



Financial Statements
For the Year Ended March 31, 2019

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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 March 31, 2019, 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 March 31, 2019, 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.

Effect of Adopting New Accounting Standard

As discussed in Note 1, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities* as of and for the year ended March 31, 2019. Our opinion is not modified with respect to this matter.

Clark Nuber P.S.

Certified Public Accountants
August 13, 2019

GLOBAL WASHINGTON

Statement of Financial Position
March 31, 2019

Assets:

Cash and cash equivalents	\$	199,593
Accounts receivable and other assets		8,997
Property and equipment, net		<u>1,843</u>

Total Assets **\$ 210,433**

Liabilities and Net Assets

Liabilities:

Accounts payable	\$	3,217
Accrued liabilities		<u>28,183</u>

Total Liabilities **31,400**

Net Assets:

Net assets without donor restrictions		<u>179,033</u>
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Total Net Assets **179,033**

Total Liabilities and Net Assets **\$ 210,433**

See accompanying notes.

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**Statement of Activities
For the Year Ended March 31, 2019**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenue and Support:			
Revenue-			
Membership	\$ 104,900	\$ -	\$ 104,900
Conference	118,200		118,200
Program income	51,050		51,050
Other	503		503
Support-			
Foundations	388,000		388,000
Corporations and business	45,055		45,055
Donated goods and services	46,886		46,886
Individuals	575		575
Net assets released from restriction	10,312	(10,312)	
Total Revenue and Support	765,481	(10,312)	755,169
Expenses:			
Program	532,983		532,983
General and administrative	92,162		92,162
Fundraising	27,203		27,203
Total Expenses	652,348		652,348
Change in Net Assets	113,133	(10,312)	102,821
Net assets, beginning of year	65,900	10,312	76,212
Net Assets, End of Year	\$ 179,033	\$ -	\$ 179,033

See accompanying notes.

GLOBAL WASHINGTON

**Statement of Functional Expenses
For the Year Ended March 31, 2019**

	Program			Supporting Services			Total
	Member Services	Conferences and Convenings	Total Program	General and Administrative	Fundraising	Total Supporting Services	
Payroll and employee benefits	\$ 316,304	\$ -	\$ 316,304	\$ 45,888	\$ 22,695	\$ 68,583	\$ 384,887
Conferences, convenings and meetings	17,200	85,772	102,972				102,972
Donated goods and services	27,179	3,760	30,939	14,867	1,080	15,947	46,886
Consultants and contractors	18,086		18,086	19,673	74	19,747	37,833
Rent	25,978		25,978	4,546	1,948	6,494	32,472
Printing, publications, and public relations/media	21,698		21,698	54	19	73	21,771
Bank fees	6,348		6,348	1,111	407	1,518	7,866
Technology and communications	5,756		5,756	1,007	432	1,439	7,195
Taxes				2,369	151	2,520	2,520
Insurance				2,022	129	2,151	2,151
Travel	1,163		1,163				1,163
Miscellaneous	926		926	161	69	230	1,156
Equipment rental and maintenance	697		697	122	52	174	871
Dues and subscriptions	561		561	98	42	140	701
Supplies	226		226	40	17	57	283
Meetings	181		181	4	2	6	187
Postage and shipping	94		94	16	7	23	117
Total Expenses Before Depreciation	442,397	89,532	531,929	91,978	27,124	119,102	651,031
Depreciation	1,054		1,054	184	79	263	1,317
Total Expenses	\$ 443,451	\$ 89,532	\$ 532,983	\$ 92,162	\$ 27,203	\$ 119,365	\$ 652,348

See accompanying notes.

GLOBAL WASHINGTON

**Statement of Cash Flows
For the Year Ended March 31, 2019**

Cash Flows From Operating Activities:

Change in net assets	\$ 102,821
Adjustments to reconcile change in net assets to net cash used in operating activities-	
Depreciation	1,317
Changes in operating assets and liabilities:	
Increase in accounts receivable and other assets	(5,951)
Decrease in accounts payable	(5,733)
Decrease in accrued liabilities	<u>(98,436)</u>

Net Cash Used in Operating Activities (5,982)

Cash Flows From Investing Activities:

Purchases of property and equipment	<u>(1,276)</u>
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Net Cash Used in Investing Activities (1,276)

Net Change in Cash and Cash Equivalents **(7,258)**

Cash and cash equivalents, beginning of year	<u>206,851</u>
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Cash and Cash Equivalents, End of Year \$ 199,593

See accompanying notes.

GLOBAL WASHINGTON

Notes to Financial Statements For the Year Ended March 31, 2019

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 in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Organization has presented an unclassified statement of financial position which sequences assets according to their nearness of conversion to cash and sequences liabilities according to the nearness of the maturity and resulting use of cash.

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:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and net assets without donor restrictions that have been designated by the Organization for various purposes.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or passage of time, as well as support received in the form of endowment or sustaining funds which can never be spent. The Organization held no donor restricted funds at March 31, 2019.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of 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 revenue without donor restrictions, 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.

Concentrations - For the year ended March 31, 2019, 53% of the Organization's total revenue and support was from two donors. Conference revenue made up 16%, membership fees made up 14%, and foundation revenue accounted for 51% of total revenue and support for the year ended March 31, 2019.

Cash and Cash Equivalents - Cash and cash equivalents consist of checking and money market accounts. The Organization holds its cash and cash equivalents with one financial institution, and account balances may exceed federally insured limits at times during the year.

GLOBAL WASHINGTON

Notes to Financial Statements For the Year Ended March 31, 2019

Note 1 - Continued

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 March 31, 2019. 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. There were no pledges receivable at March 31, 2019.

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 \$12,153 at March 31, 2019. 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 \$1,317 for the year ended March 31, 2019. Accumulated depreciation totaled \$10,310 at March 31, 2019.

Donor-Advised Fund - During the fifteen months ended March 31, 2018, the Organization created a donor-advised fund at a community foundation in honor of a former board member. Contributions can be made directly to the donor-advised fund or through the Organization. The Organization acts as an agent for any funds intended for the donor-advised fund; therefore, these funds are not recognized as contribution revenue by the Organization. At March 31, 2019, the Organization did not hold any funds intended for the donor-advised fund.

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. Payroll and employee benefit expenses are allocated based on a set salary allocation, overhead expenses are allocated based on set percentages which themselves are based on level of effort or activities, and all other expenses are allocated directly based on the purpose of the expense.

Use of Estimates - The preparation of financial statements in conformity with 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 March 31, 2019

Note 1 - Continued

Adoption of New Accounting Pronouncement - For the year ended March 31, 2019, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14 - *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets are now reported as net assets with donor restrictions. The Organization has also included information regarding the liquidity and availability of its financial assets (Note 4).

Subsequent Events - The Organization has evaluated subsequent events through August 13, 2019, 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 as revenue and expense in the statement of activities for the year ended March 31, 2019:

Professional services	\$	30,347
Auction items and raffle prizes		14,708
Event space and refreshments		1,250
Conference space and catering		<u>581</u>
Total Donated Goods and Services	\$	<u><u>46,886</u></u>

Note 3 - Commitments

Facilities Lease - During 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 approximately \$32,000 for the year ended March 31, 2019.

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

For the Year Ending March 31,

2020	\$	34,723
2021		35,451
2022		<u>20,929</u>
Total Minimum Lease Payments	\$	<u><u>91,103</u></u>

GLOBAL WASHINGTON

Notes to Financial Statements For the Year Ended March 31, 2019

Note 3 - Continued

Other Commitment - The Organization has signed an agreement (the Agreement) with a third party for a facilities venue for the Organization's annual conference to be held in December 2019. The Organization has placed a deposit on the facilities venue, and escalating cancellation fees are applicable if the Agreement is canceled within six months of the conference date. Management has determined the likelihood of cancellation of the Agreement is remote.

Note 4 - Liquidity and Availability of Financial Assets

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

At March 31, 2019, the Organization had \$199,665 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents of \$199,593 and accounts receivable of \$72. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date.