



Financial Statements  
For the Year Ended March 31, 2022

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## Independent Auditor's Report

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

### Opinion

We have audited the financial statements of Global Washington (the Organization), which comprise the statement of financial position as of March 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of March 31, 2022, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Report on Summarized Comparative Information

We have previously audited the Organization's March 31, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 19, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.



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

10900 NE 4th St  
Suite 1400  
Bellevue WA  
98004

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



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Clark Nuber P.S.*

Certified Public Accountants  
July 22, 2022

GLOBAL WASHINGTON

Statement of Financial Position

March 31, 2022

(With Comparative Totals for 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 373,923	\$ 345,166
Accounts receivable and other assets	12,804	10,049
Pledges receivable	750	75,000
Property and equipment, net	<u>1,649</u>	<u>177</u>
<b>Total Assets</b>	<b><u>\$ 389,126</u></b>	<b><u>\$ 430,392</u></b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 3,641	\$ 4,124
Accrued liabilities	21,282	17,689
Paycheck Protection Program conditional grant		<u>69,807</u>
<b>Total Liabilities</b>	<b>24,923</b>	<b>91,620</b>
<b>Net Assets:</b>		
Net assets without donor restrictions	364,203	263,772
Net assets with donor restriction		<u>75,000</u>
<b>Total Net Assets</b>	<b><u>364,203</u></b>	<b><u>338,772</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 389,126</u></b>	<b><u>\$ 430,392</u></b>

See accompanying notes

**GLOBAL WASHINGTON**

**Statement of Activities  
For the Year Ended March 31, 2022  
(With Comparative Totals for 2021)**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2022 Total	2021 Total
<b>Revenue and Support:</b>				
Revenue-				
Membership	\$ 113,300	\$ -	\$ 113,300	\$ 130,200
Conference	49,330		49,330	23,855
Program income	475		475	11,980
Other	103		103	1,565
Support-				
Foundations	251,696		251,696	470,194
Corporations and business				15,005
Donated goods and services	7,200		7,200	18,000
Individuals	28,884		28,884	6,993
PPP loan grant revenue	69,807		69,807	
Net assets released from time restrictions	75,000	(75,000)		
<b>Total Revenue and Support</b>	<b>595,795</b>	<b>(75,000)</b>	<b>520,795</b>	<b>677,792</b>
<b>Expenses:</b>				
Program	386,596		386,596	420,738
General and administrative	83,477		83,477	74,206
Fundraising	25,291		25,291	24,193
<b>Total Expenses</b>	<b>495,364</b>		<b>495,364</b>	<b>519,137</b>
<b>Change in Net Assets</b>	<b>100,431</b>	<b>(75,000)</b>	<b>25,431</b>	<b>158,655</b>
Net assets, beginning of year	263,772	75,000	338,772	180,117
<b>Net Assets, End of Year</b>	<b>\$ 364,203</b>	<b>\$ -</b>	<b>\$ 364,203</b>	<b>\$ 338,772</b>

See accompanying notes

**GLOBAL WASHINGTON**

**Statement of Functional Expenses  
For the Year Ended March 31, 2022  
(With Comparative Totals for 2021)**

	Program			Supporting Services			2022 Total	2021 Total
	Member Services	Conferences and Convenings	Total Program	General and Administrative	Fundraising	Total Supporting Services		
Payroll and employee benefits	\$ 322,358	\$ -	\$ 322,358	\$ 40,192	\$ 23,127	\$ 63,319	\$ 385,677	\$ 391,742
Consultants and contractors	18,759	20,031	38,790	36,909	56	36,965	75,755	73,132
Technology and communications	1,290	3,423	4,713	2,805	532	3,337	8,050	11,093
Donated goods and services	6,480		6,480	432	288	720	7,200	18,000
Conferences, convenings and meetings		5,259	5,259	130	12	142	5,401	5,993
Bank fees	3,300		3,300	1,175	474	1,649	4,949	4,690
Rent	2,378		2,378	679	340	1,019	3,397	6,849
Insurance	1,145		1,145	327	164	491	1,636	1,580
Taxes	1,884		1,884	538	269	807	2,691	1,902
Dues and subscriptions				219	15	234	234	493
Postage and shipping				48		48	48	35
Travel	25		25	2	1	3	28	105
Supplies	17		17	5	2	7	24	316
Printing, publications and public relations/media								2,304
Equipment rental and maintenance								330
<b>Total Expenses Before Depreciation</b>	<b>357,636</b>	<b>28,713</b>	<b>386,349</b>	<b>83,461</b>	<b>25,280</b>	<b>108,741</b>	<b>495,090</b>	<b>518,564</b>
Depreciation	247		247	16	11	27	274	573
<b>2022 Total Expenses</b>	<b>\$ 357,883</b>	<b>\$ 28,713</b>	<b>\$ 386,596</b>	<b>\$ 83,477</b>	<b>\$ 25,291</b>	<b>\$ 108,768</b>	<b>\$ 495,364</b>	
<b>2021 Total Expenses</b>	<b>\$ 398,697</b>	<b>\$ 22,041</b>	<b>\$ 420,738</b>	<b>\$ 74,206</b>	<b>\$ 24,193</b>	<b>\$ 98,399</b>		<b>\$ 519,137</b>

See accompanying notes

**GLOBAL WASHINGTON****Statement of Cash Flows  
For the Year Ended March 31, 2022  
(With Comparative Totals for 2021)**

	<u>2022</u>	<u>2021</u>
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 25,431	\$ 158,655
Adjustments to reconcile change in net assets to net cash provided by operating activities-		
Depreciation	274	573
Changes in operating assets and liabilities:		
Increase in accounts receivable and other assets	(2,755)	
Decrease in pledges receivable	74,250	25,000
(Decrease) increase in accounts payable	(483)	175
Increase (decrease) in accrued liabilities	3,593	(479)
Decrease in funds held for donor-advised fund		(24,821)
(Decrease) increase in Paycheck Protection Program conditional grant	(69,807)	69,807
	<u>30,503</u>	<u>228,910</u>
<b>Net Cash Provided by Operating Activities</b>	<b>30,503</b>	<b>228,910</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>28,757</b>	<b>228,910</b>
Cash and cash equivalents, beginning of year	<u>345,166</u>	<u>116,256</u>
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 373,923</u></b>	<b><u>\$ 345,166</u></b>

See accompanying notes



## GLOBAL WASHINGTON

### Notes to Financial Statements For the Year Ended March 31, 2022 (With Comparative Totals for 2021)

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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 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. There were no net assets designated by the Organization at March 31, 2022 and 2021.

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 had no endowment or sustaining funds at March 31, 2022 and 2021. Net assets with donor restrictions at March 31, 2021 are time restricted, and the time restrictions will be released within the following year. There were no net assets with donor restrictions at March 31, 2022.

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 considered to be primarily nonexchange transactions and are recognized as revenue in the period received. Conference fees and program income are recognized in the period in which the Organization's performance obligation has been met, which is when the conference or program 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.

**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.

**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, 2022 and 2021. Other assets consist of prepaid expenses.

## GLOBAL WASHINGTON

### Notes to Financial Statements For the Year Ended March 31, 2022 (With Comparative Totals for 2021)

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#### Note 1 - Continued

**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. An allowance for doubtful accounts is determined by management based on a reasonable estimate and past experience. An allowance for doubtful accounts was not deemed necessary at March 31, 2022 and 2021. All pledges are expected to be collected within one year as of March 31, 2022 and 2021.

Conditional promises to give are recognized in the period the conditions on which they depend are substantially met. There were no conditional grants outstanding at March 31, 2022.

**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 \$13,899 and \$12,153 at March 31, 2022 and 2021, respectively. 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 \$274 and \$573 for the years ended March 31, 2022 and 2021, respectively. Accumulated depreciation totaled \$12,250 and \$11,976 at March 31, 2022 and 2021, respectively.

**Paycheck Protection Program Conditional Grant** - In response to the COVID-19 pandemic that became prevalent worldwide in 2020, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act). Included in the CARES Act is the Paycheck Protection Program (PPP) to provide loans to qualifying small businesses and not-for-profit organizations to cover certain eligible expenses. On April 20, 2020, the Organization obtained a loan under the PPP with a principal balance of \$69,807 and an annual interest rate of 1%. Principal and interest are payable in monthly installments over an 18-month amortization period beginning six months after the loan was disbursed. All or a portion of the PPP loan may be forgiven if certain terms and conditions of the program are met. Management has determined that the Organization has satisfied key terms and conditions of the program, which include incurring qualifying payroll and other limited expenditures and maintaining certain levels of employment of staff. In accordance with U.S. GAAP, the Organization has elected to treat the PPP loan as a conditional grant for which grant revenue will be recognized in the period in which the loan forgiveness is confirmed by the Small Business Administration. In of May 2021, the loan forgiveness was confirmed, and grant revenue totaling \$69,807 was recognized and immediately released as without donor restrictions on the statement of activities.

**Concentrations** - As of and for the year ended March 31, 2022, 100% of the Organization's pledges receivable was from one donor, and 48% of the Organization's total revenue and support was received from two donors, related to a former board member. As of and for the year ended March 31, 2021, 100% of the Organization's pledges receivable was from one donor, and 69% of the Organization's total revenue and support was received from three donors, two of which are related to a former board member.

**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.

## GLOBAL WASHINGTON

### Notes to Financial Statements For the Year Ended March 31, 2022 (With Comparative Totals for 2021)

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#### Note 1 - Continued

**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.

**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 March 31, 2021, from which the summarized information was derived.

#### 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:

	<u>2022</u>	<u>2021</u>
Professional services	\$ 7,200	\$ 18,000
<b>Total Donated Goods and Services</b>	<b><u>\$ 7,200</u></b>	<b><u>\$ 18,000</u></b>

#### Note 3 - Commitments and Contingencies

The Organization signed an agreement with a third party and placed deposits totaling \$7,300 for a \$39,000 agreement on a facilities venue and web support for the Organization's annual conference that is scheduled to be held in December 2020. The Organization elected to forego holding its annual conference in person and moved to a virtual platform due to mandated social distancing related to the COVID-19 pandemic. The Organization incurred no cancellation fees or penalties for the conference deferral, and the deposits may be used for future events at the venue. The Organization intends to use the deposit in fiscal year 2023.

## GLOBAL WASHINGTON

### Notes to Financial Statements For the Year Ended March 31, 2022 (With Comparative Totals for 2021)

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#### 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, 2022, the Organization had \$374,673 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 \$373,923 and \$750 of pledges receivable. At March 31, 2021, the Organization had \$420,166 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 \$345,166 and pledges receivable of \$75,000. 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.

#### Note 5 - Subsequent Events

**Subsequent Events** - The Organization has evaluated subsequent events with respect to the financial statements for the year ended March 31, 2022 through July 22, 2022, the date on which the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements, nor have any events occurred, the nature of which would require disclosure.