



Financial Statements  
For the Year Ended March 31, 2023

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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, 2023, 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, 2023, 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, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 22, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2022 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.



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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  
June 23, 2023

## GLOBAL WASHINGTON

### Statement of Financial Position

March 31, 2023

(With Comparative Totals for 2022)

	<u>2023</u>	<u>2022</u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 205,697	\$ 373,923
Accounts receivable and other assets	9,718	12,804
Pledges receivable	200,000	750
Property and equipment, net	<u>1,067</u>	<u>1,649</u>
<b>Total Assets</b>	<b><u>\$ 416,482</u></b>	<b><u>\$ 389,126</u></b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 6,439	\$ 3,641
Accrued liabilities	<u>15,291</u>	<u>21,282</u>
<b>Total Liabilities</b>	<b>21,730</b>	<b>24,923</b>
<b>Net Assets:</b>		
Net assets without donor restrictions	144,752	364,203
Net assets with donor restriction	<u>250,000</u>	<u></u>
<b>Total Net Assets</b>	<b><u>394,752</u></b>	<b><u>364,203</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 416,482</u></b>	<b><u>\$ 389,126</u></b>

See accompanying notes

**GLOBAL WASHINGTON**

**Statement of Activities  
For the Year Ended March 31, 2023  
(With Comparative Totals for 2022)**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2023 Total	2022 Total
<b>Revenue and Support:</b>				
Revenue-				
Membership	\$ 121,650	\$ -	\$ 121,650	\$ 113,300
Conference and program income	84,454		84,454	49,805
Other	150		150	103
Support-				
Foundations	98,370	250,000	348,370	251,696
Corporations and business	15,000		15,000	
Donated goods and services	8,550		8,550	7,200
Individuals	24,090		24,090	28,884
Paycheck Protection Program conditional grant				69,807
<b>Total Revenue and Support</b>	<b>352,264</b>	<b>250,000</b>	<b>602,264</b>	<b>520,795</b>
<b>Expenses:</b>				
Program	462,616		462,616	386,596
General and administrative	89,424		89,424	83,477
Fundraising	19,675		19,675	25,291
<b>Total Expenses</b>	<b>571,715</b>		<b>571,715</b>	<b>495,364</b>
<b>Change in Net Assets</b>	<b>(219,451)</b>	<b>250,000</b>	<b>30,549</b>	<b>25,431</b>
Net assets, beginning of year	364,203		364,203	338,772
<b>Net Assets, End of Year</b>	<b>\$ 144,752</b>	<b>\$ 250,000</b>	<b>\$ 394,752</b>	<b>\$ 364,203</b>

See accompanying notes

**GLOBAL WASHINGTON**

**Statement of Functional Expenses  
For the Year Ended March 31, 2023  
(With Comparative Totals for 2022)**

	Program			Supporting Services			2023 Total	2022 Total
	Member Services	Conferences and Convenings	Total Program	General and Administrative	Fundraising	Total Supporting Services		
Payroll and employee benefits	\$ 305,784	\$ -	\$ 305,784	\$ 39,759	\$ 18,597	\$ 58,356	\$ 364,140	\$ 385,677
Conferences, convenings and meetings	4,809	100,404	105,213	695		695	105,908	5,401
Consultants and contractors	17,121	3,600	20,721	42,127		42,127	62,848	75,755
Technology and communications	9,917	360	10,277	3,102	50	3,152	13,429	8,050
Donated goods and services	6,210		6,210	1,980	360	2,340	8,550	7,200
Office expense	4,962		4,962	1,010	289	1,299	6,261	5,255
Rent	2,770		2,770	290	161	451	3,221	3,397
Printing, publications and public relations/media	2,547		2,547				2,547	
Taxes	1,798		1,798	188	105	293	2,091	2,691
Insurance	1,387		1,387	145	81	226	1,613	1,636
Travel	335	110	445	77	3	80	525	28
<b>Total Expenses Before Depreciation</b>	<b>357,640</b>	<b>104,474</b>	<b>462,114</b>	<b>89,373</b>	<b>19,646</b>	<b>109,019</b>	<b>571,133</b>	<b>495,090</b>
Depreciation	502		502	51	29	80	582	274
<b>2023 Total Expenses</b>	<b>\$ 358,142</b>	<b>\$ 104,474</b>	<b>\$ 462,616</b>	<b>\$ 89,424</b>	<b>\$ 19,675</b>	<b>\$ 109,099</b>	<b>\$ 571,715</b>	
<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>

See accompanying notes



## GLOBAL WASHINGTON

### Statement of Cash Flows For the Year Ended March 31, 2023 (With Comparative Totals for 2022)

	<u>2023</u>	<u>2022</u>
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 30,549	\$ 25,431
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities-		
Depreciation	582	274
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable and other assets	3,086	(2,755)
(Increase) decrease in pledges receivable	(199,250)	74,250
Increase (decrease) in accounts payable	2,798	(483)
(Decrease) increase in accrued liabilities	(5,991)	3,593
Decrease in Paycheck Protection Program conditional grant		(69,807)
	<u>(168,226)</u>	<u>30,503</u>
<b>Net Cash (Used in) Provided by Operating Activities</b>		
	<u>(168,226)</u>	<u>30,503</u>
<b>Cash Flows From Investing Activities:</b>		
Purchases of property and equipment		(1,746)
		<u>(1,746)</u>
<b>Net Cash Used in Investing Activities</b>		
		<u>(1,746)</u>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(168,226)</b>	<b>28,757</b>
Cash and cash equivalents, beginning of year	<u>373,923</u>	<u>345,166</u>
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 205,697</u></b>	<b><u>\$ 373,923</u></b>

See accompanying notes

## GLOBAL WASHINGTON

### Notes to Financial Statements For the Year Ended March 31, 2023 (With Comparative Totals for 2022)

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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, 2023 and 2022.

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, 2023 and 2022. At March 31, 2023, net assets with donor restrictions for time and for purposes total \$200,000 and \$50,000, respectively. 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.

## GLOBAL WASHINGTON

### Notes to Financial Statements For the Year Ended March 31, 2023 (With Comparative Totals for 2022)

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#### 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, 2023 and 2022. Other assets consist of 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. Management determined the impact of a present value discount would be immaterial and accordingly, no present value discount was recorded for the year ended March 31, 2023 and 2022. 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, 2023 and 2022. Of the total \$200,000 pledge receivable balance at March 31, 2023, \$100,000 is expected to be collected within one year and the remaining \$100,000 is expected to be collected during the year ended March 31, 2025. All pledges were expected to be collected within one year as of March 31, 2022.

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, 2023 or 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 \$11,230 and \$13,899 at March 31, 2023 and 2022, 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 \$582 and \$274 for the years ended March 31, 2023 and 2022, respectively. Accumulated depreciation totaled \$10,163 and \$12,250 at March 31, 2023 and 2022, 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, 2023, 100% of the Organization's pledges receivable was from one donor, and 50% of the Organization's total revenue and support was received from one donor. 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.

## GLOBAL WASHINGTON

### Notes to Financial Statements For the Year Ended March 31, 2023 (With Comparative Totals for 2022)

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#### Note 1 - Continued

**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.

**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, 2022, from which the summarized information was derived.

**Reclassifications** - Certain amounts presented in the financial statements for the year ended March 31, 2022 have been reclassified to conform to the year ended March 31, 2023 financial statement presentation. These reclassifications have no effect on previously reported total assets, total liabilities, total net assets, or change in net assets.

#### 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. In valuing the professional services for information technology and consulting contributed, the Organization records the fair value based on values provided by the service providers. The value of these contributed goods and services are reported as donated goods and services support and expenses. No donated goods or services are monetized. The following goods and services were recognized as revenue and expense in the statement of activities for the year ended March 31:

	<u>2023</u>	<u>2022</u>
Professional services	\$ 8,550	\$ 7,200
<b>Total Donated Goods and Services</b>	<b><u>\$ 8,550</u></b>	<b><u>\$ 7,200</u></b>

## GLOBAL WASHINGTON

### Notes to Financial Statements For the Year Ended March 31, 2023 (With Comparative Totals for 2022)

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#### Note 3 - Commitments and Contingencies

During the year ended March 31, 2022, 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 was 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 used the deposit during the year ended March 31, 2023.

#### 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. The following financial assets held by the Organization are available to meet general expenditures for the years ended March 31:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 205,697	\$ 373,923
Pledges receivable	<u>200,000</u>	<u>750</u>
Total financial assets	405,697	374,673
Less amounts not available to be used within one year pledged receivable, net current portion	(100,000)	
Less donor-imposed restrictions	<u>(50,000)</u>	
<b>Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year</b>	<b><u>\$ 255,697</u></b>	<b><u>\$ 374,673</u></b>

#### Note 5 - Subsequent Events

The Organization has evaluated subsequent events with respect to the financial statements for the year ended March 31, 2023 through June 23, 2023, 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 with exception of the following matter.

On April 13, 2023, the Organization entered into a Memorandum of Understanding (MOU) with another similar not-for-profit to execute an asset purchase. The acquisition is expected to be completed during the year ending March 31, 2024.