,631
<b>EXPENSES</b>			
Program services			
Grants awarded	10,806,590	-	10,806,590
Grants and grantee services	2,342,045	-	2,342,045
Advocacy	1,736,722	-	1,736,722
Total program services	14,885,357	-	14,885,357
Management and general	1,468,081	-	1,468,081
Fundraising	2,530,269	-	2,530,269
Total expenses	18,883,707	-	18,883,707
<b>CHANGE IN NET ASSETS</b>	486,608	(443,684)	42,924
<b>NET ASSETS</b> , beginning of year	9,654,922	17,588,522	27,243,444
<b>NET ASSETS</b> , end of year	\$ 10,141,530	\$ 17,144,838	\$ 27,286,368

See accompanying notes.



**The Global Fund for Women, Inc.**  
**Consolidated Statement of Functional Expenses**  
**Year Ended June, 30 2020 (with Comparative Totals for the Year Ended June 30, 2019)**

	<u>Program Services</u>		<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Pooled</u>	<u>Total 2020</u>
	<u>Grants and Grantee Services</u>	<u>Advocacy</u>					
Grants awarded	\$ 9,607,487	\$ -	\$ 9,607,487	\$ -	\$ -	\$ -	\$ 9,607,487
Other expenses							
Salaries	1,719,606	569,827	2,289,433	711,416	1,160,524	114,910	4,276,283
Payroll taxes	125,122	43,702	168,824	28,294	85,366	11,017	293,501
Employee benefits	224,156	79,735	303,891	41,623	143,116	207,820	696,450
Personnel costs	2,068,884	693,264	2,762,148	781,333	1,389,006	333,747	5,266,234
Advertising	-	169,990	169,990	-	23,126	2,780	195,896
Conferences and meetings	1,614	34	1,648	4,252	1,048	8,418	15,366
Depreciation and amortization	299,334	300,000	599,334	-	-	63,284	662,618
Information technology	1,533	39,441	40,974	38,670	16,536	53,113	149,293
Occupancy	-	-	-	-	-	511,190	511,190
Other	40,435	15,789	56,224	26,519	63,609	32,444	178,796
Outside/professional services	426,707	297,490	724,197	395,207	373,700	267,168	1,760,272
Postage and shipping	358	26	384	280	26,933	5,557	33,154
Printing and publications	1,120	728	1,848	-	58,887	3	60,738
Supplies	2,958	1,293	4,251	233	3,071	18,178	25,733
Telephone	138	273	411	1,664	64	45,031	47,170
Travel and meals	209,141	26,467	235,608	50,060	38,698	97,155	421,521
Pooled cost allocation	659,095	209,523	868,618	151,591	444,864	(1,438,068)	27,005
Total other expenses	3,711,317	1,754,318	5,465,635	1,449,809	2,439,542	-	9,354,986
Total expenses	<u>\$ 13,318,804</u>	<u>\$ 1,754,318</u>	<u>\$ 15,073,122</u>	<u>\$ 1,449,809</u>	<u>\$ 2,439,542</u>	<u>\$ -</u>	<u>\$ 18,962,473</u>

See accompanying notes.

**The Global Fund for Women, Inc.**  
**Consolidated Statement of Functional Expenses**  
**Year Ended June 30, 2019**

	<u>Program Services</u>		<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Pooled</u>	<u>Total 2019</u>
	<u>Grants and Grantee Services</u>	<u>Advocacy</u>					
Grants awarded	\$ 10,806,590	\$ -	\$ 10,806,590	\$ -	\$ -	\$ -	\$ 10,806,590
Other expenses							
Salaries	1,192,692	850,612	2,043,304	765,745	1,239,566	320,054	4,368,669
Payroll taxes	79,862	64,554	144,416	42,307	93,659	22,583	302,965
Employee benefits	183,097	152,387	335,484	73,862	203,253	65,876	678,475
Personnel costs	1,455,651	1,067,553	2,523,204	881,914	1,536,478	408,513	5,350,109
Advertising	-	29,064	29,064	-	14,541	3,275	46,880
Conferences and meetings	7,965	1,326	9,291	691	5,687	2,187	17,856
Depreciation and amortization	-	-	-	-	-	58,258	58,258
Information technology	6,642	47,491	54,133	47,106	23,820	126,719	251,778
Occupancy	-	825	825	4,653	-	457,838	463,316
Other	19,513	949	20,462	13,632	52,925	37,844	124,863
Outside/professional services	209,527	156,925	366,452	257,551	211,259	282,710	1,117,972
Postage and shipping	214	-	214	655	30,174	1,042	32,085
Printing and publications	43	657	700	5,000	109,931	-	115,631
Supplies	3,125	1,255	4,380	2,479	3,168	13,357	23,384
Telephone	259	10	269	270	19	57,354	57,912
Travel and meals	161,829	69,122	230,951	76,280	56,113	53,729	417,073
Pooled cost allocation	477,277	361,545	838,822	177,850	486,154	(1,502,826)	-
Total other expenses	2,342,045	1,736,722	4,078,767	1,468,081	2,530,269	-	8,077,117
Total expenses	<u>\$ 13,148,635</u>	<u>\$ 1,736,722</u>	<u>\$ 14,885,357</u>	<u>\$ 1,468,081</u>	<u>\$ 2,530,269</u>	<u>\$ -</u>	<u>\$ 18,883,707</u>

See accompanying notes.

**The Global Fund for Women, Inc.**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>		
Change in net assets	\$ 13,661,555	\$ 42,924
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gains on investments	(505,180)	(921,597)
Change in discount on contributions receivable	(70,389)	(6,480)
Change in discount on grants payable	169,883	(192,519)
Depreciation and amortization	690,637	58,258
Change in value of beneficial interest in trust	(42,716)	(18,862)
Changes in operating assets and liabilities		
Contributions receivable	(7,630,463)	2,787,343
Other receivables	(522,270)	243,110
Prepaid expenses	(15,669)	39,313
Deposits	-	-
Other assets	256,318	(256,318)
Grants payable	(233,120)	4,291,853
Accounts payable and accrued expenses	(241,229)	439,558
Deferred revenue	(480,000)	480,000
Deferred rent	(17,599)	(6,713)
	<u>5,019,758</u>	<u>6,979,870</u>
<b>CASH FLOWS (USED IN) INVESTING ACTIVITIES</b>		
Purchases of equipment	(655,372)	(123,030)
Proceeds from sale of investments	5,123,284	2,001,360
Purchases of investments	(6,661,406)	(2,455,295)
	<u>(2,193,494)</u>	<u>(576,965)</u>
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		
Proceeds from notes payable	977,350	-
	<u>977,350</u>	<u>-</u>
Net increase in cash and cash equivalents	3,803,614	6,402,905
<b>CASH AND CASH EQUIVALENTS,</b> beginning of year	<u>20,864,586</u>	<u>14,461,681</u>
<b>CASH AND CASH EQUIVALENTS,</b> end of year	<u>\$ 24,668,200</u>	<u>\$ 20,864,586</u>

# The Global Fund for Women, Inc.

## Notes to Consolidated Financial Statements

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### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

**Grants and grantee services** – Grants and grantee services include direct grantmaking and related grantmaking activities. Direct grants are made to seed, strengthen, and link women’s rights groups outside the United States of America and are recorded as expenses when approved by the Board of Directors for payment. Grantee services are related to the Organization’s direct grantmaking program and include:

- Grantee support and grants operations: such as capacity-building and convening to enhance grantee organizations and bring them together, as well as reviewing applications, conducting due diligence, and reporting.
- Learning evaluation and impact: activities that measure the impact and effectiveness of the Organization’s grant investments and other programmatic activities; for example, by measuring the social change impact of the Organization’s grant making.

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

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

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

# The Global Fund for Women, Inc.

## Notes to Consolidated Financial Statements

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

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

**Fair value of financial instruments** – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. U.S. GAAP describes three levels of input that may be used to measure fair value:

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

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

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

From time to time, investments will be transferred between levels based on the characteristics of the investments. 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 statements of cash flows, cash equivalents include highly liquid debt instruments with an original purchased maturity of three months or less.

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

**Contributions receivable** – The Organization reports gifts of cash and other assets as 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 net assets with donor restrictions. When a donor restriction is met, it is released and transferred to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Net assets are also released from donor restrictions when time restrictions are satisfied. Contributions with payment terms in excess of one year are currently subject to discounting at 0.18% and 3% for 2020 and 2019, respectively.

## The Global Fund for Women, Inc. Notes to Consolidated Financial Statements

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**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, 2020 and 2019, respectively.

**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.

**Property and equipment and depreciation** – All acquisitions of property and equipment in excess of \$2,500 and expenditures in excess of \$2,500 for repairs, maintenance renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are recorded at cost or, if donated, at the approximate fair value on the date of donation. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis, primarily three to five years. There were no impairment losses of long-lived assets as of June 30, 2020 and 2019.

**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 \$229,242 and \$216,931 as of June 30, 2020 and 2019, respectively, are included in accounts payable and accrued expenses in the consolidated statements of financial position.

**Deferred rent** – Rent expense for the Organization’s facilities and administrative offices 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, 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.

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

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

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

# The Global Fund for Women, Inc.

## Notes to Consolidated Financial Statements

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**Functional allocation of expenses** – Personnel expenses are charged to the Organizations 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.

**Recent accounting pronouncements** – During fiscal year 2020, the Organization adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Made*. The adoption did not have a significant effect on the consolidated financial statements.

During fiscal year 2020, the Organization adopted FASB ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* (“ASU No. 2016-18”), which requires the statement of cash flows to explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The adoption did not have a significant effect on the consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (“ASU No. 2016-02”), which increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the consolidated statement of financial position and disclosing key information about leasing arrangements in the consolidated financial statements of lessees. The effective date of ASU No. 2016-02 was deferred for the Organization by ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) Effective Dates for Certain Entities*, to fiscal years beginning after December 15, 2020. The adoption is effective for the Organization beginning July 1, 2021. Management is currently evaluating the impact of the provisions of ASU No. 2016-02 on the consolidated financial statements.

**Use of estimates** – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates. Such estimates include present value discounts applied to long-term contributions receivable and beneficial interest in trust, fair value of investments, functional expense allocation, and depreciation and amortization.

### NOTE 2 – CONTRIBUTIONS RECEIVABLE, NET

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

	<u>2020</u>	<u>2019</u>
Less than one year	\$ 7,663,298	\$ 3,686,223
One to five years	<u>5,520,000</u>	<u>1,866,612</u>
Gross contributions receivable	13,183,298	5,552,835
Less discount for present value	<u>(29,815)</u>	<u>(100,204)</u>
Net contributions receivable	13,153,483	5,452,631
Less current portion	<u>(7,663,298)</u>	<u>(3,686,223)</u>
Contributions receivable, net of current portion	<u>\$ 5,490,185</u>	<u>\$ 1,766,408</u>

**The Global Fund for Women, Inc.**  
**Notes to Consolidated Financial Statements**

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**NOTE 3 – PROPERTY AND EQUIPMENT**

Property and equipment is summarized as follows, as of June 30:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 259,807	\$ 259,807
Leasehold improvements	20,898	20,898
Intangible property - website	<u>627,353</u>	<u>-</u>
	908,058	280,705
Less: Accumulated depreciation and amortization	<u>(767,281)</u>	<u>(104,663)</u>
Total property and equipment, net	<u>\$ 140,777</u>	<u>\$ 176,042</u>

For the years ended June 30, 2020 and 2019, depreciation and amortization expense was \$662,618 and \$58,258, respectively. During the years ended June 30, 2020 and 2019, the Organization disposed of property and equipment with a cost basis of \$0 and \$144,892, respectively, and a net book value of zero.



# The Global Fund for Women, Inc.

## Notes to Consolidated Financial Statements

### NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

**The Global Fund for Women, Inc.**  
**Notes to Consolidated 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, 2019:

	<b>Assets at Fair Value as of June 30, 2019</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Fixed income				
Corporate bonds	\$ -	\$ 3,552,944	\$ -	\$ 3,552,944
Government bonds	-	1,242,318	-	1,242,318
Municipal bonds	-	152,805	-	152,805
Total fixed income	-	4,948,067	-	4,948,067
Equities				
Common stock				
Energy	221,206	-	-	221,206
Materials	132,257	-	-	132,257
Industrial goods	557,730	-	-	557,730
Consumer discretionary	629,700	-	-	629,700
Consumer staples	531,529	-	-	531,529
Health care	992,035	-	-	992,035
Financial services	746,064	-	-	746,064
Technology	1,285,700	-	-	1,285,700
Telecommunications	572,646	-	-	572,646
Utilities	195,010	-	-	195,010
Real estate	208,777	-	-	208,777
Total common stock	6,072,654	-	-	6,072,654
Community investment promissory notes	-	921,133	-	921,133
Mutual funds	695,962	-	-	695,962
Bond funds	145,485	-	-	145,485
International funds	1,144,179	-	-	1,144,179
Beneficial interest in trusts	-	-	285,900	285,900
Total	<u>\$ 8,058,280</u>	<u>\$ 5,869,200</u>	<u>\$ 285,900</u>	<u>\$ 14,213,380</u>

The following table provides a rollforward analysis of assets in the consolidated statements of financial position measured at fair value using significant unobservable inputs (Level 3) on a recurring basis during the years ended June 30:

	<b>2020</b>	<b>2019</b>
Beginning balance - beneficial interest in trusts	\$ 285,900	\$ 267,038
Increase (decrease) in value due to change in actuarial life expectancy	66,280	38,622
(Decrease) increase in value due to change in estimated fair value of underlying trust assets	<u>(23,564)</u>	<u>(19,760)</u>
Ending balance - beneficial interest in trusts	<u>\$ 328,616</u>	<u>\$ 285,900</u>

# The Global Fund for Women, Inc.

## Notes to Consolidated Financial Statements

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

There were no significant transfers in and out of Level 1, Level 2 and Level 3 fair value measurements.

### NOTE 5 – GRANTS PAYABLE, NET

Grants are recorded by the Organization upon approval by the Board of Directors. Grants with payment terms in excess of one year are currently subject to discounting at 0.18% for 2020 and at 1.75% for 2019. Grants payable are expected to be disbursed as of June 30, 2020 as follows:

<u>Years Ending June 30,</u>	
2021	\$ 8,172,648
2022	<u>4,403,000</u>
Grants payable	12,575,648
Discount	<u>(22,636)</u>
Grants payable, net	<u>\$ 12,553,012</u>

### NOTE 6 – NOTE PAYABLE

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

Long Term Note	Payments Due by period				
	<u>Total amount</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>
Paycheck Protection Program	<u>\$ 977,350</u>	<u>\$ -</u>	<u>\$ 445,527</u>	<u>\$ 490,709</u>	<u>\$ 41,114</u>
Total note payable	<u>\$ 977,350</u>	<u>\$ -</u>	<u>\$ 445,527</u>	<u>\$ 490,709</u>	<u>\$ 41,114</u>

**The Global Fund for Women, Inc.**  
**Notes to Consolidated Financial Statements**

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**NOTE 7 – COMMITMENTS AND CONTINGENCIES**

**COMMITMENTS**

The Organization leases its facilities under an operating lease expiring on January 31, 2023. Management expects that in the normal course of business, leases that expire will be renewed under available options or replaced by other leases. Minimum rental commitments under the operating leases are as follows:

<u>Year Ending June 30,</u>	
2021	\$ 452,423
2022	416,509
2023	<u>41,066</u>
Total operating lease commitments	<u>\$ 909,998</u>

Rental expense was \$490,629 and \$448,386 in 2020 and 2019, respectively.

**CONTINGENCIES**

The novel coronavirus (COVID-19) outbreak in the world is unprecedented. It has had a significant impact on the economy and businesses, and the future impact is unknown. Global Fund for Women has already been operating in a virtual and remote environment even before the outbreak. Technological infrastructure has been strong and have provided many alternative accesses for everyone. While the outbreak disruption is temporary, there is considerable uncertainty around its duration. The impact on Global Fund for Women's future financial position and operating results could have a material impact to its liquidity.

**NOTE 8 – BENEFICIAL INTEREST IN TRUSTS**

The Organization has been named a beneficiary under certain unconditional irrevocable split-interest agreements received from various donors. The split-interest agreements are administered by an outside trustee and generally provide for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (the designated beneficiaries' lifetimes). At the end of the trust term, the remaining assets are available for the Organization's use. The present value of the estimated future payment to be received is calculated using a discount rate of 6% and applicable actuarial life tables. The Organization annually revalues the fair value of the remainder interest to be received from each donor, based on the changes since the prior year. The resulting change is recorded as a change in value of beneficial interest in trusts on the statements of activities. The Organization recognized an increase of \$42,716 and \$18,862 in the value of the beneficial interest in trusts, for the years ended June 30, 2020 and 2019, respectively.

**NOTE 9 – CONCENTRATIONS OF CREDIT RISK**

The Organization maintains its cash balances at various financial institutions and brokerage firms. The Federal Deposit Insurance Corporation ("FDIC") insures account balances up to \$250,000.

# The Global Fund for Women, Inc.

## Notes to Consolidated Financial Statements

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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, 2020 and 2019, were approximately \$24,019,000 and \$20,114,000, respectively. The Organization also holds various debt and equity investments, which may at times exceed the Securities Investor Protection Corporation (“SIPC”) insurance threshold. The Organization closely monitors these balances and has not experienced credit losses.

### NOTE 10 – RETIREMENT PLAN

The Organization has a tax-deferred contributory IRC Section 403(b) retirement plan covering all regular employees who work 20 hours or more per week after one year of service. The Organization contributes 5% of the annual salary for all eligible employees. Retirement expense, recorded as part of employee benefits, was \$194,999 and \$186,896 for the years ended June 30, 2020 and 2019, respectively.

### NOTE 11 – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions include a board-designated Quasi Endowment Legacy Fund (“Legacy Fund”) of \$9,915,912 and \$8,686,195, as of June 30, 2020 and 2019, respectively. This balance is included in cash and cash equivalents and investments designated for long-term purposes in the consolidated statements of financial position. The Legacy Fund has been established to provide the Organization with the greatest flexibility in long-term planning, utilization, and investment, and permits the expenditures of the principal.

### NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS

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

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

	<u>2020</u>	<u>2019</u>
Time restricted for general support	\$ 14,253,412	\$ 512,421
Purpose restricted for:		
Thematic grantmaking	8,292,245	10,000,734
Access to education	4,499,872	5,983,900
Advocacy programs	511,269	486,074
Other restrictions	250,000	125,000
Fiscal sponsorship of women's funds	196,975	36,709
	<u>\$ 28,003,773</u>	<u>\$ 17,144,838</u>
Total net assets with donor restrictions	<u>\$ 28,003,773</u>	<u>\$ 17,144,838</u>

**The Global Fund for Women, Inc.**  
**Notes to Consolidated Financial Statements**

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

	<b>2020</b>	<b>2019</b>
Time restricted for general support	\$ 4,126,964	\$ 279,000
Purpose restricted for:		
Thematic grantmaking	6,963,397	9,438,761
Access to education	-	274,000
Advocacy programs	765,027	246,624
Other restrictions	-	24,328
Fiscal sponsorship of women's funds	103,352	51,093
	<b>\$ 11,958,740</b>	<b>\$ 10,313,806</b>
Total net assets with donor restrictions released	<b>\$ 11,958,740</b>	<b>\$ 10,313,806</b>

**NOTE 13 – IN-KIND DONATIONS**

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

	<b>2020</b>	<b>2019</b>
Stock donation	\$ 42,128	\$ -
Advertising & marketing	150,000	-
Legal	-	11,213
	<b>\$ 192,128</b>	<b>\$ 11,213</b>
Total in-kind donations	<b>\$ 192,128</b>	<b>\$ 11,213</b>

**NOTE 14 – ENDOWMENT FUND**

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

The Board of Directors of the Organization has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as nets assets with donor restrictions (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. The remaining portion of the donor-restricted net assets not classified as net assets with donor restrictions are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund

## The Global Fund for Women, Inc.

### Notes to Consolidated Financial Statements

- (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, 2020:

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

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

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

Endowment net assets composition by type of fund as of June 30, 2019:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds			
The Lewis T. and Patsy P. Preston Fund	\$ -	\$ 5,915,590	\$ 5,915,590
Grace Jackson Fund	-	68,310	68,310
Board-designated endowment funds			
Quasi Endowment Legacy Fund	8,686,195	-	8,686,195
<b>Total</b>	<b>\$ 8,686,195</b>	<b>\$ 5,983,900</b>	<b>\$ 14,670,095</b>

**The Global Fund for Women, Inc.**  
**Notes to Consolidated Financial Statements**

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Changes in endowment net assets for the year ended June 30, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 8,221,912	\$ 5,702,471	\$ 13,924,383
Investment return			
Investment income	208,386	166,058	374,444
Realized and unrealized gains	508,006	413,593	921,599
Designation of assets	(221,693)	-	(221,693)
Appropriation of endowment assets for expenditures	<u>(30,416)</u>	<u>(298,222)</u>	<u>(328,638)</u>
Endowment net assets, end of year	<u>\$ 8,686,195</u>	<u>\$ 5,983,900</u>	<u>\$ 14,670,095</u>

*Return Objectives and Risk Parameters*

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

*Strategies*

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

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

The Organization has a policy of appropriating for distribution each year an amount not to exceed 6% of its endowment fund's average asset fair market value over the past 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.



# The Global Fund for Women, Inc.

## Notes to Consolidated Financial Statements

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### *Socially-Responsible Investment Policy*

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

### **NOTE 15 – TAX STATUS**

The Global Fund for Women, Inc. (Global Fund for Women), 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, 2020 and 2019; as such, no provision for income taxes has been reflected in the accompanying consolidated financial statements.

Global Fund for Women 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.

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

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

# The Global Fund for Women, Inc.

## Notes to Consolidated Financial Statements

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### NOTE 16 – RELATED-PARTY TRANSACTIONS

During the years ended June 30, 2020 and 2019, 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 Global Fund for Women, Inc. grantee organization recuse themselves when the Board decides whether to approve these grants. The Organization awarded one such grant totaling \$50,000 and two such grants totaling \$69,000 during the years ended June 30, 2020 and 2019, respectively.

### NOTE 17 – LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Organization's financial assets as of June 30, 2020 and 2019, 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:

	<u>2020</u>	<u>2019</u>
Financial assets		
Cash and cash equivalents	\$ 24,668,200	\$ 20,864,586
Contributions and other receivable, net	7,663,298	3,686,223
Other receivables	<u>744,925</u>	<u>222,655</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 33,076,423</u>	<u>\$ 24,773,464</u>

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.

### NOTE 18 – SUBSEQUENT EVENTS

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

The Organization has evaluated all subsequent events through October 23, 2020, the date that the consolidated financial statements are available to be issued, and determined there are no material recognized or unrecognized subsequent events, the nature of which would require disclosure.

