



Financial Statements  
For the Year Ended December 31, 2014

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## **Independent Auditor's Report**

**Board of Directors  
Global Washington  
Seattle, Washington**

We have audited the accompanying financial statements of Global Washington (the Organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses, and cash flows 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 principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



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## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2014, and changes in its net assets, functional expenses, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited the Organization's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 21, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Certified Public Accountants  
May 15, 2015

GLOBAL WASHINGTON

Statement of Financial Position  
December 31, 2014  
(With Comparative Totals for 2013)

	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 134,570	\$ 139,935
Accounts receivable and other assets	2,462	3,288
Pledges receivable	60,000	
Property and equipment, net	<u>1,138</u>	<u>607</u>
<b>Total Assets</b>	<b><u>\$ 198,170</u></b>	<b><u>\$ 143,830</u></b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 25,257	\$ 9,388
Accrued liabilities	<u>9,440</u>	<u>4,771</u>
<b>Total Liabilities</b>	<b><u>34,697</u></b>	<b><u>14,159</u></b>
<b>Net Assets:</b>		
Unrestricted	103,473	129,671
Temporarily restricted	<u>60,000</u>	<u></u>
<b>Total Net Assets</b>	<b><u>163,473</u></b>	<b><u>129,671</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 198,170</u></b>	<b><u>\$ 143,830</u></b>

See accompanying notes.

**GLOBAL WASHINGTON**

**Statement of Activities  
For the Year Ended December 31, 2014  
(With Comparative Totals for 2013)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2014 Total</u>	<u>2013 Total</u>
<b>Revenue and Support:</b>				
Revenue-				
Membership	\$ 97,750	\$ -	\$ 97,750	\$ 104,325
Conference	78,350		78,350	91,435
Program income	7,694		7,694	5,015
Special event and other	26,231		26,231	2,105
Support-				
Foundations	212,321	60,000	272,321	150,116
Public Awareness campaign				25,250
Corporations and business	18,206		18,206	23,994
Donated goods and services	46,759		46,759	20,289
Individuals	322		322	2,371
<b>Total Revenue and Support</b>	<b>487,633</b>	<b>60,000</b>	<b>547,633</b>	<b>424,900</b>
<b>Expenses:</b>				
Program	328,004		328,004	226,063
General and administrative	91,552		91,552	109,585
Fundraising	94,275		94,275	128,051
<b>Total Expenses</b>	<b>513,831</b>		<b>513,831</b>	<b>463,699</b>
<b>Change in Net Assets</b>	<b>(26,198)</b>	<b>60,000</b>	<b>33,802</b>	<b>(38,799)</b>
Net assets, beginning of year	129,671		129,671	168,470
<b>Net Assets, End of Year</b>	<b>\$ 103,473</b>	<b>\$ 60,000</b>	<b>\$ 163,473</b>	<b>\$ 129,671</b>

See accompanying notes.

**GLOBAL WASHINGTON**

**Statement of Functional Expenses  
For the Year Ended December 31, 2014  
(With Comparative Totals for 2013)**

	Program			Supporting Services			2014 Total	2013 Total
	Member Services	Conferences and Convenings	Total Program	General and Administrative	Fundraising	Total Supporting Services		
Payroll and employee benefits	\$ 177,411	\$ -	\$ 177,411	\$ 65,540	\$ 46,630	\$ 112,170	\$ 289,581	\$ 246,486
Conferences, convenings and meetings	1,070	68,620	69,690		10,557	10,557	80,247	68,241
Consultants and contractors	33,439		33,439	11,594	6,049	17,643	51,082	60,219
Donated goods and services	11,700	5,300	17,000	4,140	25,619	29,759	46,759	20,289
Rent	14,061		14,061	4,975	2,596	7,571	21,632	20,264
Technology and communications	5,755		5,755	2,036	1,062	3,098	8,853	8,445
Bank fees	2,873		2,873	1,018	532	1,550	4,423	4,745
Insurance	1,238		1,238	438	229	667	1,905	1,925
Printing, publications, and public relations/media	1,594		1,594	146	76	222	1,816	11,766
Taxes	1,038		1,038	367	192	559	1,597	3,072
Meetings	954		954	192	179	371	1,325	3,226
Supplies	775		775	274	143	417	1,192	1,736
Miscellaneous	631		631	290	118	408	1,039	1,177
Equipment rental and maintenance	393		393	140	72	212	605	1,634
Travel	313		313	106	66	172	485	5,487
Postage and shipping	256		256	90	47	137	393	202
Dues and subscriptions	152		152	54	28	82	234	2,394
<b>Total Expenses Before Depreciation</b>	<b>253,653</b>	<b>73,920</b>	<b>327,573</b>	<b>91,400</b>	<b>94,195</b>	<b>185,595</b>	<b>513,168</b>	<b>461,308</b>
Depreciation	431		431	152	80	232	663	2,391
<b>Total Expenses</b>	<b>\$ 254,084</b>	<b>\$ 73,920</b>	<b>\$ 328,004</b>	<b>\$ 91,552</b>	<b>\$ 94,275</b>	<b>\$ 185,827</b>	<b>\$ 513,831</b>	<b>\$ 463,699</b>

See accompanying notes.

**GLOBAL WASHINGTON****Statement of Cash Flows  
For the Year Ended December 31, 2014  
(With Comparative Totals for 2013)**

	<u>2014</u>	<u>2013</u>
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 33,802	\$ (38,799)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities-		
Depreciation	663	2,391
Change in assets and liabilities:		
Accounts receivable and other assets	826	1,075
Pledges receivable	(60,000)	50,000
Accounts payable	15,869	(2)
Accrued liabilities	4,669	(6,942)
	<u>(4,171)</u>	<u>7,723</u>
<b>Net Cash (Used) Provided by Operating Activities</b>		
	<u>(4,171)</u>	<u>7,723</u>
<b>Cash Flows From Investing Activities:</b>		
Purchases of property and equipment	(1,194)	
	<u>(1,194)</u>	
<b>Net Cash Used by Investing Activities</b>	<u>(1,194)</u>	
	<u>(1,194)</u>	
<b>Net Change in Cash and Cash Equivalents</b>	<u>(5,365)</u>	<u>7,723</u>
Cash and cash equivalents, beginning of year	<u>139,935</u>	<u>132,212</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 134,570</u>	<u>\$ 139,935</u>

See accompanying notes.



## GLOBAL WASHINGTON

### Notes to Financial Statements For the Year Ended December 31, 2014

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#### Note 1 - Significant Accounting Policies

**Organization** - Global Washington (the Organization) is a nonprofit organization whose primary goal is to strengthen the global development sector and its membership organizations by leveraging resources, increasing visibility, sharing best practices, convening the sector by country, issue and organization type, and advocating around education and global engagement and foreign policy.

**Basis of Accounting** - The financial statements of the Organization are presented on the accrual basis of accounting. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed restrictions and unrestricted net assets designated by the Organization for various purposes.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or passage of time.

Permanently Restricted Net Assets - Support received in the form of endowment or sustaining funds which can never be spent. The Organization had no permanently restricted net assets at December 31, 2014 or 2013.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets, except for contributions and sponsorships related to the annual conference, which are included in unrestricted revenue, as restrictions are satisfied in the same year.

**Revenue Recognition** - Membership fees are recognized as revenue in the period received. Conference fees are recognized in the period the conference occurs. Cash contributions are recorded as revenue in the period received, in accordance with donor restrictions. Unconditional promises to give (pledges) are recorded at fair value in the period the promise is received, in accordance with donor-imposed restrictions. Program income is recognized in the period the related program activity occurs.

**Special Event and Other** - Special event and other revenue consists of revenue from fundraising events, interest earned on bank accounts and miscellaneous refunds. The Organization held a special event during the year ended December 31, 2014. Event revenue totaled \$49,922, of which \$26,163 is included as special event and other, and \$23,759 is included as donated goods and services on the statement of activities. Direct expenses related to the event totaled \$34,316, which are included as fundraising expense on the statement of activities.

**Concentrations** - For the year ended December 31, 2014, 49% of the Organization's total revenue and support was from two donors. Conference revenue made up 14% and membership fees accounted for 18%, respectively, of total revenue and support for the year ended December 31, 2014. For the year ended December 31, 2013, 35% of the Organization's total revenue was from one donor. Conference revenue made up 22% and membership fees accounted for 25%, respectively, of total revenue and support for the year ended December 31, 2013.

## GLOBAL WASHINGTON

### Notes to Financial Statements For the Year Ended December 31, 2014

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#### Note 1 - Continued

At December 31, 2014, 100% of pledges receivable was due from one donor. This pledge will be paid in its entirety in 2015. There were no outstanding pledges receivable at December 31, 2013.

**Cash and Cash Equivalents** - Cash and cash equivalents consist of checking and money market accounts. The Organization holds all of its cash and cash equivalents with one financial institution.

**Accounts Receivable and Other Assets** - Accounts receivable are stated at the amount management expects to collect for outstanding balances from various organizations and for sponsorship fees. An allowance for doubtful accounts was not deemed necessary at December 31, 2014 or 2013. Other assets consist of certain prepaid expenses.

**Pledges Receivable** - Pledges receivable, unconditional promises to give, that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in revenue and support. Conditional promises to give are recognized when the conditions on which they depend are substantially met. An allowance for doubtful accounts is determined by management based on a reasonable estimate and past experience. Management deemed an allowance was not necessary at December 31, 2014.

**Property and Equipment** - Property and equipment are recorded at cost or, if donated, at fair value as of the date of the gift. The Organization capitalizes fixed assets with costs greater than \$1,000. Property and equipment consisted of computer software and laptop computers with historical costs totaling \$8,837 at December 31, 2014 and \$7,644 at December 31, 2013. Depreciation is recognized using the straight-line method based on estimated useful lives of two years for computer software and three years for laptop computers. Depreciation expense totaled \$663 for the year ended December 31, 2014 and \$2,391 for the year ended December 31, 2013. Accumulated depreciation totaled \$7,699 and \$7,037 at December 31, 2014 and 2013, respectively.

**Federal Income Tax Status** - The Internal Revenue Service has determined the Organization to be a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax has been made in these financial statements.

**Functional Allocation of Expenses** - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program, general and administrative, and fundraising categories based on the benefits derived.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from such estimates.

**Prior Year Summarized Information** - For comparative purposes, the financial statements include certain prior-year summarized information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

## GLOBAL WASHINGTON

### Notes to Financial Statements For the Year Ended December 31, 2014

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#### Note 1 - Continued

**Subsequent Events** - The Organization has evaluated subsequent events through May 15, 2015, the date on which the financial statements were available to be issued.

#### Note 2 - Donated Goods and Services

The Organization receives donations of goods and professional services which are reported at fair value on the date of receipt. The Organization recognizes donated services if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not donated. The following goods and services were recognized in the statement of activities for the years ended December 31:

	<u>2014</u>	<u>2013</u>
Professional services	\$ 20,500	\$ 15,000
Event space and refreshments	41	4,198
Auction items and raffle prizes	23,718	1,091
Conference space and catering	<u>2,500</u>	<u>          </u>
<b>Total Donated Goods and Services</b>	<b><u>\$ 46,759</u></b>	<b><u>\$ 20,289</u></b>

#### Note 3 - Temporarily Restricted Net Assets

Temporarily restricted net assets totaled \$60,000 at December 31, 2014, and were time restricted. There were no temporarily restricted net assets at December 31, 2013.

#### Note 4 - Facilities Lease

The Organization entered into a sub-lease agreement for its office facilities in December 2012. Under the terms of the sub-lease, the Organization will pay 30% of the sublessor's base rent on a month-to-month basis and will also pay 20% of costs incurred by the sublessor to equip and provide services to the facility. Rent expense totaled \$21,632 and \$20,264 for the years ended December 31, 2014 and 2013, respectively.