



Financial Statements  
For the Year Ended December 31, 2016

## Table of Contents

---

	Page
<b>Independent Auditor's Report</b>	1 - 2
<b>Financial Statements:</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10

## **Independent Auditor's Report**

**To the 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, 2016, 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.



T: 425-454-4919  
T: 800-504-8747  
F: 425-454-4620

10900 NE 4th St  
Suite 1700  
Bellevue WA  
98004

[clarknuber.com](http://clarknuber.com)

## **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, 2016, 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 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 17, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Clark Nuber PS*

Certified Public Accountants  
June 16, 2017

GLOBAL WASHINGTON

Statement of Financial Position  
December 31, 2016  
(With Comparative Totals for 2015)

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 226,672	\$ 112,493
Accounts receivable and other assets	10,525	1,625
Pledges receivable	61,750	15,000
Property and equipment, net	<u>1,756</u>	<u>1,481</u>
<b>Total Assets</b>	<b><u>\$ 300,703</u></b>	<b><u>\$ 130,599</u></b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 20,884	\$ 20,347
Accrued liabilities	<u>13,563</u>	<u>11,277</u>
<b>Total Liabilities</b>	<b><u>34,447</u></b>	<b><u>31,624</u></b>
<b>Net Assets:</b>		
Unrestricted	128,068	98,975
Temporarily restricted	<u>138,188</u>	<u>          </u>
<b>Total Net Assets</b>	<b><u>266,256</u></b>	<b><u>98,975</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 300,703</u></b>	<b><u>\$ 130,599</u></b>

See accompanying notes.

**GLOBAL WASHINGTON**

**Statement of Activities  
For the Year Ended December 31, 2016  
(With Comparative Totals for 2015)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
<b>Revenue and Support:</b>				
Revenue-				
Membership	\$ 89,225	\$ -	\$ 89,225	\$ 110,074
Conference	105,715		105,715	98,413
Program income	7,190		7,190	5,185
Special event and other	17,517		17,517	8,107
Support-				
Foundations	212,006	178,000	390,006	153,525
Corporations and business	89,338	40,000	129,338	17,113
Donated goods and services	41,399		41,399	30,563
Individuals	6,400		6,400	4,651
Net assets released from restriction	79,812	(79,812)		
<b>Total Revenue and Support</b>	<b>648,602</b>	<b>138,188</b>	<b>786,790</b>	<b>427,631</b>
<b>Expenses:</b>				
Program	503,665		503,665	365,709
General and administrative	62,415		62,415	88,704
Fundraising	53,429		53,429	37,716
<b>Total Expenses</b>	<b>619,509</b>		<b>619,509</b>	<b>492,129</b>
<b>Change in Net Assets</b>	<b>29,093</b>	<b>138,188</b>	<b>167,281</b>	<b>(64,498)</b>
Net assets, beginning of year	98,975		98,975	163,473
<b>Net Assets, End of Year</b>	<b>\$ 128,068</b>	<b>\$ 138,188</b>	<b>\$ 266,256</b>	<b>\$ 98,975</b>

See accompanying notes.

**GLOBAL WASHINGTON**

**Statement of Functional Expenses  
For the Year Ended December 31, 2016  
(With Comparative Totals for 2015)**

	Program			Supporting Services			2016 Total	2015 Total
	Member Services	Conferences and Convenings	Total Program	General and Administrative	Fundraising	Total Supporting Services		
Payroll and employee benefits	\$ 232,472	\$ -	\$ 232,472	\$ 36,662	\$ 17,453	\$ 54,115	\$ 286,587	\$ 284,050
Conferences, convenings and meetings	32,471	61,285	93,756	450	12,877	13,327	107,083	90,789
Consultants and contractors	57,455		57,455	5,223	7,472	12,695	70,150	36,945
Printing, publications, and public relations/media	62,584		62,584	220	110	330	62,914	3,120
Donated goods and services	15,840	1,200	17,040	11,140	13,219	24,359	41,399	30,563
Rent	23,978		23,978	2,180	1,090	3,270	27,248	22,285
Technology and communications	6,915		6,915	629	314	943	7,858	9,696
Bad debt expense				5,150		5,150	5,150	
Insurance	1,931		1,931	176	88	264	2,195	2,194
Taxes	1,729		1,729	157	79	236	1,965	3,584
Travel	1,594		1,594	47	23	70	1,664	12
Supplies	799		799	73	36	109	908	836
Meetings	614		614	53	27	80	694	551
Miscellaneous	582		582	53	26	79	661	415
Bank fees	74		74	7	517	524	598	4,544
Postage and shipping	496		496	45	23	68	564	412
Equipment rental and maintenance	383		383	35	17	52	435	615
Dues and subscriptions	233		233	21	11	32	265	385
<b>Total Expenses Before Depreciation</b>	<b>440,150</b>	<b>62,485</b>	<b>502,635</b>	<b>62,321</b>	<b>53,382</b>	<b>115,703</b>	<b>618,338</b>	<b>490,996</b>
Depreciation	1,030		1,030	94	47	141	1,171	1,133
<b>Total Expenses</b>	<b>\$ 441,180</b>	<b>\$ 62,485</b>	<b>\$ 503,665</b>	<b>\$ 62,415</b>	<b>\$ 53,429</b>	<b>\$ 115,844</b>	<b>\$ 619,509</b>	<b>\$ 492,129</b>

See accompanying notes.

**GLOBAL WASHINGTON****Statement of Cash Flows  
For the Year Ended December 31, 2016  
(With Comparative Totals for 2015)**

	<u>2016</u>	<u>2015</u>
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 167,281	\$ (64,498)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities-		
Depreciation	1,171	1,133
(Increase) Decrease in operating assets:		
Accounts receivable and other assets	(8,900)	837
Pledges receivable	(46,750)	45,000
Increase (Decrease) in operating liabilities:		
Accounts payable	537	(4,630)
Accrued liabilities	2,286	1,557
	<u>115,625</u>	<u>(20,601)</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>		
	<u>115,625</u>	<u>(20,601)</u>
<b>Cash Flows From Investing Activities:</b>		
Purchases of property and equipment	(1,446)	(1,476)
	<u>(1,446)</u>	<u>(1,476)</u>
<b>Net Cash Used in Investing Activities</b>		
	<u>(1,446)</u>	<u>(1,476)</u>
<b>Net Change in Cash and Cash Equivalents</b>	<u>114,179</u>	<u>(22,077)</u>
Cash and cash equivalents, beginning of year	112,493	134,570
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 226,672</u>	<u>\$ 112,493</u>

See accompanying notes.



## GLOBAL WASHINGTON

### Notes to Financial Statements For the Year Ended December 31, 2016

---

#### 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, 2016 or 2015.

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 special events during the years ended December 31, 2016 and 2015. For the year ended December 31, 2016, event revenue totaled \$29,393, of which \$16,894 is included as special event and other revenue, and \$12,499 is included as donated goods and services on the statement of activities. Direct expenses related to the event totaled \$12,877 and are included as fundraising expense on the statement of activities. For the year ended December 31, 2015, event revenue totaled \$8,483, of which \$8,107 is included as special event and other revenue, and \$376 is included as donated goods and services on the statement of activities. Direct expenses related to the event totaled \$11,553 and are included as fundraising expense on the statement of activities.

## GLOBAL WASHINGTON

### Notes to Financial Statements For the Year Ended December 31, 2016

---

#### Note 1 - Continued

**Concentrations** - For the year ended December 31, 2016, 63% of the Organization's total revenue and support was from three donors. Conference revenue made up 13%, membership fees accounted for 11% and foundation revenue made up 50% of total revenue and support for the year ended December 31, 2016. For the year ended December 31, 2015, 35% of the Organization's total revenue was from one donor. Conference revenue made up 23% and membership fees accounted for 26% and foundation revenue made up 36% of total revenue and support for the year ended December 31, 2015.

At December 31, 2016, 97% of pledges receivable was due from one donor. At December 31, 2015, 100% of pledges receivable was due from four donors.

**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, 2016 or 2015. 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, 2016 or 2015. The pledge receivable balances of \$61,750 and \$15,000 were expected to be received within one year at December 31, 2016 and 2015, respectively.

**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 \$11,759 at December 31, 2016 and \$10,313 at December 31, 2015. 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 \$1,171 and \$1,133 for the years ended December 31, 2016 and 2015, respectively. Accumulated depreciation totaled \$10,003 and \$8,832 at December 31, 2016 and 2015, 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.

## GLOBAL WASHINGTON

### Notes to Financial Statements For the Year Ended December 31, 2016

---

#### Note 1 - Continued

**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, 2015, from which the summarized information was derived.

**Subsequent Events** - The Organization has evaluated subsequent events through June 16, 2017 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>2016</u>	<u>2015</u>
Professional services	\$ 27,700	\$ 29,500
Auction items and raffle prizes	12,499	376
Conference space and catering	<u>1,200</u>	<u>687</u>
<b>Total Donated Goods and Services</b>	<b><u>\$ 41,399</u></b>	<b><u>\$ 30,563</u></b>

#### Note 3 - Temporarily Restricted Net Assets

The Organization had the following temporarily restricted net assets at December 31, 2016:

Time restricted pledges	\$ 61,750
Purpose restricted pledges	<u>76,438</u>
<b>Total Temporarily Restricted Net Assets</b>	<b><u>\$ 138,188</u></b>

The Organization did not have temporarily restricted net assets at December 31, 2015.

**GLOBAL WASHINGTON**

**Notes to Financial Statements  
For the Year Ended December 31, 2016**

---

**Note 4 - Facilities Lease**

During the year ending December 31, 2016, the Organization entered into a new sub-lease agreement for its office facilities. Under the terms of the sub-lease, the Organization will pay 30% of the sublessor's base rent for 60 months. Rent expense totaled \$27,248 and \$22,285 for the years ended December 31, 2016 and 2015, respectively.

Future minimum lease payments under the facilities lease are as follows:

For the Year Ending December 31,

2017	\$	35,190
2018		33,993
2019		34,723
2020		35,451
2021		<u>20,929</u>
<b>Total Minimum Lease Payments</b>	<b>\$</b>	<b><u>160,286</u></b>