

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2020 AND 2019



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**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
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YEARS ENDED JUNE 30, 2020 AND 2019**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Global Fund for Children
Washington, DC

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Global Fund for Children and Affiliates, which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years 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 audits. We did not audit the financial statements of The Global Fund for Children UK Trust, a wholly owned affiliate, which statements reflect total assets of \$510,608 and \$144,017 as of June 30, 2020 and 2019, respectively, and total revenues of \$874,467 and \$445,355, respectively, for the years 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 The Global Fund for Children UK Trust, is based solely on the report of the other auditors. We conducted our audits 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 of 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 auditors' 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.

Board of Directors
The Global Fund for Children

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Global Fund for Children and Affiliates as of June 30, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with generally accepted accounting principles in the United States of America.

Change in Accounting Principles

As discussed in Note 1 to the consolidated financial statements, management has adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to these matters.



CliftonLarsonAllen LLP

Arlington, Virginia
January 14, 2021

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
ASSETS		
Cash and Cash Equivalents	\$ 3,822,898	\$ 2,215,458
Promises to Give (Net)	2,590,122	5,232,370
Accounts Receivable - Other	9,475	4,784
Prepaid Expenses	69,922	25,438
Investments	2,154,049	2,896,110
Property and Equipment (Net)	241,233	286,363
Deposits	55,989	45,511
	<u>\$ 8,943,688</u>	<u>\$ 10,706,034</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 89,003	\$ 72,489
Grants Payable	277,517	99,000
Accrued Vacation/Payroll	101,936	80,188
Deferred Lease Obligation	265,629	291,930
Deferred Revenue	12,324	-
Note Payable	305,750	-
Capital Lease Obligation	2,960	5,450
Total Liabilities	<u>1,055,119</u>	<u>549,057</u>
NET ASSETS		
Without Donor Restrictions	1,874,970	2,821,795
With Donor Restrictions	6,013,599	7,335,182
Total Net Assets	<u>7,888,569</u>	<u>10,156,977</u>
Total Liabilities and Net Assets	<u>\$ 8,943,688</u>	<u>\$ 10,706,034</u>

See accompanying Notes to Consolidated Financial Statements.

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Gifts and Grants	\$ 1,024,546	\$ 2,976,125	\$ 4,000,671	\$ 1,618,846	\$ 4,316,066	\$ 5,934,912
Book Revenues and Royalties	25,360	-	25,360	20,209	-	20,209
Investment Income (Net)	68,036	46,762	114,798	90,122	34,955	125,077
Other	47,123	-	47,123	12,905	-	12,905
Net Assets Released from Restrictions	4,344,470	(4,344,470)	-	4,224,224	(4,224,224)	-
Total Revenue	<u>5,509,535</u>	<u>(1,321,583)</u>	<u>4,187,952</u>	<u>5,966,306</u>	<u>126,797</u>	<u>6,093,103</u>
EXPENSES						
Program Services:						
Communications	321,607	-	321,607	351,371	-	351,371
Programs	4,628,309	-	4,628,309	4,332,024	-	4,332,024
Total Program Services	<u>4,949,916</u>	<u>-</u>	<u>4,949,916</u>	<u>4,683,395</u>	<u>-</u>	<u>4,683,395</u>
Supporting Services:						
Management and General	652,649	-	652,649	750,011	-	750,011
Fundraising	853,795	-	853,795	956,385	-	956,385
Total Supporting Services	<u>1,506,444</u>	<u>-</u>	<u>1,506,444</u>	<u>1,706,396</u>	<u>-</u>	<u>1,706,396</u>
Total Expenses	<u>6,456,360</u>	<u>-</u>	<u>6,456,360</u>	<u>6,389,791</u>	<u>-</u>	<u>6,389,791</u>
CHANGE IN NET ASSETS	(946,825)	(1,321,583)	(2,268,408)	(423,485)	126,797	(296,688)
Net Assets - Beginning of Year	<u>2,821,795</u>	<u>7,335,182</u>	<u>10,156,977</u>	<u>3,245,280</u>	<u>7,208,385</u>	<u>10,453,665</u>
NET ASSETS - END OF YEAR	<u>\$ 1,874,970</u>	<u>\$ 6,013,599</u>	<u>\$ 7,888,569</u>	<u>\$ 2,821,795</u>	<u>\$ 7,335,182</u>	<u>\$ 10,156,977</u>

See accompanying Notes to Consolidated Financial Statements.

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Program Services			Supporting Services			Total Expenses
	Communications	Programs	Total	Management and General	Fundraising	Total	
Grants	\$ -	\$ 2,440,818	\$ 2,440,818	\$ -	\$ -	\$ -	\$ 2,440,818
Salaries and Benefits	181,031	1,211,467	1,392,498	327,316	546,214	873,530	2,266,028
Consultants and Professional Services	50,826	312,390	363,216	100,128	86,905	187,033	550,249
Intern Program	680	6,734	7,414	210	-	210	7,624
Staff Development/Activities	152	2,648	2,800	8,016	1,680	9,696	12,496
Knowledge Exchanges	-	143,026	143,026	-	1,547	1,547	144,573
Conferences	-	9,394	9,394	6,307	958	7,265	16,659
Travel	2,424	131,829	134,253	18,574	25,441	44,015	178,268
Fundraising Events	-	-	-	5,495	11,529	17,024	17,024
Fall and Spring Appeals	6,774	599	7,373	-	-	-	7,373
Accounting and Auditing	-	-	-	62,969	-	62,969	62,969
Legal - Donated Services	-	-	-	143,483	-	143,483	143,483
Computers, Software, and Technology	20,566	46,909	67,475	44,960	42,990	87,950	155,425
Office Supplies and Stationary	54	280	334	3,345	132	3,477	3,811
Printing and Photocopying	367	532	899	13	75	88	987
Postage and Shipping	298	184	482	1,434	-	1,434	1,916
Equipment Lease and Maintenance	98	297	395	18,188	(518)	17,670	18,065
Dues and Subscriptions	94	884	978	9,331	5,576	14,907	15,885
Bank and Payroll Processing	-	1,089	1,089	12,823	3,336	16,159	17,248
State Registration Fees	-	-	-	-	11,693	11,693	11,693
Telephone/Fax/Internet	2,853	4,581	7,434	23,546	500	24,046	31,480
Insurance	-	-	-	33,558	-	33,558	33,558
Depreciation	5,018	28,385	33,403	9,672	11,292	20,964	54,367
Gifts and Flowers	-	81	81	106	438	544	625
Rent	22,879	124,682	147,561	46,912	52,848	99,760	247,321
Foreign Exchange Gain	-	6,838	6,838	2,186	-	2,186	9,024
Public Relations and Communications	5,331	2,060	7,391	-	-	-	7,391
Direct Expenses	299,445	4,475,707	4,775,152	878,572	802,636	1,681,208	6,456,360
Indirect Expenses	22,162	152,602	174,764	(225,923)	51,159	(174,764)	-
Total Expenses	<u>\$ 321,607</u>	<u>\$ 4,628,309</u>	<u>\$ 4,949,916</u>	<u>\$ 652,649</u>	<u>\$ 853,795</u>	<u>\$ 1,506,444</u>	<u>\$ 6,456,360</u>

See accompanying Notes to Consolidated Financial Statements.

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Services			Supporting Services			Total Expenses
	Communications	Programs	Total	Management and General	Fundraising	Total	
Grants	\$ -	\$ 2,092,175	\$ 2,092,175	\$ -	\$ -	\$ -	\$ 2,092,175
Salaries and Benefits	164,638	1,238,355	1,402,993	373,415	611,535	984,950	2,387,943
Consultants and Professional Services	91,274	343,749	435,023	66,657	87,514	154,171	589,194
Intern Program	365	10,509	10,874	1,210	2,340	3,550	14,424
Staff Development/Activities	835	5,256	6,091	17,544	1,164	18,708	24,799
Knowledge Exchanges	84	144,458	144,542	1,479	1,192	2,671	147,213
Fellowships	-	15,000	15,000	-	-	-	15,000
Conferences	1,273	9,958	11,231	5,883	5,890	11,773	23,004
Travel	8,998	153,553	162,551	26,987	64,598	91,585	254,136
Annual Report	-	-	-	-	2,452	2,452	2,452
Fall and Spring Appeals	3,740	-	3,740	-	-	-	3,740
Accounting and Auditing	-	-	-	50,305	-	50,305	50,305
Legal - Donated Services	-	-	-	184,246	-	184,246	184,246
Computers, Software, and Technology	21,758	40,249	62,007	45,565	47,106	92,671	154,678
Office Supplies and Stationary	-	556	556	11,712	-	11,712	12,268
Printing and Photocopying	4,519	500	5,019	942	424	1,366	6,385
Postage and Shipping	1,235	96	1,331	1,381	498	1,879	3,210
Equipment Lease and Maintenance	55	(662)	(607)	26,727	(548)	26,179	25,572
Dues and Subscriptions	899	239	1,138	4,852	10,048	14,900	16,038
Bank and Payroll Processing	-	731	731	11,969	2,630	14,599	15,330
State Registration Fees	-	-	-	-	10,461	10,461	10,461
Telephone/Fax/Internet	13	3,954	3,967	25,109	1,173	26,282	30,249
Insurance	-	-	-	33,075	-	33,075	33,075
Depreciation	4,626	26,885	31,511	7,591	11,933	19,524	51,035
Gifts and Flowers	-	34	34	396	147	543	577
Rent	22,614	111,528	134,142	55,666	43,564	99,230	233,372
Foreign Exchange Gain	-	-	-	4,784	-	4,784	4,784
Public Relations and Communications	2,222	1,700	3,922	-	204	204	4,126
Direct Expenses	329,148	4,198,823	4,527,971	957,495	904,325	1,861,820	6,389,791
Indirect Expenses	22,223	133,201	155,424	(207,484)	52,060	(155,424)	-
Total Expenses	<u>\$ 351,371</u>	<u>\$ 4,332,024</u>	<u>\$ 4,683,395</u>	<u>\$ 750,011</u>	<u>\$ 956,385</u>	<u>\$ 1,706,396</u>	<u>\$ 6,389,791</u>

See accompanying Notes to Consolidated Financial Statements.

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (2,268,408)	\$ (296,688)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	54,367	51,035
Unrealized Loss on Investments	31,407	203,851
Realized Gain on Investments	(47,033)	(165,360)
Changes in Assets and Liabilities:		
Accounts Receivable - Promises to Give and Other	2,637,557	262,719
Prepaid Expenses	(44,484)	23,869
Deposits	(10,478)	14,018
Accounts Payable and Accrued Expenses	16,514	5,046
Grants Payable	178,517	(79,299)
Accrued Vacation/Payroll	21,748	18,937
Deferred Lease Obligation	(26,301)	(23,442)
Deferred Revenue	12,324	(900,000)
Contributions Restricted for Long Term Purposes:		
Contributions	(68,344)	(1,022,888)
Net Cash Provided (Used) by Operating Activities	487,386	(1,908,202)
 CASH FROM INVESTING ACTIVITIES		
Purchases of Investments	(734,814)	(3,451,210)
Sale of Investments	1,492,501	2,331,946
Purchases of Property and Equipment	(9,237)	(3,315)
Net Cash Provided (Used) by Investing Activities	748,450	(1,122,579)
 CASH FROM FINANCING ACTIVITIES		
Proceeds from Note Payable	305,750	-
Collection of Contributions Restricted for Long Term Purposes	68,344	1,022,888
Principal Payments on Capital Lease Obligation	(2,490)	(2,279)
Net Cash Provided by Financing Activities	371,604	1,020,609
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,607,440	(2,010,172)
Cash and Cash Equivalents - Beginning of Year	2,215,458	4,225,630
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,822,898	\$ 2,215,458
 SUPPLEMENTAL DISCLOSURES OF NONCASH INFORMATION		
Donated Securities Received	\$ 63,807	\$ 34,655
Leasehold Improvements Acquired via Lease Incentives	\$ -	\$ 311,527

See accompanying Notes to Consolidated Financial Statements.

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GFC

The Global Fund for Children (GFC) is an international nonprofit organization that envisions a future where all children and youth enjoy equal resources and opportunities in society, and live free from violence, discrimination, and exploitation. GFC boldly pursues this vision by partnering with grassroots organizations around the world to help children and youth reach their full potential and advance their rights.

The Global Fund for Children UK Trust (UK Trust) is a charity organization that exists to improve the lives of millions of children and youth facing poverty, injustice, and discrimination. The UK Trust was officially incorporated as a private limited company in December 2006 and received charity registration in the United Kingdom in June 2007. GFC is the sole member of the UK Trust and appoints the trustees; therefore the organizations are consolidated.

The Global Fund for Children HK Limited (HK Limited) is a charity organization that exists to advance education of children and young people through promotion and funding of community education and outreach programs primarily in Hong Kong. HK Limited was officially incorporated as a private limited company in May 2016. As of June 30, 2019, HK Limited received its tax-exempt charitable status. GFC is the founding member of HK Limited, and the HK Limited board consists of the President and CEO and VP of Programs of GFC; therefore the organizations are consolidated. The financial position and results of operations of HK Limited were not presented in these consolidated financial statements as the activity was not material. In June 2020, GFC decided to wind down and dissolve HK Limited due to inactivity.

Principles of Consolidation

The consolidated financial statements include the accounts of The Global Fund for Children and The Global Fund for Children UK Trust. Significant inter-company accounts and transactions have been eliminated in consolidation.

Basis of Presentation

GFC is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Income Tax Status

GFC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Internal Revenue Service has classified GFC as a publicly supported foundation under sections 509(a)(1) and 170(b)(1)(A)(VI) of the IRC. The Global Fund for Children UK Trust is exempt from tax in the UK under Section 505 of the Taxes Act of 1988. As of June 30, 2020, HK Limited received its charity registration. GFC HK Limited is exempt from tax under Section 88 of Inland Revenue Ordinance.

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status (Continued)

GFC has adopted the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The implementation of this guidance had no impact on GFC's financial statements. GFC believes it has appropriate support for unrelated trade or business positions and, as a result, does not have uncertain income tax positions that have a material impact on the financial statements. GFC files as a tax-exempt organization.

Use of Estimates

Management used estimates and assumptions in preparing the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash Equivalents

For consolidated financial statement purposes, GFC considers its money market funds to be cash equivalents. Restricted cash is maintained in a separate bank account as a depository for donor-restricted contributions and grants. These funds are released after satisfying the purposes and conditions of the restrictions.

Accounts Receivable

Accounts receivable are recorded at their net realizable value. Accounts 90 days past due are analyzed for collectability and when all collection efforts have been exhausted, the account is written off to bad debts.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received. Conditional promises to give are recognized only when the conditions on which they depend are met and the promises become unconditional. There were no conditional promises to give at June 30, 2020 and 2019.

Investments

Investments consist of equity securities, equity mutual funds and fixed income mutual funds. These investments are recorded in the accompanying financial statements at fair market value. Interest, dividends and realized gains or losses are recorded when earned. Fluctuations in the fair value of the portfolio are recorded as unrealized gains or losses.

Fair Value of Financial Instruments

GFC accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement. GFC accounts for certain financial assets and liabilities at fair value under various accounting literature. GFC also accounts for certain assets at fair value under applicable industry guidance.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

GFC has categorized its consolidated financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the consolidated statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that GFC has the ability to access.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include among others, quoted prices for similar assets or liabilities in active market or non-active market.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

Property and Equipment

Property and equipment are recorded at cost and depreciated on the straight-line basis over the estimated useful lives of the assets of three to five years. Leasehold improvements are amortized over the life of the lease. GFC capitalizes all purchases of long-lived assets in excess of \$1,000, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Net Assets

Net assets are classified for accounting and reporting purposes according to their nature and purpose and based upon the existence or absence of any restrictions thereon. A description of each net asset group is as follows:

Net Assets Without Donor Restrictions – represent funds presently available for use by GFC at its discretion.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Net Assets With Donor Restrictions – represent funds subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The corpus of these donations is invested and the earnings are recorded in nets assets with donor restrictions until appropriated for spending and utilized for the intended purpose.

Grants Payable

Grants payable are recorded when committed by the board of directors.

Contributions and Grants

Contributions and grants are recorded as revenue in the year notification is received from the donor. Support that is donor-restricted, either by program or by time, is reported as an increase in net assets with donor restrictions. When the restriction expires, that is, when a time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions as net assets released from restrictions.

Contributed Services

Contributed services are recorded at their fair market value.

Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, salary and other overhead costs have been allocated among the programs and supporting services benefited based on time expended.

Foreign Exchange Transactions

Assets, liabilities, and transactions related to the Global Fund for Children UK Trust, which is included in the consolidated financial statements, are converted to U.S. dollars. Assets and liabilities are converted at year-end using the spot exchange rate. Operations throughout the year are converted using the average exchange rate.

Concentration of Credit Risk

GFC maintains demand deposits which may, at times, exceed federally insured limits.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principles

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods and services. GFC adopted ASU 2014-09 during the year ended June 30, 2020, using the modified retrospective method, which did not result in an adjustment to net assets because the adoption of ASU 2014-09 did not have a material impact on the GFC's reported historical revenue.

In August 2018, FASB issued ASU 2018-08: *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*, which impacts all organizations that receive or make contributions of cash or other assets. This ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions), or as exchange (reciprocal) transactions, and (2) determining whether a contribution is conditional. During the year ended June 30, 2020, GFC adopted the requirements of ASU 2018-08 using the modified retrospective approach, which did not result in an adjustment to beginning net assets.

Subsequent Events

In preparing these consolidated financial statements, GFC has evaluated events and transactions for potential recognition or disclosure through January 14, 2021, the date the consolidated financial statements were available to be issued.

On July 19, 2020, GFC obtained an Economic Injury Disaster Loan (EIDL) from the Small Business Administration in the amount of \$150,000. The loan is secured by the assets of GFC and requires monthly principal and interest payments of \$641 at 2.75% starting in July 2021. Principal and interest is payable over a thirty-year period.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2020	2019
Cash and Cash Equivalents	\$ 3,822,898	\$ 2,215,458
Promises to Give (Net)	2,590,122	5,232,370
Accounts Receivable - Other	9,475	4,784
Investments	2,154,049	2,896,110
Subtotal	<u>8,576,544</u>	<u>10,348,722</u>
Less: Donor Restricted Funds	<u>(6,013,599)</u>	<u>(7,335,182)</u>
Total	<u>\$ 2,562,945</u>	<u>\$ 3,013,540</u>

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

As part of its liquidity management, GFC structures its financial assets to be available as its general expenditures and liabilities come due. GFC also has a line of credit in the amount of \$750,000 that is valid through August 31, 2021.

NOTE 3 PROMISES TO GIVE

Promises to give as of June 30, 2020 and 2019, are unconditional. Amounts due after one year are discounted at the rate of 2.63%. Promises to give are considered fully collectible and are due as follows at June 30:

	2020	2019
Promises to Give Due in Less Than One Year	\$ 1,399,509	\$ 3,401,278
Promises to Give Due in One to Five Years	1,212,397	1,881,717
Subtotal	2,611,906	5,282,995
Less: Present Value Discount	(21,784)	(50,625)
Net Promises to Give	<u>\$ 2,590,122</u>	<u>\$ 5,232,370</u>

As of June 30, 2020 and 2019, promises to give consist of pledges from three donors, representing approximately 94% and 61%, respectively, of the net pledges.

NOTE 4 INVESTMENTS

Investments are recorded at fair value and are comprised of the following at June 30:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Fixed Income Mutual Funds	\$ 745,478	\$ 799,518	\$ 1,379,527	\$ 1,425,994
Equity Mutual Funds	1,352,184	1,354,531	1,428,789	1,470,116
Total	<u>\$ 2,097,662</u>	<u>\$ 2,154,049</u>	<u>\$ 2,808,316</u>	<u>\$ 2,896,110</u>

Investment income consisted of the following for the years ended June 30:

	2020	2019
Interest and Dividends	\$ 122,334	\$ 170,204
Realized Gain	47,033	165,360
Unrealized Loss	(31,407)	(203,851)
Investment Expenses	(23,162)	(6,636)
Total Investment Income, Net	<u>\$ 114,798</u>	<u>\$ 125,077</u>

In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect amounts reported in future consolidated statements of activities.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 5 FAIR VALUE MEASUREMENTS

The following tables present GFC's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30:

	2020			
	Level 1	Level 2	Level 3	Total
Fixed Income Mutual Funds	\$ 799,518	\$ -	\$ -	\$ 799,518
Equity Mutual Funds	1,354,531	-	-	1,354,531
Total	\$ 2,154,049	\$ -	\$ -	\$ 2,154,049

	2019			
	Level 1	Level 2	Level 3	Total
Fixed Income Mutual Funds	\$ 1,425,994	\$ -	\$ -	\$ 1,425,994
Equity Mutual Funds	1,470,116	-	-	1,470,116
Total	\$ 2,896,110	\$ -	\$ -	\$ 2,896,110

NOTE 6 NOTE PAYABLE

On April 21, 2020 GFC received a loan from a financial institution in the amount of \$305,750 to fund payroll, rent, and utilities through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if GFC fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. To the extent that all or part of the PPP Loan is not forgiven, the loan will have a maturity date of April 2022.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2020 and 2019, net assets with donor restrictions consist of the following:

	<u>2020</u>	<u>2019</u>
Subject to Expenditure for Specific Purpose:		
Grantmaking	\$ 2,343,251	\$ 1,037,946
Subject to Spending Policy and Appropriation:		
Donor-restricted gifts that allows for draws against the original corpus	1,133,210	1,064,866
Accumulated endowment earnings subject to spending policy	4,862	-
Time Restricted	<u>2,532,276</u>	<u>5,232,370</u>
Total	<u>\$ 6,013,599</u>	<u>\$ 7,335,182</u>

NOTE 8 ENDOWMENT

Net assets with donor restrictions include endowment funds in which donors placed restrictions that stipulate the original principal of the gift is to be held and invested by GFC indefinitely and spent in accordance with a spending policy for two funds. At June 30, 2020 and 2019, funds totaling \$1,138,072 and \$1,064,866, respectively, were available and represent contributions and investment earnings including matching funds received to assist in establishing and maintaining an endowment fund.

The endowment funds are subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Under UPMIFA, all unappropriated endowment fund assets are considered restricted. The board of directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, GFC considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gifts donated to the permanent endowment, and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The unspent earnings are available for expenditure in subsequent years following appropriation by GFC's board of directors in a manner consistent with the standard of prudence prescribed by UPMIFA to support activities as specified by the donor.

In accordance with UPMIFA, GFC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of GFC and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of GFC.
- The investment policies of GFC.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 8 ENDOWMENT (CONTINUED)

GFC has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to increase its endowment while seeking to maintain the purchasing power of endowment assets. Endowment assets include those assets of donor-restricted funds that GFC must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to preserve principal while earning as much income as possible assuming a conservative level of investing risk.

GFC has also established a spending policy for its endowment funds that allows it to draw 5% of the fund's total market value based on the three-year average balance of the portfolio at the end of each calendar year.

Composition of and changes in endowment net assets are as follows:

	With Donor Restrictions
Net Assets - June 30, 2018	\$ 77,088
Contributions	1,007,484
Investment Income	34,955
Appropriations	(54,661)
Net Assets - June 30, 2019	1,064,866
Contributions	68,344
Investment Income, Net	46,762
Appropriations	(41,900)
Net Assets - June 30, 2020	<u>\$ 1,138,072</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires GFC to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2020 and 2019.

NOTE 9 PROGRAM SERVICES

Program services are segregated by type of activity within the consolidated statements of activities. The specific activities that are included in each program area are as follows:

Programs

Grantmaking

The Global Fund for Children identifies and invests in courageous grassroots organizations that advance children's rights around the world. Run by dedicated local leaders, these grassroots partners empower young people facing poverty and injustice to reach their full potential. GFC's goal is to help these organizations deepen their impact and build their capacity for social change. GFC carries out this work across four core focus areas: Education; Gender Equity; Youth Empowerment; and Freedom from Violence and Exploitation.

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 9 PROGRAM SERVICES (CONTINUED)

Programs (Continued)

Grantmaking (Continued)

For the year ended June 30, 2020, GFC awarded 299 grants to 144 community-based organizations. In addition to these program grants, grantee partners were also able to access other GFC capacity-development support, such as site visit consultations, assistance with applying to other donors, and access to networking and capacity-development initiatives like knowledge exchange workshops.

Communications

Through its communications outreach, GFC uses digital media, photography and stories to tell about its efforts dedicated to discovering, funding, and coaching truly grassroots organizations that empower children and youth. By using its website, online outreach and social media, GFC highlights its ability to take smart risks that others won't, partnering with innovative organizations that are fighting the odds in places like slums, refugee camps, and rural villages. GFC provides a crucial link, connecting community leaders with the professional services and support they need to succeed.

NOTE 10 CONTRIBUTED SERVICES

During June 30, 2020 and 2019, GFC received services with an estimated fair value of \$179,386 and \$188,860, respectively, in the form of pro bono professional and legal services. The legal services were dedicated to administrative legal advice.

NOTE 11 OFFICE LEASE

During March 2018, GFC entered into an 89-month noncancelable operating lease for office space commencing July 2018. Rent expense related to this office space and the UK Trust totaled \$247,321 and \$233,372 for the years ended June 30, 2020 and 2019, respectively. Rent expense reflected on the consolidated statements of functional expenses and the statements of activities – U. S. Operations for the years ended June 30, 2020 and 2019, includes the expense of storage space. The lease includes scheduled rental increases from a monthly base rent of \$21,279, which is being recognized ratably over the lease term, and tenant move-in and leasehold improvements allowances in the amount of \$311,527, which were paid by the landlord, for the build-out of the office space and purchase of furniture. The tenant allowances have been capitalized as property and equipment and depreciated over the lease term. In conformity with accounting principles generally accepted in the United States of America, tenant allowances are being recognized on a straight-line basis over the term of the lease. The difference between actual cash payments made and the straight-line expense is recognized as deferred lease obligation in the consolidated statements of financial position, which is amortized over the term of the lease. Deferred lease obligation was \$265,629 and \$291,930 at June 30, 2020 and 2019, respectively

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 11 OFFICE LEASE (CONTINUED)

Future minimum payments on the office lease are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 268,277
2022	274,984
2023	281,859
2024	288,905
2025	296,128
Thereafter	126,471
Total	<u>\$ 1,536,624</u>

NOTE 12 TAX SHELTERED ANNUITY PLAN

GFC maintains a contributory defined contribution plan under Section 403(b) of the Internal Revenue Code for the benefit of its employees. All employees, except for part-time employees who normally work less than 20 hours per week, may participate in the Plan. Following three months of service, GFC is required to match participant contributions as defined in the agreement, but not to exceed 4% of total gross salary. In addition, GFC may choose to make a discretionary contribution to the Plan. In order to be eligible to receive a discretionary contribution, an employee must complete two years of service.

Pension expense for the Plan totaled \$53,291 and \$53,008 for the years ended June 30, 2020 and 2019, respectively.

NOTE 13 CONTINGENCIES AND COMMITMENTS

Collectability of Revenue

GFC receives a portion of its revenue from grants and contracts. The ultimate determinations of amounts received under these programs often are based upon allowable costs, reported to the donor. In some instances, the donor reserves the right to audit the program costs. Until the final settlement is reached with each donor, there exists a contingency to refund any amount received for costs deemed unallowable in an audit conducted by a donor. Such settlements, if any, will be recognized as revenue or expense in the period the amount is determined.

Employment Agreement

GFC has an employment agreement with an executive that includes severance payments upon termination without cause.

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 13 CONTINGENCIES AND COMMITMENTS (CONTINUED)

COVID-19

During March 2020, the World Health Organization declared the spread of coronavirus disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to GFC, COVID-19 may impact various parts of its 2021 operations and financial results, including, but not limited to, loss of revenue due to cancellation of certain events, and other reductions in certain revenue streams. Management believes GFC is taking appropriate actions to mitigate the negative impact of the COVID-19 pandemic, including pursuing financial relief from the federal government (see Note 6). As of January 14, 2021, the amount and likelihood of loss relating to these events is not determined and cannot be reasonably estimated as these events are still developing.

NOTE 14 LINE OF CREDIT

GFC has a revolving line of credit in the amount of \$750,000. The line of credit is due on demand. The interest rate on funds borrowed is prime plus 0.54% (3.79%) at June 30, 2020. GFC is subject to certain covenants as defined in the agreement. GFC did not draw down on its line of credit during the years ended June 30, 2020 or 2019.

NOTE 15 RELATED PARTY TRANSACTIONS

During the years ended June 30, 2020 and 2019, GFC received contributions from board members totaling \$410,460 and \$515,297, respectively.



CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
The Global Fund for Children
Washington, DC

We have audited the consolidated financial statements of The Global Fund for Children and Affiliates as of and for the years ended June 30, 2020 and 2019, and our report thereon dated January 14, 2021, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 21 through 24, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
January 14, 2021

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS	<u>GFC</u>	<u>UK Trust</u>	<u>Eliminations</u>	<u>Consolidated</u>
ASSETS				
Cash and Cash Equivalents	\$ 3,390,057	\$ 432,841	\$ -	\$ 3,822,898
Accounts Receivable:				
Promises to Give (Net)	2,532,276	57,846	-	2,590,122
Other	19,771	6,810	(17,106)	9,475
Prepaid Expenses	69,922	-	-	69,922
Investments	2,154,049	-	-	2,154,049
Property and Equipment (Net)	241,233	-	-	241,233
Deposits	42,878	13,111	-	55,989
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 8,450,186</u>	<u>\$ 510,608</u>	<u>\$ (17,106)</u>	<u>\$ 8,943,688</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 76,252	\$ 29,857	\$ (17,106)	\$ 89,003
Grants Payable	208,500	69,017	-	277,517
Accrued Vacation/Payroll	98,635	3,301	-	101,936
Deferred Lease Obligation	265,629	-	-	265,629
Deferred Revenue	-	12,324	-	12,324
Note Payable	305,750	-	-	305,750
Capital Lease Obligation	2,960	-	-	2,960
Total Liabilities	<u>957,726</u>	<u>114,499</u>	<u>(17,106)</u>	<u>1,055,119</u>
NET ASSETS				
Without Donor Restriction	1,817,700	57,270	-	1,874,970
With Donor Restriction	5,674,760	338,839	-	6,013,599
Total Net Assets	<u>7,492,460</u>	<u>396,109</u>	<u>-</u>	<u>7,888,569</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Net Assets	<u>\$ 8,450,186</u>	<u>\$ 510,608</u>	<u>\$ (17,106)</u>	<u>\$ 8,943,688</u>

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	GFC			UK Trust			Elimination	Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total
REVENUE										
Gifts and Grants	944,631	\$ 2,186,847	\$ 3,131,478	\$ 79,915	\$ 789,278	\$ 869,193	\$ -	\$ 1,024,546	\$ 2,976,125	\$ 4,000,671
Book Revenues and Royalties	25,360	-	25,360	-	-	-	-	25,360	-	25,360
Investment Income (Net)	67,791	46,762	114,553	245	-	245	-	68,036	46,762	114,798
Other	42,094	-	42,094	5,029	-	5,029	-	47,123	-	47,123
Net Assets Released from Restrictions	3,894,031	(3,894,031)	-	450,439	(450,439)	-	-	4,344,470	(4,344,470)	-
Total Revenue	4,973,907	(1,660,422)	3,313,485	535,628	338,839	874,467	-	5,509,535	(1,321,583)	4,187,952
EXPENSES										
Program Services:										
Communications	321,607	-	321,607	-	-	-	-	321,607	-	321,607
Programs	4,177,869	-	4,177,869	450,440	-	450,440	-	4,628,309	-	4,628,309
Total Program Services	4,499,476	-	4,499,476	450,440	-	450,440	-	4,949,916	-	4,949,916
Supporting Services:										
Management and General	628,771	-	628,771	23,878	-	23,878	-	652,649	-	652,649
Fundraising	737,778	-	737,778	116,017	-	116,017	-	853,795	-	853,795
Total Supporting Services	1,366,549	-	1,366,549	139,895	-	139,895	-	1,506,444	-	1,506,444
Total Expenses	5,866,025	-	5,866,025	590,335	-	590,335	-	6,456,360	-	6,456,360
CHANGE IN NET ASSETS	(892,118)	(1,660,422)	(2,552,540)	(54,707)	338,839	284,132	-	(946,825)	(1,321,583)	(2,268,408)
Net Assets - Beginning of Year	2,709,818	7,335,182	10,045,000	111,977	-	111,977	-	2,821,795	7,335,182	10,156,977
NET ASSETS - END OF YEAR	<u>\$ 1,817,700</u>	<u>\$ 5,674,760</u>	<u>\$ 7,492,460</u>	<u>\$ 57,270</u>	<u>\$ 338,839</u>	<u>\$ 396,109</u>	<u>\$ -</u>	<u>\$ 1,874,970</u>	<u>\$ 6,013,599</u>	<u>\$ 7,888,569</u>

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
STATEMENT OF FUNCTIONAL EXPENSES – U.S. OPERATIONS
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	Program Services			Supporting Services			Total Expenses
	Communications	Programs	Total	Management and General	Fundraising	Total	
Grants	\$ -	\$ 2,041,446	\$ 2,041,446	\$ -	\$ -	\$ -	\$ 2,041,446
Salaries and Benefits	181,031	1,200,012	1,381,043	313,598	453,176	766,774	2,147,817
Consultants and Professional Services	50,826	312,390	363,216	84,570	86,471	171,041	534,257
Intern Program	680	6,734	7,414	210	-	210	7,624
Staff Development/Activities	152	2,208	2,360	4,728	1,680	6,408	8,768
Knowledge Exchanges	-	143,026	143,026	-	1,547	1,547	144,573
Conferences	-	9,394	9,394	6,307	958	7,265	16,659
Travel	2,424	131,829	134,253	18,574	6,724	25,298	159,551
Fundraising Events	-	-	-	5,495	8,134	13,629	13,629
Fall and Spring Appeals	6,774	599	7,373	-	-	-	7,373
Accounting and Auditing	-	-	-	52,868	-	52,868	52,868
Legal - Donated Services	-	-	-	143,483	-	143,483	143,483
Computers, Software, and Technology	20,566	46,909	67,475	44,449	42,990	87,439	154,914
Office Supplies and Stationary	54	280	334	3,089	-	3,089	3,423
Printing and Photocopying	367	532	899	-	75	75	974
Postage and Shipping	298	184	482	1,226	-	1,226	1,708
Equipment Lease and Maintenance	98	297	395	18,188	(518)	17,670	18,065
Dues and Subscriptions	94	884	978	7,361	5,576	12,937	13,915
Bank and Payroll Processing	-	988	988	12,589	3,336	15,925	16,913
State Registration Fees	-	-	-	-	11,693	11,693	11,693
Telephone/Fax/Internet	2,853	4,581	7,434	22,995	500	23,495	30,929
Insurance	-	-	-	32,060	-	32,060	32,060
Depreciation	5,018	28,385	33,403	9,672	11,292	20,964	54,367
Gifts and Flowers	-	81	81	106	137	243	324
Rent	22,879	124,682	147,561	40,892	52,848	93,740	241,301
Foreign Exchange Gain	-	-	-	-	-	-	-
Public Relations and Communications	5,331	2,060	7,391	-	-	-	7,391
Direct Expenses	299,445	4,057,501	4,356,946	822,460	686,619	1,509,079	5,866,025
Indirect Expenses	22,162	120,368	142,530	(193,689)	51,159	(142,530)	-
Total Expenses	\$ 321,607	\$ 4,177,869	\$ 4,499,476	\$ 628,771	\$ 737,778	\$ 1,366,549	\$ 5,866,025

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
STATEMENTS OF CASH FLOWS – U.S. OPERATIONS
YEARS ENDED JUNE 30, 2020 AND 2019
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	2020	2019
CASH FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (2,552,540)	\$ (247,736)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	54,367	51,035
Unrealized Loss on Investments	31,407	203,851
Realized Gain on Investments	(47,033)	(146,275)
Changes in Assets and Liabilities:		
Accounts Receivable - Promises to Give and Other	2,700,094	157,460
Prepaid Expenses	(45,091)	24,476
Deposits	1,418	11,418
Accounts Payable and Accrued Expenses	18,697	13,876
Grants Payable	109,500	(79,299)
Accrued Vacation/Payroll	18,447	18,937
Deferred Lease Obligation	(26,301)	(23,442)
Deferred Revenue	-	(900,000)
Contributions Restricted for Long Term Purposes:		
Contributions	(68,344)	(1,022,888)
Net Cash Provided (Used) by Operating Activities	194,621	(1,938,587)
CASH FROM INVESTING ACTIVITIES		
Purchases of Investments	(734,814)	(3,470,295)
Proceeds from Sale of Investments	1,492,501	2,331,945
Purchases of Property and Equipment	(9,237)	(3,315)
Net Cash Provided (Used) by Investing Activities	748,450	(1,141,665)
CASH FROM FINANCING ACTIVITIES		
Proceeds from Note Payable	305,750	-
Collection of Contributions Restricted for Long Term Purposes	68,344	1,022,888
Principal Payments on Capital Lease Obligation	(2,490)	(2,279)
Net Cash Provided by Financing Activities	371,604	1,020,609
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,314,675	(2,059,643)
Cash and Cash Equivalents - Beginning of Year	2,075,382	4,135,025
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,390,057	\$ 2,075,382
SUPPLEMENTAL DISCLOSURES OF NONCASH INFORMATION		
Donated Securities Received	\$ 63,807	\$ 34,655
Leasehold Improvements Acquired Via Lease Incentives	\$ -	\$ 311,527