

*Support literacy and learning for 1,900 Maya youth,
a project by Limitless Horizons Ixil*



2015 Annual Report

2015

GlobalGiving

Year in Review

Since 2002, more than **507,500** donors have given **\$207 million** to **13,800+** projects in **164** countries.

\$41.8M

donated

176,800

donations

284

site visits to
263 organizations
in 37 countries

2,890

organizations
funded

65%

of our nonprofit partners said that
GlobalGiving helps them become more
effective not just in fundraising, but
overall as an organization.



Mozambique was officially declared landmine-free, thanks to **APOPO's** mine-sniffing HeroRATs.



More than 10,000 children in Argentina no longer suffer from malnutrition because staff at **Sumando Manos** learned and grew from their failures.



Women who survived Ebola in Liberia collected donations for GlobalGiving's **Nepal Relief Fund**, because this global community is awesome.



GROWTH CAPITAL CAMPAIGN

\$5.3M in committed growth capital has allowed us to:

- » re-design our website,
- » develop more sophisticated donor communications (resulting in more funding for partners),
- » launch GG Rewards to incentivize nonprofit learning and effectiveness,
- » grow our field presence outside the US,
- » incubate Feedback Labs, a collaboration supporting feedback in the nonprofit sector, and
- » better understand (and respond to) donor behavior.

2015 Highlights

JANUARY GlobalGiving announced a brand refresh along with a new logo which marked the beginning of our 2015 website re-design.

APRIL More than 70 GlobalGiving partners responded after the Nepal earthquake; we delivered funds to the ground in less than 5 days. We've raised more than \$5 million and we'll continue to support long-term recovery.

JUNE The Safer World Fund, created as a response to 9/11, reached \$1 million in funding for education, health and development in Afghanistan and Pakistan.

JULY We launched a new website to better showcase our nonprofit partners and make it easier than ever to give, resulting in faster page load times, lower bounce rates, and a 16% increase in people adding donations to their cart. Most importantly, our new pages are 100% mobile optimized, making it easy to give from any device anywhere in the world.

AUGUST With a \$50K grant from the New Venture Fund, GlobalGiving tested The Narrative Project to help nonprofits tell stories that increase support for global development.

SEPTEMBER GlobalGiving launched GG Rewards, an incentive system that's rewarding nonprofits that demonstrate their ability to Listen, Act, Learn, and Repeat to improve their work. In just three months, 39% of our active partners have received points for listening to their stakeholders.

OCTOBER The Charles Stewart Mott Foundation granted GlobalGiving \$1M to help us establish an effective operating system for community philanthropy around the world.

NOVEMBER We awarded \$2,000 to nonprofits who reported on their failures and their learning through the Fail Forward contest.

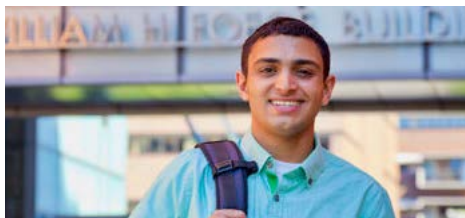
DECEMBER Celebrated passing the \$200 million mark in total funds raised for our project partners.

GlobalGiving was named a Top-10 Open Company in Washington DC as a result of high employee satisfaction ratings on Glassdoor.com.

GlobalGiving's Corporate Partners Drive Global Change



GlobalGiving partners including VMware, Discovery Communications, and Nike gave more than **\$1.95 million** to Nepal Earthquake relief.



Our 3-year Microsoft YouthSpark partnership raised **\$8 million** for 1,800+ education, employment & entrepreneurship projects reaching 300,000 youth.



GlobalGiving's corporate partner gift card programs generated nearly **\$2.5 million** benefitting almost all of our nonprofit partners.

CONSOLIDATED FINANCIAL STATEMENTS

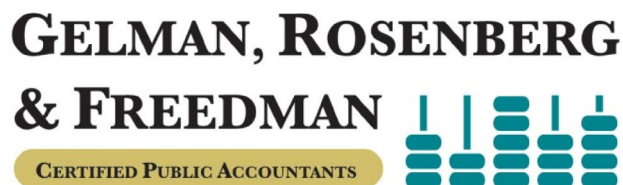
**GLOBALGIVING FOUNDATION, INC.
AND SUBSIDIARY**

**FOR THE YEAR ENDED DECEMBER 31, 2015
WITH SUMMARIZED CONSOLIDATED FINANCIAL
INFORMATION FOR 2014**

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Consolidated Statement of Financial Position, as of December 31, 2015, with Summarized Consolidated Financial Information for 2014	4
EXHIBIT B - Consolidated Statement of Activities and Change in Net Assets, for the Year Ended December 31, 2015, with Summarized Consolidated Financial Information for 2014	5
EXHIBIT C - Consolidated Statement of Cash Flows, for the Year Ended December 31, 2015, with Summarized Consolidated Financial Information for 2014	6
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	7 - 14



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
GlobalGiving Foundation, Inc. and Subsidiary
Washington, D.C.

We have audited the accompanying consolidated financial statements of the GlobalGiving Foundation, Inc. and Subsidiary, which comprise the consolidated statement of financial position as of December 31, 2015, and the related consolidated statements of activities and change in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We did not audit the financial statements of GlobalGiving UK, a subsidiary, which statements reflect total assets of \$1,381,477 as of March 31, 2016 and total revenue of \$2,956,620 for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for GlobalGiving UK, is based solely on the report of the other auditors. 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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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MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF HORWATH INTERNATIONAL
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Opinion

In our opinion, based on our audit and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the GlobalGiving Foundation, Inc. and Subsidiary as of December 31, 2015, and the consolidated change in their net assets and their consolidated 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 GlobalGiving Foundation, Inc. and Subsidiary's 2014 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated January 20, 2016. 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 consolidated financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Friedman".

February 22, 2017

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2015
WITH SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION FOR 2014

ASSETS

	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 14,634,125	\$ 12,917,556
Accounts receivable	1,760,708	3,695,241
Pledges and grants receivable	750,000	816,000
Prepaid expenses and other assets	<u>120,473</u>	<u>77,576</u>
Total current assets	<u>17,265,306</u>	<u>17,506,373</u>
FIXED ASSETS		
Fixed assets, net of accumulated depreciation and amortization of \$690,047 and \$485,484 for 2015 and 2014, respectively	<u>843,714</u>	<u>916,762</u>
OTHER ASSETS		
Deposits	13,389	13,389
Other assets - Trademark	<u>311,487</u>	<u>311,487</u>
Total other assets	<u>324,876</u>	<u>324,876</u>
TOTAL ASSETS	<u>\$ 18,433,896</u>	<u>\$ 18,748,011</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 146,704	\$ 240,439
Accrued payroll liabilities	84,146	74,567
Deferred revenue	10,000	212,931
Deferred rent	62,260	30,577
Other current liabilities	<u>4,006</u>	<u>4,006</u>
Total current liabilities	<u>307,116</u>	<u>562,520</u>
NON-CURRENT LIABILITIES		
Deferred rent, net of current portion	<u>770,040</u>	<u>876,816</u>
Total liabilities	<u>1,077,156</u>	<u>1,439,336</u>
NET ASSETS		
Unrestricted	3,590,042	3,031,380
Temporarily restricted	<u>13,766,698</u>	<u>14,277,295</u>
Total net assets	<u>17,356,740</u>	<u>17,308,675</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 18,433,896</u>	<u>\$ 18,748,011</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION FOR 2014**

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE				
Grants	\$ 425,865	\$ 2,061,830	\$ 2,487,695	\$ 2,239,134
Project contributions	3,114,309	40,697,831	43,812,140	35,726,256
Professional services	1,574,249	-	1,574,249	1,205,894
Interest income	1,825	-	1,825	6,072
Contributed services and materials	236,094	-	236,094	70,935
Other revenue	153,756	-	153,756	124,236
Rental income	108,988	-	108,988	45,412
Net assets released from donor restrictions	<u>43,233,202</u>	<u>(43,233,202)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>48,848,288</u>	<u>(473,541)</u>	<u>48,374,747</u>	<u>39,417,939</u>
EXPENSES				
Project Distributions	41,516,868	-	41,516,868	27,471,771
Salaries and Benefits	4,321,567	-	4,321,567	3,772,329
Professional Fees and Services	695,762	-	695,762	971,381
Systems and Communications	245,912	-	245,912	205,011
Legal and Registration Fees	186,779	-	186,779	147,203
Field Services	55,983	-	55,983	115,331
Travel	143,021	-	143,021	195,083
Rent	485,089	-	485,089	311,919
Supplies, Printing and Reproduction	81,546	-	81,546	93,994
Depreciation and Amortization	213,197	-	213,197	143,512
Insurance	23,418	-	23,418	17,156
Subscriptions and Publications	59,610	-	59,610	63,447
Meetings and Conventions	95,472	-	95,472	96,920
Impairment	1,337	-	1,337	3,547
Other	<u>151,768</u>	<u>-</u>	<u>151,768</u>	<u>122,155</u>
Total expenses	<u>48,277,329</u>	<u>-</u>	<u>48,277,329</u>	<u>33,730,759</u>
Change in net assets before other items	<u>570,959</u>	<u>(473,541)</u>	<u>97,418</u>	<u>5,687,180</u>
OTHER ITEMS				
Currency exchange rate loss	(11,748)	(37,056)	(48,804)	(61,466)
Income tax expense	<u>(549)</u>	<u>-</u>	<u>(549)</u>	<u>(3,386)</u>
Total other items	<u>(12,297)</u>	<u>(37,056)</u>	<u>(49,353)</u>	<u>(64,852)</u>
Change in net assets	558,662	(510,597)	48,065	5,622,328
Net assets at beginning of year	<u>3,031,380</u>	<u>14,277,295</u>	<u>17,308,675</u>	<u>11,686,347</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,590,042</u>	<u>\$ 13,766,698</u>	<u>\$ 17,356,740</u>	<u>\$ 17,308,675</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION FOR 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 48,065	\$ 5,622,328
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	213,197	143,512
Loss on disposal of fixed assets	-	6,390
Change in valuation of MFI trademark	-	(9,165)
Change in discount	-	(3,196)
(Increase) decrease in:		
Accounts receivable	1,934,533	(2,017,132)
Pledges and grants receivable	66,000	34,000
Prepaid expenses and other assets	(42,897)	38,326
Note receivable	-	50,625
Increase (decrease) in:		
Accounts payable and accrued expenses	(93,735)	111,502
Accrued payroll liabilities	9,579	4,327
Income taxes payable	-	(5,420)
Deferred revenue	(202,931)	101,145
Deferred rent	<u>(75,093)</u>	<u>849,338</u>
Net cash provided by operating activities	<u>1,856,718</u>	<u>4,926,580</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>(140,149)</u>	<u>(914,882)</u>
Net cash used by investing activities	<u>(140,149)</u>	<u>(914,882)</u>
Net increase in cash and cash equivalents	1,716,569	4,011,698
Cash and cash equivalents at beginning of year	<u>12,917,556</u>	<u>8,905,858</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 14,634,125</u>	<u>\$ 12,917,556</u>
SUPPLEMENTAL INFORMATION		
Taxes Paid	<u>\$ 549</u>	<u>\$ 18,133</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organizations -

The GlobalGiving Foundation, Inc. (the Foundation) helps U.S. and non-U.S. based entities access philanthropic capital by making the connections between donors and implementers of charitable programs more efficient, more transparent, and therefore more likely. By providing a secure and transparent environment for giving, the Foundation simultaneously fosters social innovation by enabling new and unproven ideas to have a chance at success, and enables individuals and corporations to maximize their global philanthropy. The Foundation functions as a charitable, not-for-profit, nonstock corporation and has one class of voting members, which comprise the Board of Directors, consisting of seven members. The affairs and management of the Foundation are under the control of the Board of Directors.

GlobalGiving UK (GG UK) is a England and Wales registered charity under the English law and is limited by guarantee. GG UK's charitable objectives are to advance any purpose which is deemed to be exclusively charitable under English law. GG UK's principal activity is running the GlobalGiving.co.uk website, which enables individuals to support a range of charitable projects from all over the world, run by charities of all sizes based either overseas or in the UK. Donors to a specific project are automatically updated with the latest progress reports, therefore able to see the direct impact on the communities concerned. The Foundation is the sole company law member of GG UK, and as such, it has the right to change GG UK's constitution (known as its Memorandum and Articles of Association) and to appoint and remove trustees of GG UK.

The year-end for GG UK is March 31, 2016. Therefore, the Consolidated Statement of Activities and Change in Net Assets is presented for GG UK for the year ending March 31, 2016, which includes the activity for GG UK from April 1, 2015 to March 31, 2016.

Basis of presentation -

The accompanying consolidated financial statements are prepared on the accrual basis of accounting, which presents the financial position, activities and change in net assets and cash flows in accordance with FASB ASC 958-810, *Not-for-Profit Entities, Consolidation*.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the GlobalGiving Foundation, Inc. and Subsidiary's consolidated financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Basis of consolidation -

The accompanying consolidated financial statements reflect the activity of the GlobalGiving Foundation, Inc. and its majority owned subsidiary, GlobalGiving UK. All intercompany transactions have been eliminated during consolidation.

Cash and cash equivalents -

The GlobalGiving Foundation, Inc. and Subsidiary consider all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, the Foundation maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Cash and cash equivalents (continued) -

The Foundation receives website donations on behalf of over 5,600 pre-screened projects and makes remittances to those organizations on behalf of the donors. The terms of the website operator require these funds to be segregated from the Foundation's other funds. As of December 31, 2015, these funds totaled \$10,097,690.

The terms of a grant held by the Foundation require funds to be segregated from the Foundation's other funds. As of December 31, 2015, these funds totaled \$542,225.

At December 31, 2015, the Foundation had \$1,283,065 of cash and cash equivalents held at financial institutions in foreign countries. The majority of funds held in foreign countries is uninsured.

Accounts, grants, and pledges receivable -

Accounts receivable and pledges receivable approximate fair value and are due within one year. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Pledges receivable that are expected to be collected in future years are recorded at their fair value, measured as the present value of their 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 grants and gifts revenue.

Grants and support receivable represents amounts due from funding organizations for reimbursable expenses incurred in accordance with the grant agreements. Grant funding received in advance of incurring the related expenses is recorded as deferred revenue.

Fixed assets -

Fixed assets in excess of \$1,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to seven years.

Leasehold improvements are amortized over the life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended December 31, 2015 totaled \$213,197.

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced, by a charge to Consolidated Statement of Activities and Change in Net Assets, to its current fair value.

Income taxes -

The Foundation -

The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. The Foundation is not a private foundation.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Income taxes (continued) -

GlobalGiving UK -

GG UK is exempt from United Kingdom income tax and corporation tax, provided that the money is used solely for charitable purposes. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements.

Uncertain tax positions -

For the year ended December 31, 2015, the GlobalGiving Foundation, Inc. and Subsidiary have documented their consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

Net asset classification -

The net assets of the GlobalGiving Foundation, Inc. and Subsidiary are reported in two self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of the Foundation and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statement of Activities and Change in Net Assets as net assets released from restrictions.

Contributions and grants -

Unconditional promises to give cash and other assets to the GlobalGiving Foundation, Inc. and Subsidiary are reported at their fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at their fair value at the date the donation is received.

The donations or grants are reported as temporarily restricted net assets if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statement of Activities and Change in Net Assets as net assets released from restriction.

Foreign currency translation -

The U.S. Dollar (dollars) is the functional currency for the Foundation's worldwide operations. Transactions in currencies other than U.S. dollars are translated into dollars. Current assets and liabilities denominated in non-U.S. currency are translated into dollars at the exchange rate in effect at the date of the Consolidated Statement of Financial Position.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Contributed services and materials -

Contributed services and materials consist primarily of legal and consulting services. Contributed services and materials are recorded at their fair market value as of the date of the gift.

Use of estimates -

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Risks and uncertainties -

The GlobalGiving Foundation, Inc. and Subsidiary depend primarily on donations and grants to carry on their charitable activities; consequently, any change in giving patterns would affect the GlobalGiving Foundation, Inc. and Subsidiary's ability to fund their operations.

2. TEMPORARILY RESTRICTED NET ASSETS

The GlobalGiving Foundation, Inc. and Subsidiary's temporarily restricted funds are mostly comprised of donations received that will be used to provide benefits to specific charitable projects and have not yet been distributed to the sponsoring organizations.

Temporarily restricted net assets consisted of the following at December 31, 2015:

Program Restricted:	
Foundation projects	\$ 12,731,621
Guarantee reserve	4,467
GG UK projects	<u>1,030,610</u>
TOTAL TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 13,766,698</u>

3. NET ASSETS RELEASED FROM RESTRICTIONS

The following temporarily restricted net assets were released from donor restrictions by incurring expenses (or through the passage of time), which satisfied the restricted purposes specified by the donors:

Program Restricted:	
Foundation project distributions	\$ 40,810,691
GG UK projects	<u>2,372,511</u>
	43,183,202
Passage of Time	<u>50,000</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 43,233,202</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015**

4. CONTRIBUTED SERVICES AND MATERIALS

During the year ended December 31, 2015, the GlobalGiving Foundation, Inc. and Subsidiary were the beneficiary of donated services and materials totaling \$236,094, utilized for the operations of the GlobalGiving Foundation, Inc. and Subsidiary.

Contributed services and materials for the year ended December 31, 2015 were as follows:

Donated Consulting Services	\$ 135,000
Donated Legal Services	94,594
Other Donations	<u>6,500</u>
TOTAL CONTRIBUTED SERVICES AND MATERIALS	<u>\$ 236,094</u>

The following programs have benefited from these donated services:

Program Expense	\$ 193,849
Management and General	33,980
Fundraising	<u>8,265</u>
TOTAL	<u>\$ 236,094</u>

5. RETIREMENT PLAN

The Foundation established the Global Giving Foundation, Inc. 401(k) Plan for the exclusive benefit of all eligible employees and their beneficiaries. To be eligible to make a salary deferral contribution and to receive a matching contribution, an employee must have completed a minimum of three months of service with 160 hours in each month. Each year, at the Foundation's discretion, a match may be a discretionary percentage allocated proportionate to an employee salary deferrals, flat dollar amount, or tiered formula, as the Foundation elects each year. The safe harbor contribution will be a match of 100% of the first 3% of salary deferral plus 50% of the next 2% of salary deferral. The total safe harbor match for the year ended December 31, 2015 was \$105,338.

Additionally, the Foundation, at its discretion, may make a profit sharing contribution to the plan. To be eligible to receive an allocation of the discretionary employer profit sharing contributions an employee must complete 1,000 hours of service during the plan year and be employed the last day of the plan year. The Foundation did not make a profit sharing contribution for the year ended December 31, 2015.

6. LEASE COMMITMENT

Effective October 1, 2009, the Foundation leased office space under a seventy-six month agreement, which originated in August 2009. Base rent is \$13,389 per month, plus a proportionate share of expenses, increasing by a factor of 4.5% per year.

In 2014, the Foundation entered into a lease agreement for new office space. The lease commenced on August 1, 2014 and terminates on July 31, 2024. Base rent is \$26,971 per month, with annual set escalations, plus a proportionate share of expenses.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015**

6. LEASE COMMITMENT (Continued)

Additionally, the Foundation entered into an agreement to sub-lease the old office space with terms commencing on August 1, 2014 and terminating on January 15, 2016. The base rent for the sub-lease is \$8,926, with an annual escalation effective August 1, 2015.

Effective March 2011, GG UK leased office space under a five-year agreement, terminating June 2016 and cancelable with a three-month written notice. Base rent is £18,954 per annum, plus a proportionate share of expenses, increasing at the landlord's discretion.

During 2016, GG UK signed a new lease with contractual terms commencing on April 24, 2016 and terminating on April 23, 2019. The lease has a base rent of £13,800 per annum, plus a proportionate share of service charges, taxes, and utilities. The base amount will be reviewed on an annual basis and adjusted based on the current RPI at the time of review.

Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent liability on the Consolidated Statement of Financial Position.

The following is a schedule of the future minimum lease payments and income:

<u>Year Ending December 31,</u>	<u>Rental Payments</u>	<u>Rental Income</u>	<u>Net</u>
2016	\$ 381,381	\$ (4,664)	\$ 376,717
2017	363,426	-	363,426
2018	372,028	-	372,028
2019	369,761	-	369,761
2020	375,230	-	375,230
Thereafter	<u>1,422,034</u>	<u>-</u>	<u>1,422,034</u>
	<u>\$ 3,283,860</u>	<u>\$ (4,664)</u>	<u>\$ 3,279,196</u>

Rent expense for the year ended December 31, 2015 totaled \$485,089. The deferred rent liability was \$832,300.

7. FIXED ASSETS

Fixed assets consisted of the following for the year ended December 31, 2015:

Furniture, fixtures and computers	\$ 746,350
Software	175,814
Leasehold improvements	<u>611,597</u>
	1,533,761
Less: Accumulated depreciation and amortization	<u>(690,047)</u>
FIXED ASSETS, NET	<u>\$ 843,714</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015**

8. OTHER FINANCIAL COMMITMENTS

GG UK is obligated to make payments to Venturesome, based on a percentage between 0.83% and 5% of income. This is part of the Revenue Participation Right that Venturesome has purchased. These payments vary and depend on GG UK's success, and so have not been valued or included in the accompanying consolidated financial statements.

9. LINE OF CREDIT

The Foundation has a \$750,000 bank line of credit. Amounts borrowed under this agreement bear interest based upon the index and the margin described in the financing agreement (3.75% at December 31, 2015). As of December 31, 2015, there was no outstanding balance on the line of credit. The line is secured by cash held in accounts at the same financial institution.

10. FUNCTIONAL EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The expenses of the GlobalGiving Foundation, Inc. and Subsidiary, on a functional basis, are as follows at December 31, 2015:

		<u>Supporting Services</u>			
	<u>Program Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	<u>Total Expenses</u>
Project Distributions	\$41,516,868	\$ -	\$ -	\$ -	\$41,516,868
Salaries and Benefits	2,849,340	1,146,327	325,900	1,472,227	4,321,567
Professional Fees and Services	571,732	89,790	34,240	124,030	695,762
Systems and Communications	195,690	36,357	13,865	50,222	245,912
Legal and Registration Fees	148,620	27,625	10,534	38,159	186,779
Field Services	48,338	5,534	2,111	7,645	55,983
Travel	121,376	15,670	5,975	21,645	143,021
Rent	385,985	71,745	27,359	99,104	485,089
Supplies, Printing and Reproduction	66,348	11,002	4,196	15,198	81,546
Depreciation and Amortization	169,641	31,532	12,024	43,556	213,197
Insurance	18,634	3,463	1,321	4,784	23,418
Subscriptions and Publications	47,432	8,816	3,362	12,178	59,610
Meetings and Conventions	76,174	13,971	5,327	19,298	95,472
Impairment	1,063	199	75	274	1,337
Other	<u>133,583</u>	<u>13,165</u>	<u>5,020</u>	<u>18,185</u>	<u>151,768</u>
TOTAL EXPENSES	<u>\$46,350,824</u>	<u>\$ 1,475,196</u>	<u>\$ 451,309</u>	<u>\$ 1,926,505</u>	<u>\$48,277,329</u>
PERCENT	<u>96.0 %</u>	<u>3.1 %</u>	<u>0.9 %</u>	<u>4.0%</u>	<u>100%</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015**

11. MANYFUTURES, INC. DISSOLUTION

During 2012, ManyFutures, Inc. (the Corporation) was formally dissolved. All remaining assets and liabilities, including the value of the trademark, were transferred to the Foundation as of December 29, 2012. The value of the trademark is included in other assets in the accompanying Consolidated Statement of Financial Position. The value of the trademark will be evaluated and revalued on an annual basis. There are no adverse events that would indicate its carrying amount would not be recoverable.

As a result of the dissolution, the Foundation has recorded a liability in the amount of \$4,006 for one remaining shareholder that held an interest in the Corporation.

12. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the GlobalGiving Foundation, Inc. and Subsidiary have evaluated events and transactions for potential recognition or disclosure through February 22, 2017, the date the consolidated financial statements were issued.