



Financial Statements  
For the Year Ended December 31, 2015

## Table of Contents

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	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 - 9

## **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, 2015, 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, 2015, 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 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 15, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Certified Public Accountants  
June 17, 2016

GLOBAL WASHINGTON

Statement of Financial Position  
December 31, 2015  
(With Comparative Totals for 2014)

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	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 112,493	\$ 134,570
Accounts receivable and other assets	1,625	2,462
Pledges receivable	15,000	60,000
Property and equipment, net	<u>1,481</u>	<u>1,138</u>
<b>Total Assets</b>	<b><u>\$ 130,599</u></b>	<b><u>\$ 198,170</u></b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 20,347	\$ 24,977
Accrued liabilities	<u>11,277</u>	<u>9,720</u>
<b>Total Liabilities</b>	<b><u>31,624</u></b>	<b><u>34,697</u></b>
<b>Net Assets:</b>		
Unrestricted	98,975	103,473
Temporarily restricted	<u>60,000</u>	<u>60,000</u>
<b>Total Net Assets</b>	<b><u>98,975</u></b>	<b><u>163,473</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 130,599</u></b>	<b><u>\$ 198,170</u></b>

See accompanying notes.

**GLOBAL WASHINGTON**

**Statement of Activities  
For the Year Ended December 31, 2015  
(With Comparative Totals for 2014)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Total</u>	<u>2014 Total</u>
<b>Revenue and Support:</b>				
Revenue-				
Membership	\$ 110,074	\$ -	\$ 110,074	\$ 97,750
Conference	98,413		98,413	78,350
Program income	5,185		5,185	7,694
Special event and other	8,107		8,107	26,231
Support-				
Foundations	153,525		153,525	272,321
Corporations and business	17,113		17,113	18,206
Donated goods and services	30,563		30,563	46,759
Individuals	4,651		4,651	322
Net assets released from restriction	60,000	(60,000)		
<b>Total Revenue and Support</b>	<b>487,631</b>	<b>(60,000)</b>	<b>427,631</b>	<b>547,633</b>
<b>Expenses:</b>				
Program	365,709		365,709	328,004
General and administrative	88,704		88,704	91,552
Fundraising	37,716		37,716	94,275
<b>Total Expenses</b>	<b>492,129</b>		<b>492,129</b>	<b>513,831</b>
<b>Change in Net Assets</b>	<b>(4,498)</b>	<b>(60,000)</b>	<b>(64,498)</b>	<b>33,802</b>
Net assets, beginning of year	103,473	60,000	163,473	129,671
<b>Net Assets, End of Year</b>	<b>\$ 98,975</b>	<b>\$ -</b>	<b>\$ 98,975</b>	<b>\$ 163,473</b>

See accompanying notes.

**GLOBAL WASHINGTON**

**Statement of Functional Expenses  
For the Year Ended December 31, 2015  
(With Comparative Totals for 2014)**

	Program			Supporting Services			2015 Total	2014 Total
	Member Services	Conferences and Convenings	Total Program	General and Administrative	Fundraising	Total Supporting Services		
Payroll and employee benefits	\$ 205,110	\$ -	\$ 205,110	\$ 58,318	\$ 20,622	\$ 78,940	\$ 284,050	\$ 289,581
Conferences, convenings and meetings	13,877	65,359	79,236		11,553	11,553	90,789	80,247
Consultants and contractors	27,709		27,709	7,389	1,847	9,236	36,945	51,082
Donated goods and services	16,187		16,187	13,000	1,376	14,376	30,563	46,759
Rent	16,713		16,713	4,457	1,115	5,572	22,285	21,632
Technology and communications	7,272		7,272	1,939	485	2,424	9,696	8,853
Bank fees	3,582		3,582	955	7	962	4,544	4,423
Taxes	2,688		2,688	717	179	896	3,584	1,597
Printing, publications, and public relations/media	2,372		2,372	599	149	748	3,120	1,816
Insurance	1,645		1,645	439	110	549	2,194	1,905
Supplies	627		627	167	42	209	836	1,192
Equipment rental and maintenance	461		461	123	31	154	615	605
Meetings	410		410	109	32	141	551	1,325
Miscellaneous	240		240	104	71	175	415	1,039
Postage and shipping	309		309	82	21	103	412	393
Dues and subscriptions	289		289	77	19	96	385	234
Travel	9		9	2	1	3	12	485
<b>Total Expenses Before Depreciation</b>	<b>299,491</b>	<b>65,359</b>	<b>364,859</b>	<b>88,477</b>	<b>37,660</b>	<b>126,137</b>	<b>490,996</b>	<b>513,168</b>
Depreciation	850		850	227	56	283	1,133	663
<b>Total Expenses</b>	<b>\$ 300,341</b>	<b>\$ 65,359</b>	<b>\$ 365,709</b>	<b>\$ 88,704</b>	<b>\$ 37,716</b>	<b>\$ 126,420</b>	<b>\$ 492,129</b>	<b>\$ 513,831</b>

See accompanying notes.

GLOBAL WASHINGTON

Statement of Cash Flows  
For the Year Ended December 31, 2015  
(With Comparative Totals for 2014)

	<u>2015</u>	<u>2014</u>
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ (64,498)	\$ 33,802
Adjustments to reconcile change in net assets to net cash used in operating activities-		
Depreciation	1,133	663
Change in assets and liabilities:		
Accounts receivable and other assets	837	826
Pledges receivable	45,000	(60,000)
Accounts payable	(4,630)	15,589
Accrued liabilities	1,557	4,949
	<u>(20,601)</u>	<u>(4,171)</u>
<b>Net Cash Used in Operating Activities</b>		
	<u>(20,601)</u>	<u>(4,171)</u>
<b>Cash Flows From Investing Activities:</b>		
Purchases of property and equipment	(1,476)	(1,194)
	<u>(1,476)</u>	<u>(1,194)</u>
<b>Net Cash Used in Investing Activities</b>		
	<u>(1,476)</u>	<u>(1,194)</u>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(22,077)</b>	<b>(5,365)</b>
Cash and cash equivalents, beginning of year	134,570	139,935
	<u>134,570</u>	<u>139,935</u>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 112,493</b>	<b>\$ 134,570</b>
	<u>\$ 112,493</u>	<u>\$ 134,570</u>

See accompanying notes.



## GLOBAL WASHINGTON

### Notes to Financial Statements For the Year Ended December 31, 2015

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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, 2015 or 2014.

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, 2015 and 2014. 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. For the year ended December 31, 2014, event revenue totaled \$49,922, of which \$26,163 is included as special event and other revenue, and \$23,759 is included as donated goods and services on the statement of activities. Direct expenses related to the event totaled \$34,316 and are included as fundraising expense on the statement of activities.

## GLOBAL WASHINGTON

### Notes to Financial Statements For the Year Ended December 31, 2015

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#### Note 1 - Continued

**Concentrations** - For the year ended December 31, 2015, 35% of the Organization's total revenue and support was from one donor. Conference revenue made up 23%, membership fees accounted for 26% and foundation revenue made up 36% of total revenue and support for the year ended December 31, 2015. For the year ended December 31, 2014, 49% of the Organization's total revenue 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.

At December 31, 2015, 100% of pledges receivable were due from four donors. At December 31, 2014, 100% of pledges receivable was due from one donor.

**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, 2015 or 2014. 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, 2015 or 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 \$10,313 at December 31, 2015 and \$8,837 at December 31, 2014. 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 \$1,133 and \$663 for the years ended December 31, 2015 and 2014, respectively. Accumulated depreciation totaled \$8,832 and \$7,699 at December 31, 2015 and 2014, 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, 2015

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#### 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, 2014, from which the summarized information was derived.

**Subsequent Events** - The Organization has evaluated subsequent events through June 17, 2016, 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>2015</u>	<u>2014</u>
Professional services	\$ 29,500	\$ 20,500
Event space and refreshments		41
Auction items and raffle prizes	376	23,718
Conference space and catering	<u>687</u>	<u>2,500</u>
<b>Total Donated Goods and Services</b>	<b><u>\$ 30,563</u></b>	<b><u>\$ 46,759</u></b>

#### Note 3 - Temporarily Restricted Net Assets

There were no temporarily restricted net assets at December 31, 2015. Temporarily restricted net assets totaling \$60,000 at December 31, 2014, were time restricted and were released during the year ended December 31, 2015.

#### 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 \$22,285 and \$21,632 for the years ended December 31, 2015 and 2014, respectively.