

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2022 AND 2021**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
The Global Fund for Children  
Washington, DC

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of The Global Fund for Children and Affiliates, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Global Fund for Children and Affiliates as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of The Global Fund for Children and Affiliates 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.

#### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements.

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 \$1,284,970 and \$1,831,073 as of June 30, 2022 and 2021, respectively, and total revenues of \$1,902,596 and \$5,162,995, 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.

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 consolidated 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 consolidated 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 Global Fund for Children and Affiliates' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Global Fund for Children and Affiliates' 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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Arlington, Virginia  
January 30, 2023

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

	2022	2021
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 7,859,830	\$ 4,347,723
Promises to Give (Net)	5,401,232	4,214,094
Accounts Receivable - Other	122,412	23,719
Prepaid Expenses	57,845	116,158
Investments	2,286,068	2,614,164
Property and Equipment (Net)	194,671	208,744
Deposits	25,132	19,461
	\$ 15,947,190	\$ 11,544,063
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 131,363	\$ 149,991
Grants Payable	755,957	355,629
Accrued Vacation/Payroll	157,830	119,724
Deferred Lease Obligation	311,281	304,725
Note Payable	500,000	150,000
Capital Lease Obligation	-	238
Total Liabilities	1,856,431	1,080,307
<b>NET ASSETS</b>		
Without Donor Restrictions	2,518,804	2,476,469
With Donor Restrictions	11,571,955	7,987,287
Total Net Assets	14,090,759	10,463,756
Total Liabilities and Net Assets	\$ 15,947,190	\$ 11,544,063

See accompanying Notes to Consolidated Financial Statements.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>						
Gifts and Grants	\$ 932,073	\$ 13,365,597	\$ 14,297,670	\$ 1,159,227	\$ 9,375,043	\$ 10,534,270
Forgiveness of Paycheck Protection Program Loan	-	-	-	305,750	-	305,750
Investment Income (Loss), Net	(167,344)	(181,733)	(349,077)	247,534	266,870	514,404
Other	75,648	52,323	127,971	32,344	27,210	59,554
Net Assets Released from Restrictions	9,651,519	(9,651,519)	-	7,695,435	(7,695,435)	-
Total Revenue	<u>10,491,896</u>	<u>3,584,668</u>	<u>14,076,564</u>	<u>9,440,290</u>	<u>1,973,688</u>	<u>11,413,978</u>
<b>EXPENSES</b>						
Program Services:						
Communications	428,419	-	428,419	348,793	-	348,793
Programs	8,698,925	-	8,698,925	7,364,891	-	7,364,891
Total Program Services	<u>9,127,344</u>	<u>-</u>	<u>9,127,344</u>	<u>7,713,684</u>	<u>-</u>	<u>7,713,684</u>
Supporting Services:						
Management and General	624,039	-	624,039	536,576	-	536,576
Fundraising	698,178	-	698,178	588,531	-	588,531
Total Supporting Services	<u>1,322,217</u>	<u>-</u>	<u>1,322,217</u>	<u>1,125,107</u>	<u>-</u>	<u>1,125,107</u>
Total Expenses	<u>10,449,561</u>	<u>-</u>	<u>10,449,561</u>	<u>8,838,791</u>	<u>-</u>	<u>8,838,791</u>
<b>CHANGE IN NET ASSETS</b>	42,335	3,584,668	3,627,003	601,499	1,973,688	2,575,187
Net Assets - Beginning of Year	<u>2,476,469</u>	<u>7,987,287</u>	<u>10,463,756</u>	<u>1,874,970</u>	<u>6,013,599</u>	<u>7,888,569</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,518,804</u>	<u>\$ 11,571,955</u>	<u>\$ 14,090,759</u>	<u>\$ 2,476,469</u>	<u>\$ 7,987,287</u>	<u>\$ 10,463,756</u>

See accompanying Notes to Consolidated Financial Statements.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2022**

	Program Services			Supporting Services			Total Expenses
	Communications	Programs	Total	Management and General	Fundraising	Total	
Grants	\$ -	\$ 5,385,934	\$ 5,385,934	\$ -	\$ -	\$ -	\$ 5,385,934
Salaries and Benefits	279,462	1,905,621	2,185,083	369,583	444,225	813,808	2,998,891
Consultants and Professional Services	7,777	478,945	486,722	64,496	29,400	93,896	580,618
Intern Program	2,734	307	3,041	1,990	-	1,990	5,031
Staff Development/Activities	319	3,520	3,839	8,215	7,462	15,677	19,516
Knowledge Exchanges	-	53,914	53,914	-	-	-	53,914
Fellowships	-	39,743	39,743	-	-	-	39,743
Conferences	1,021	2,376	3,397	580	-	580	3,977
Travel	3,462	177,914	181,376	26,295	43,954	70,249	251,625
Annual Report	3,880	-	3,880	-	-	-	3,880
Fundraising Events	2,246	-	2,246	-	267	267	2,513
Accounting and Auditing	-	10,000	10,000	91,501	-	91,501	101,501
Legal - Donated Services	-	-	-	43,013	-	43,013	43,013
Computers, Software, and Technology	29,399	56,118	85,517	68,602	35,389	103,991	189,508
Office Supplies and Stationary	330	1,078	1,408	3,287	352	3,639	5,047
Printing and Photocopying	-	181	181	305	-	305	486
Postage and Shipping	735	143	878	1,429	513	1,942	2,820
Equipment Lease and Maintenance	44	5,024	5,068	10,474	(28)	10,446	15,514
Dues and Subscriptions	1,406	40,190	41,596	6,706	11,569	18,275	59,871
Bank and Payroll Processing	759	10,195	10,954	7,656	13,781	21,437	32,391
State Registration Fees	-	-	-	-	11,817	11,817	11,817
Telephone/Fax/Internet	2,085	8,667	10,752	23,267	587	23,854	34,606
Insurance	-	1,809	1,809	34,092	1,824	35,916	37,725
Depreciation	4,239	23,004	27,243	5,509	4,512	10,021	37,264
Gifts and Flowers	-	-	-	458	1,667	2,125	2,125
Rent	31,073	144,888	175,961	58,160	76,575	134,735	310,696
Foreign Exchange Gain	-	125,680	125,680	19,014	40,405	59,419	185,099
Public Relations and Communications	29,772	4,244	34,016	-	420	420	34,436
Direct Expenses	400,743	8,479,495	8,880,238	844,632	724,691	1,569,323	10,449,561
Indirect Expenses	27,676	219,430	247,106	(220,593)	(26,513)	(247,106)	-
<b>Total Expenses</b>	<b>\$ 428,419</b>	<b>\$ 8,698,925</b>	<b>\$ 9,127,344</b>	<b>\$ 624,039</b>	<b>\$ 698,178</b>	<b>\$ 1,322,217</b>	<b>\$ 10,449,561</b>

See accompanying Notes to Consolidated Financial Statements.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021**

	Program Services			Supporting Services			Total Expenses
	Communications	Programs	Total	Management and General	Fundraising	Total	
Grants	\$ -	\$ 4,798,650	\$ 4,798,650	\$ -	\$ -	\$ -	\$ 4,798,650
Salaries and Benefits	240,122	1,607,174	1,847,296	269,237	396,774	666,011	2,513,307
Consultants and Professional Services	5,951	514,996	520,947	55,462	52,457	107,919	628,866
Intern Program	730	710	1,440	-	402	402	1,842
Staff Development/Activities	-	467	467	8,269	5,327	13,596	14,063
Knowledge Exchanges	-	49,612	49,612	-	-	-	49,612
Fellowships	-	10,290	10,290	-	-	-	10,290
Conferences	-	3,944	3,944	1,294	94	1,388	5,332
Travel	-	40,677	40,677	754	1,600	2,354	43,031
Annual Report	1,145	-	1,145	-	-	-	1,145
Fundraising Events	-	-	-	-	30,970	30,970	30,970
Fall and Spring Appeals	1,638	280	1,918	-	-	-	1,918
Accounting and Auditing	-	3,586	3,586	79,129	-	79,129	82,715
Legal - Donated Services	-	-	-	129,655	1,650	131,305	131,305
Computers, Software, and Technology	32,004	58,183	90,187	54,671	33,165	87,836	178,023
Office Supplies and Stationary	-	5,165	5,165	(962)	385	(577)	4,588
Printing and Photocopying	-	573	573	1,174	21	1,195	1,768
Postage and Shipping	180	329	509	1,503	1,176	2,679	3,188
Equipment Lease and Maintenance	(390)	(1,540)	(1,930)	9,619	(312)	9,307	7,377
Dues and Subscriptions	326	329	655	8,949	7,273	16,222	16,877
Bank and Payroll Processing	489	7,084	7,573	7,692	7,683	15,375	22,948
State Registration Fees	-	-	-	47	10,838	10,885	10,885
Telephone/Fax/Internet	175	5,537	5,712	22,131	476	22,607	28,319
Insurance	-	-	-	22,298	1,598	23,896	23,896
Depreciation	5,358	21,141	26,499	4,042	6,823	10,865	37,364
Gifts and Flowers	-	-	-	1,025	848	1,873	1,873
Rent	29,459	140,884	170,343	40,223	42,348	82,571	252,914
Foreign Exchange Gain	-	(66,019)	(66,019)	(3,451)	(10,354)	(13,805)	(79,824)
Public Relations and Communications	9,200	2,220	11,420	-	4,129	4,129	15,549
Direct Expenses	326,387	7,204,272	7,530,659	712,761	595,371	1,308,132	8,838,791
Indirect Expenses	22,406	160,619	183,025	(176,185)	(6,840)	(183,025)	-
<b>Total Expenses</b>	<b>\$ 348,793</b>	<b>\$ 7,364,891</b>	<b>\$ 7,713,684</b>	<b>\$ 536,576</b>	<b>\$ 588,531</b>	<b>\$ 1,125,107</b>	<b>\$ 8,838,791</b>

See accompanying Notes to Consolidated Financial Statements.



**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
<b>CASH FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 3,627,003	\$ 2,575,187
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	37,264	37,364
Unrealized Loss (Gain) on Investments	480,691	(196,597)
Realized Gain on Investments	(23,954)	(206,317)
Forgiveness of Paycheck Protection Program Loan	-	(305,750)
Changes in Assets and Liabilities:		
Accounts Receivable - Promises to Give and Other	(1,285,831)	(1,638,216)
Prepaid Expenses	58,313	(46,236)
Deposits	(5,671)	36,528
Accounts Payable and Accrued Expenses	(18,628)	60,988
Grants Payable	400,328	78,112
Accrued Vacation/Payroll	38,106	17,788
Deferred Lease Obligation	6,556	39,096
Deferred Revenue	-	(12,324)
Contributions Restricted for Long Term Purposes:		
Contributions	(11,500)	(61,700)
Net Cash Provided by Operating Activities	3,302,677	377,923
<b>CASH FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(797,177)	(1,278,099)
Sale of Investments	668,536	1,220,898
Purchases of Property and Equipment	(23,191)	(4,875)
Net Cash Used by Investing Activities	(151,832)	(62,076)
<b>CASH FROM FINANCING ACTIVITIES</b>		
Proceeds from Note Payable	350,000	150,000
Collection of Contributions Restricted for Long Term Purposes	11,500	61,700
Principal Payments on Capital Lease Obligation	(238)	(2,722)
Net Cash Provided by Financing Activities	361,262	208,978
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	3,512,107	524,825
Cash and Cash Equivalents - Beginning of Year	4,347,723	3,822,898
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 7,859,830	\$ 4,347,723
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INFORMATION</b>		
Donated Securities Received	\$ 24,964	\$ 27,864

See accompanying Notes to Consolidated Financial Statements.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organizations**

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's mission is to partner with community-based 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. HK Limited completed the deregistration process on December 31, 2021.

**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, 2022, 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, 2022 AND 2021**

**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 collectibility 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, 2022 and 2021.

**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, 2022 AND 2021**

**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, 2022 AND 2021**

**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.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Upcoming Accounting Standards Update**

*Leases* - In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the consolidated statements of financial position and disclosing key information about leasing arrangements. The ASU is effective for private entities for years beginning after December 15, 2021. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach. GFC plans to adopt the new ASU at the required implementation date.

**Subsequent Events**

In preparing these consolidated financial statements, GFC has evaluated events and transactions for potential recognition or disclosure through January 30, 2023, the date the consolidated financial statements were available to be issued. Subsequent to year-end, GFC received an unrestricted, unconditional contribution of \$10,000,000.

**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:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 7,859,830	\$ 4,347,723
Promises to Give (Net)	5,401,232	4,214,094
Accounts Receivable - Other	122,412	23,719
Investments	<u>2,286,068</u>	<u>2,614,164</u>
Subtotal	15,669,542	11,199,700
Less: Donor Restricted Funds	<u>(11,571,955)</u>	<u>(7,987,287)</u>
Total	<u>\$ 4,097,587</u>	<u>\$ 3,212,413</u>

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 available a line of credit in the amount of \$750,000, if needed.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 3 PROMISES TO GIVE**

Promises to give as of June 30, 2022 and 2021, are unconditional. Amounts due after one year are discounted at the rate of 7.17% and 3.84% as June 30, 2022 and 2021, respectively. Promises to give are considered fully collectible and are due as follows at June 30:

	<u>2022</u>	<u>2021</u>
Promises to Give Due in Less Than One Year	\$ 4,880,066	\$ 2,889,268
Promises to Give Due in One to Five Years	559,185	1,375,744
Subtotal	<u>5,439,251</u>	<u>4,265,012</u>
Less: Present Value Discount	(38,019)	(50,918)
Net Promises to Give	<u>\$ 5,401,232</u>	<u>\$ 4,214,094</u>

As of June 30, 2022 and 2021, promises to give consist of pledges from three donors, representing approximately 76% and 75%, respectively, of the net pledges.

**NOTE 4 INVESTMENTS**

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

	<u>2022</u>		<u>2021</u>	
	Cost	Fair Value	Cost	Fair Value
Fixed Income Mutual Funds	\$ 1,515,584	\$ 1,365,881	\$ 1,573,245	\$ 1,597,889
Equity Mutual Funds	998,190	920,187	787,935	1,016,275
Total	<u>\$ 2,513,774</u>	<u>\$ 2,286,068</u>	<u>\$ 2,361,180</u>	<u>\$ 2,614,164</u>

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

	<u>2022</u>	<u>2021</u>
Interest and Dividends	\$ 132,624	\$ 131,087
Realized Gain	23,954	206,317
Unrealized Gain (Loss)	(480,691)	196,597
Investment Expenses	(24,964)	(19,597)
Total Investment Income, Net	<u>\$ (349,077)</u>	<u>\$ 514,404</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, 2022 AND 2021**

**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:

	2022			
	Level 1	Level 2	Level 3	Total
Fixed Income Mutual Funds	\$ 1,365,881	\$ -	\$ -	\$ 1,365,881
Equity Mutual Funds	920,187	-	-	920,187
Total	\$ 2,286,068	\$ -	\$ -	\$ 2,286,068

  

	2021			
	Level 1	Level 2	Level 3	Total
Fixed Income Mutual Funds	\$ 1,597,889	\$ -	\$ -	\$ 1,597,889
Equity Mutual Funds	1,016,275	-	-	1,016,275
Total	\$ 2,614,164	\$ -	\$ -	\$ 2,614,164

**NOTE 6 NOTES PAYABLE**

In April 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 (SBA). 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 ten months after the covered period, then payment of principal and interest shall begin on that date. The submission of loan forgiveness to the financial institution was made during fiscal year 2021 and, in April 2021, the PPP Loan was forgiven in full and paid by the SBA to the financial institution. The recognition of debt forgiveness is presented as Forgiveness of Paycheck Protection Loan Program in the accompanying consolidated statement of activities for the year ended June 30, 2021.

The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on GFC's financial position.

In July 2020, GFC received an Economic Injury Disaster Loan (EIDL) in the amount of \$150,000, authorized by the SBA. The EIDL bears interest at a fixed rate of 2.75% per annum and requires payment of monthly principal and interest 12 months from the date of the promissory note. The loan is secured by the assets of GFC and has a term of 30 years.



**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 6 NOTES PAYABLE (CONTINUED)**

On September 8, 2021, GFC amended its Economic Injury Disaster Loan (EIDL) from the Small Business Administration by increasing the amount from \$150,000 to \$500,000. The loan is secured by the assets of GFC and requires monthly principal and interest payments of \$2,213 at 2.75% starting in July 2022. Principal and interest is payable over a 30-year period.

Future minimum payments on the loan is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 14,144
2024	13,363
2025	13,735
2026	14,117
2027	14,510
Thereafter	430,131
Total	<u>\$ 500,000</u>

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2022</u>	<u>2021</u>
Subject to Expenditure for Specific Purpose:		
Grantmaking	\$ 5,187,330	\$ 2,732,779
Subject to Spending Policy and Appropriation:		
Donor-restricted Gifts that Allow for Draws Against the Original Corpus	1,389,375	1,199,772
Accumulated Endowment Earnings Subject to Spending Policy	(279,629)	178,103
Time Restricted	5,274,879	3,876,633
Total	<u>\$ 11,571,955</u>	<u>\$ 7,987,287</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, 2022 and 2021, funds totaling \$1,109,747 and \$1,377,875, respectively, were available and represent contributions and investment earnings including matching funds received to assist in establishing and maintaining an endowment fund.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 8 ENDOWMENT (CONTINUED)**

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.

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.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 8 ENDOWMENT (CONTINUED)**

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

	<u>With Donor Restrictions</u>
Net Assets - June 30, 2020	\$ 1,138,072
Contributions	61,700
Investment Income	259,203
Appropriations	<u>(81,100)</u>
Net Assets - June 30, 2021	1,377,875
Contributions	11,500
Investment Loss, Net	(181,735)
Appropriations	<u>(97,894)</u>
Net Assets - June 30, 2022	<u><u>\$ 1,109,746</u></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 or UPMIFA requires GFC to retain as a fund of perpetual duration. At June 30, 2022, deficiencies of this nature existed in both donor restricted endowment funds, which had an original gift value of \$1,226,116, a current fair value of \$1,109,746 and a deficiency of \$116,370 as of June 30, 2022. Such deficiencies are primarily a result of unfavorable market fluctuations that occurred after the investment of contributions for donor-restricted endowment funds and continued appropriation for certain programs that were deemed prudent by the Board of Directors. There were no such deficiencies as of June 30, 2021.

**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.

For the year ended June 30, 2022, GFC awarded 347 grants to 253 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.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 9 PROGRAM SERVICES (CONTINUED)**

**Programs (Continued)**

**Communications**

Through its communications outreach, GFC uses digital media, photography, and stories to tell about its efforts dedicated to identifying, funding, advising, mentoring, and partnering with 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, 2022 and 2021, GFC and the UK Trust received services with an estimated fair value of \$41,532 and \$132,081 respectively, in the form of pro bono professional and legal services. The legal services were dedicated to administrative legal advice.

**NOTE 11 OFFICE LEASE**

In March 2018, GFC entered into an 89-month noncancelable operating lease for office space commencing July 2018. In February 2021, the term of the lease was amended. The amendment extends the lease to March 31, 2029, and includes scheduled rental increases from a monthly base rent of \$22,130, which is being recognized ratably over the lease term. The amendment also includes free rent for the period March 1, 2021 through May 31, 2021, as well as a refurbishment allowance for credit against base rent in the amount of \$25,535 that is to be used by February 2022. Rent expense related to this office space and the UK Trust totaled \$310,696 and \$252,914 for the years ended June 30, 2022 and 2021, respectively. Rent expense reflected in the consolidated statements of functional expenses and the statements of activities – U. S. Operations for the years ended June 30, 2022 and 2021, includes the expense of storage space. The original lease includes 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 and is being recognized ratably over the lease term. 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 \$311,281 and \$304,725 at June 30, 2022 and 2021, respectively.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 11 OFFICE LEASES (CONTINUED)**

Future minimum payments on the office lease are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 274,471
2024	281,333
2025	288,367
2026	295,576
2027	302,965
Thereafter	547,951
Total	<u><u>\$ 1,990,663</u></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 \$73,837 and \$61,752 for the years ended June 30, 2022 and 2021, respectively.

**NOTE 13 CONTINGENCIES AND COMMITMENTS**

**Collectibility 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, 2022 AND 2021**

**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 2023 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 30, 2023, 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% (6.04%) at June 30, 2022. 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, 2022 and 2021.

**NOTE 15 RELATED PARTY TRANSACTIONS**

During the years ended June 30, 2022 and 2021, GFC received contributions from board members totaling \$273,334 and \$296,832, respectively.



## 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, 2022 and 2021, and our report thereon dated January 30, 2023, 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 22 through 25, 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 30, 2023

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2022**  
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

<b>ASSETS</b>	<u>GFC</u>	<u>UK Trust</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 6,827,598	\$ 1,032,232	\$ -	\$ 7,859,830
Accounts Receivable:				
Promises to Give (Net)	5,274,879	126,353	-	5,401,232
Other	25,455	114,063	(17,106)	122,412
Prepaid Expenses	49,552	8,293	-	57,845
Investments	2,286,068	-	-	2,286,068
Property and Equipment (Net)	194,671	-	-	194,671
Deposits	21,103	4,029	-	25,132
	<u>\$ 14,679,326</u>	<u>\$ 1,284,970</u>	<u>\$ (17,106)</u>	<u>\$ 15,947,190</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts Payable and Accrued Expenses	\$ 90,036	\$ 58,433	\$ (17,106)	\$ 131,363
Grants Payable	755,957	-	-	755,957
Accrued Vacation/Payroll	139,052	18,778	-	157,830
Deferred Lease Obligation	311,281	-	-	311,281
Note Payable	500,000	-	-	500,000
Capital Lease Obligation	-	-	-	-
Total Liabilities	<u>1,796,326</u>	<u>77,211</u>	<u>(17,106)</u>	<u>1,856,431</u>
<b>NET ASSETS</b>				
Without Donor Restriction	2,024,994	493,810	-	2,518,804
With Donor Restriction	<u>10,858,006</u>	<u>713,949</u>	<u>-</u>	<u>11,571,955</u>
Total Net Assets	<u>12,883,000</u>	<u>1,207,759</u>	<u>-</u>	<u>14,090,759</u>
	<u>\$ 14,679,326</u>	<u>\$ 1,284,970</u>	<u>\$ (17,106)</u>	<u>\$ 15,947,190</u>



**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2022**  
**(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
<b>REVENUE</b>										
Gifts and Grants	\$ 1,314,997	\$ 11,918,201	\$ 13,233,198	\$ 402,054	\$ 1,447,396	\$ 1,849,450	\$ (784,978)	\$ 932,073	\$ 13,365,597	\$ 14,297,670
Investment Income (Loss), (Net)	(168,167)	(181,733)	(349,900)	823	-	823	-	(167,344)	(181,733)	(349,077)
Other	75,648	-	75,648	-	52,323	52,323	-	75,648	52,323	127,971
Net Assets Released from Restrictions	7,454,578	(7,454,578)	-	2,196,941	(2,196,941)	-	-	9,651,519	(9,651,519)	-
Total Revenue	8,677,056	4,281,890	12,958,946	2,599,818	(697,222)	1,902,596	(784,978)	10,491,896	3,584,668	14,076,564
<b>EXPENSES</b>										
Program Services:										
Communications	427,261	-	427,261	1,158	-	1,158	-	428,419	-	428,419
Programs	7,282,714	-	7,282,714	2,201,189	-	2,201,189	(784,978)	8,698,925	-	8,698,925
Total Program Services	7,709,975	-	7,709,975	2,202,347	-	2,202,347	(784,978)	9,127,344	-	9,127,344
Supporting Services:										
Management and General	516,952	-	516,952	107,087	-	107,087	-	624,039	-	624,039
Fundraising	552,735	-	552,735	145,443	-	145,443	-	698,178	-	698,178
Total Supporting Services	1,069,687	-	1,069,687	252,530	-	252,530	-	1,322,217	-	1,322,217
Total Expenses	8,779,662	-	8,779,662	2,454,877	-	2,454,877	(784,978)	10,449,561	-	10,449,561
<b>CHANGE IN NET ASSETS</b>	(102,606)	4,281,890	4,179,284	144,941	(697,222)	(552,281)	-	42,335	3,584,668	3,627,003
Net Assets - Beginning of Year	2,127,600	6,576,116	8,703,716	348,869	1,411,171	1,760,040	-	2,476,469	7,987,287	10,463,756
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,024,994</u>	<u>\$ 10,858,006</u>	<u>\$ 12,883,000</u>	<u>\$ 493,810</u>	<u>\$ 713,949</u>	<u>\$ 1,207,759</u>	<u>\$ -</u>	<u>\$ 2,518,804</u>	<u>\$ 11,571,955</u>	<u>\$ 14,090,759</u>

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES**  
**STATEMENT OF FUNCTIONAL EXPENSES – U.S. OPERATIONS**  
**YEAR ENDED JUNE 30, 2022**  
**(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	Program Services			Supporting Services			Total Expenses
	Communications	Programs	Total	Management and General	Fundraising	Total	
Grants	\$ -	\$ 4,656,193	\$ 4,656,193	\$ -	\$ -	\$ -	\$ 4,656,193
Salaries and Benefits	278,701	1,569,440	1,848,141	326,157	351,945	678,102	2,526,243
Consultants and Professional Services	7,380	390,304	397,684	64,496	29,400	93,896	491,580
Intern Program	2,734	307	3,041	-	-	-	3,041
Staff Development/Activities	319	2,984	3,303	4,968	561	5,529	8,832
Knowledge Exchanges	-	47,995	47,995	-	-	-	47,995
Fellowships	-	31,748	31,748	-	-	-	31,748
Conferences	1,021	2,376	3,397	580	-	580	3,977
Travel	3,462	147,481	150,943	26,295	19,532	45,827	196,770
Annual Report	3,880	-	3,880	-	-	-	3,880
Fundraising Events	2,246	-	2,246	-	267	267	2,513
Accounting and Auditing	-	10,000	10,000	43,672	-	43,672	53,672
Legal - Donated Services	-	-	-	42,352	-	42,352	42,352
Computers, Software, and Technology	29,399	56,118	85,517	68,335	34,821	103,156	188,673
Office Supplies and Stationary	330	746	1,076	3,121	-	3,121	4,197
Printing and Photocopying	-	50	50	296	-	296	346
Postage and Shipping	735	143	878	1,429	513	1,942	2,820
Equipment Lease and Maintenance	44	5,024	5,068	10,474	(28)	10,446	15,514
Dues and Subscriptions	1,406	40,190	41,596	6,669	11,491	18,160	59,756
Bank and Payroll Processing	759	9,702	10,461	7,318	12,358	19,676	30,137
State Registration Fees	-	-	-	-	11,771	11,771	11,771
Telephone/Fax/Internet	2,085	8,463	10,548	22,990	-	22,990	33,538
Insurance	-	1,809	1,809	33,234	-	33,234	35,043
Depreciation	4,239	23,004	27,243	5,509	4,512	10,021	37,264
Gifts and Flowers	-	-	-	5	705	710	710
Rent	31,073	144,888	175,961	40,869	39,831	80,700	256,661
Public Relations and Communications	29,772	4,244	34,016	-	420	420	34,436
Direct Expenses	399,585	7,153,209	7,552,794	708,769	518,099	1,226,868	8,779,662
Indirect Expenses	27,676	129,505	157,181	(191,817)	34,636	(157,181)	-
<b>Total Expenses</b>	<b>\$ 427,261</b>	<b>\$ 7,282,714</b>	<b>\$ 7,709,975</b>	<b>\$ 516,952</b>	<b>\$ 552,735</b>	<b>\$ 1,069,687</b>	<b>\$ 8,779,662</b>

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES**  
**STATEMENTS OF CASH FLOWS – U.S. OPERATIONS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**  
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	2022	2021
<b>CASH FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 4,179,284	\$ 1,211,256
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	37,264	37,364
Unrealized Loss (Gain) on Investments	480,691	(196,597)
Realized Gain on Investments	(23,954)	(206,317)
Forgiveness of Paycheck Protection Loan Program	-	(305,750)
Changes in Assets and Liabilities:		
Accounts Receivable - Promises to Give and Other	(1,403,930)	(1,344,357)
Prepaid Expenses	53,219	(32,849)
Deposits	(1,642)	23,417
Accounts Payable and Accrued Expenses	(6,028)	19,812
Grants Payable	400,328	147,129
Accrued Vacation/Payroll	19,328	21,089
Deferred Lease Obligation	6,556	39,096
Contributions Restricted for Long-Term Purposes:		
Contributions	(11,500)	(61,700)
Net Cash Provided (Used) by Operating Activities	3,729,616	(648,407)
<b>CASH FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(797,177)	(1,278,099)
Proceeds from Sale of Investments	668,536	1,220,898
Purchases of Property and Equipment	(23,191)	(4,875)
Net Cash Used by Investing Activities	(151,832)	(62,076)
<b>CASH FROM FINANCING ACTIVITIES</b>		
Proceeds from Note Payable	350,000	150,000
Collection of Contributions Restricted for Long-Term Purposes	11,500	61,700
Principal Payments on Capital Lease Obligation	(238)	(2,722)
Net Cash Provided by Financing Activities	361,262	208,978
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,939,046	(501,505)
Cash and Cash Equivalents - Beginning of Year	2,888,552	3,390,057
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 6,827,598	\$ 2,888,552
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INFORMATION</b>		
Donated Securities Received	\$ 24,964	\$ 27,864