

**GLOBAL IMPACT AND SUBSIDIARY
Consolidated Financial Statements
June 30, 2021
With Independent Auditor's Report**

**Global Impact and Subsidiary
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June 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Global Impact and Subsidiary:

We have audited the accompanying consolidated financial statements of Global Impact and Subsidiary (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referenced above, present fairly, in all material respects, the financial position of Global Impact and Subsidiary as of June 30, 2021, and the changes in their net assets and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, during the year ended June 30, 2021, the Organization adopted Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers* (Topic 606), and ASU 2018-13, *Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement* (Topic 820). Our opinion is not modified with respect to these matters.

Other Matters - Predecessor Auditor

The consolidated financial statements of the Organization as of and for the year ended June 30, 2020, before the restatement described in Note 18, were audited by another auditor whose report dated February 11, 2021 expressed an unmodified opinion on those consolidated financial statements.

As part of our audit of the June 30, 2021 consolidated financial statements, we also audited the adjustments described in Note 18 that were applied to restate the 2020 consolidated financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2020 consolidated financial statements of the Organization other than with respect to the adjustments, and accordingly, we do not express an opinion or any other form of assurance on the 2020 consolidated financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures related to DFID Programme Grant for the period from July 1, 2020 through March 31, 2021 is presented for purposes of additional analysis as required by the funding source and is not a required part of the consolidated financial statements. The accompanying consolidating statement of financial position and consolidating statement of activities and changes in net assets is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information referenced above is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

A handwritten signature in blue ink that reads "Withum Smith & Brown, PC".

March 10, 2022

Global Impact and Subsidiary
Consolidated Statement of Financial Position
June 30, 2021

Assets

Cash and cash equivalents	\$ 18,315,186
Investments	2,017,721
Accounts receivable	2,013,894
Campaign receivables, net	4,116,520
Promises to give, net	8,841,080
Loans receivable due from related party	377,475
Prepaid expenses and other assets	2,055,403
Property and equipment, net	562,531
Goodwill, net	<u>1,321,293</u>
 Total assets	 <u>\$ 39,621,103</u>

Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	\$ 2,373,525
Campaign donor designations payable	4,525,276
Grant advances payable	275,900
Deferred revenue	2,242,753
Line of credit	1,150,000
Paycheck Protection Program loans payable	1,947,400
Promissory note payable, net	940,674
Grants and distributions payable	1,919,796
Deferred rent and other liabilities	<u>627,193</u>
Total liabilities	<u>16,002,517</u>

Net assets

Without donor restrictions	6,585,274
With donor restrictions	<u>17,033,312</u>
Total net assets	<u>23,618,586</u>
 Total liabilities and net assets	 <u>\$ 39,621,103</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Global Impact and Subsidiary
Consolidated Statement of Activities and Changes in Net Assets
Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support revenue, gains and other support			
Contributions	\$ 16,901,623	\$ 400,000	\$ 17,301,623
Contributions from fiscal sponsor arrangements	4,517	30,748,079	30,752,596
Administrative charges for raising funds for others	2,066,340	-	2,066,340
Advisory and other services	9,313,710	-	9,313,710
Program support services	3,087,569	-	3,087,569
Combined federal campaign - outreach campaign fees	3,086,782	-	3,086,782
Investment income, net	378,695	-	378,695
Forgiveness of debt - Paycheck Protection Program loan	1,890,900	-	1,890,900
Other revenue	841,657	-	841,657
Net assets released from restrictions	<u>21,186,701</u>	<u>(21,186,701)</u>	<u>-</u>
Total revenue, gains and other support	<u>58,758,494</u>	<u>9,961,378</u>	<u>68,719,872</u>
Amounts raised in campaigns			
Campaign revenues	5,617,142	-	5,617,142
Less: Distributions to donor designated charities	<u>(5,319,205)</u>	<u>-</u>	<u>(5,319,205)</u>
Campaign results, net	<u>297,937</u>	<u>-</u>	<u>297,937</u>
Total public support, revenue, gains and other support	<u>59,056,431</u>	<u>9,961,378</u>	<u>69,017,809</u>
Expenses			
Program services	52,170,878	-	52,170,878
Management and general	2,622,910	-	2,622,910
Fundraising	<u>16,903</u>	<u>-</u>	<u>16,903</u>
Total expenses	<u>54,810,691</u>	<u>-</u>	<u>54,810,691</u>
Changes in net assets	4,245,740	9,961,378	14,207,118
Net assets			
Beginning of year, as previously stated	1,865,016	1,634,500	3,499,516
Restatement (See Note 18)	<u>474,518</u>	<u>5,437,434</u>	<u>5,911,952</u>
Beginning of year, as restated	<u>2,339,534</u>	<u>7,071,934</u>	<u>9,411,468</u>
End of year	<u>\$ 6,585,274</u>	<u>\$ 17,033,312</u>	<u>\$ 23,618,586</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

**Global Impact and Subsidiary
Consolidated Statement of Functional Expenses
Year Ended June 30, 2021**

	Program Services						Supporting Services				Total
	Fiscal Sponsor and Other Projects	General Campaigns	Special Programmatic Services	Donor- Advised Funds	Outreach Coordination	Geneva Global	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 900,008	\$ 969,876	\$ 1,809,289	\$ 198,251	\$ 1,311,436	\$ 3,998,601	\$ 9,187,461	\$ 1,743,756	\$ 9,734	\$ 1,753,490	\$ 10,940,951
Employee fringe benefits	129,901	153,889	287,581	31,456	208,141	605,090	1,416,058	256,699	1,545	258,244	1,674,302
Campaign material and expenses	129,632	160,887	32,209	6,444	326,833	10,833	666,838	6,940	-	6,940	673,778
Consulting services	4,339,717	55,573	143,793	1,248	93,218	985,948	5,619,497	56,157	3,710	59,867	5,679,364
Rent and occupancy	25,282	43,512	80,987	8,870	59,023	318,120	535,794	80,699	435	81,134	616,928
Office supplies and other	190,869	17,101	24,981	14,365	64,643	378,659	690,618	177,756	-	177,756	868,374
Data network operations	57,676	27,711	37,716	38,358	65,724	91,494	318,679	36,258	196	36,454	355,133
Travel	3,936	694	3,982	122	2,699	323,454	334,887	1,111	591	1,702	336,589
Depreciation and amortization	19,069	22,017	41,072	4,500	29,770	160,724	277,152	40,946	221	41,167	318,319
Legal fees	48,395	30,804	57,465	6,297	41,652	8,672	193,285	35,573	309	35,882	229,167
Telephone	5,175	14,871	17,101	1,216	32,987	27,959	99,309	11,067	60	11,127	110,436
Corporate insurance	9,012	10,186	18,946	2,082	13,734	59,958	113,918	18,888	102	18,990	132,908
Audit and accounting	-	-	-	-	-	4,708	4,708	87,067	-	87,067	91,775
Conferences	5,650	160	298	33	216	145,759	152,116	298	-	298	152,414
Bad debt expense	-	-	-	-	-	1,798	1,798	69,695	-	69,695	71,493
Foreign currency translation loss	-	-	-	-	-	186,015	186,015	-	-	-	186,015
Grants and distributions	15,504,950	-	475,749	16,392,046	-	-	32,372,745	-	-	-	32,372,745
	<u>\$ 21,369,272</u>	<u>\$ 1,507,281</u>	<u>\$ 3,031,169</u>	<u>\$ 16,705,288</u>	<u>\$ 2,250,076</u>	<u>\$ 7,307,792</u>	<u>\$ 52,170,878</u>	<u>\$ 2,622,910</u>	<u>\$ 16,903</u>	<u>\$ 2,639,813</u>	<u>\$ 54,810,691</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

**Global Impact and Subsidiary
Consolidated Statement of Cash Flows
Year Ended June 30, 2021**

Operating activities

Changes in net assets	\$ 14,207,118
Adjustments to reconcile changes in net assets to net cash used in operating activities	
Depreciation and amortization	318,319
Forgiveness of Paycheck Protection Program loan payable	(1,890,900)
Deferred rent and other liabilities	54,064
Realized and unrealized gains on investments	(343,152)
Bad debt expense	71,493
Changes in assets and liabilities	
Accounts receivable	2,087,336
Campaign receivables	133,743
Promises to give	(8,841,080)
Prepaid expenses and other assets	(1,701,868)
Accounts payable and accrued expenses	781,523
Campaign donor designations payable	497,785
Grant advances payable	275,900
Grants and distributions payable	(44,915,047)
Deferred revenue	<u>1,027,356</u>
Net cash used in operating activities	<u>(38,237,410)</u>

Investing activities

Purchase of property and equipment	(14,027)
Purchase of investments	(70,016)
Proceeds from sale of investments	<u>35,250</u>
Net cash used in investing activities	<u>(48,793)</u>

Financing activities

Repayments on lines of credit	(1,150,000)
Borrowings on lines of credit	600,000
Proceeds from Paycheck Protection Program loan	1,947,400
Repayments on promissory note payable	<u>(413,978)</u>
Net cash provided by financing activities	<u>983,422</u>

Net change in cash and cash equivalents (37,302,781)

Cash and cash equivalents

Beginning of year	<u>55,617,967</u>
End of year	<u>\$ 18,315,186</u>

Noncash transactions

Schedule of noncash operating transactions

Interest paid	<u>\$ 37,335</u>
Taxes paid	<u>\$ 6,000</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Global Impact and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2021

1. ORGANIZATION AND NATURE OF ACTIVITIES

Global Impact is a 501(c)(3) not-for-profit organization formed in 1981 in the District of Columbia. Global Impact's vision is to inspire greater giving, and its mission is to unleash the full potential of the philanthropic sector to transform lives. Its primary activities include the following:

- Participating in nearly 300 workplace giving campaigns including the federal government, state governments, local governments, and private workplaces to provide a means for employees of participating institutions to donate either to Global Impact or to its nearly 100-member charities;
- Creating alliances with funding organizations to address specific relief or development needs in developing countries;
- Providing philanthropic services including customized consulting services to the Non-Governmental Organization and private sectors through a full suite of services including strategy, implementation and ongoing organizational support, campaign management services, signature and high impact funds, state charitable registration services, and the management of donor-advised funds;
- Distributing funds raised on behalf of member charities based on criteria established by the Board of Directors;
- Adhering to distribution formulae established by the Board of Directors for other funds raised;
- Operating as a fiscal sponsor of projects within the mission of Global Impact; and
- Performing such other charitable and educational activities as may be necessary in order to accomplish the foregoing.

Geneva Global, Inc. ("Geneva Global") is a wholly owned subsidiary of Global Impact.

Geneva Global is a mission-driven company that helps foundations, organizations, and individuals achieve positive social change through effective philanthropy. Geneva Global leverages 20-plus years of experience putting philanthropic capital to work in nearly 100 countries to help clients and partners. Its approach blends highly customized problem solving with proven methods to support evidence-driven decision-making. Its core areas of business include grant making strategy development, peer donor cultivation and stewardship, program design, and support for donor collaboratives and pooled philanthropic funds.

Geneva Global operates in the United States and internationally, with branch offices in Ethiopia and Uganda operating through separate legal entities, Geneva Global Uganda and Geneva Global Ethiopia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include all the assets, liabilities, net assets, revenues and expenses of all branches and affiliates of Global Impact and Geneva Global (collectively, the "Organization"). All significant intercompany accounts and transactions have been eliminated in consolidation.

Global Impact and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2021

Basis of Presentation

The accompanying consolidated financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board of Directors are referred to as “Board Designated” and are also reported as net assets without donor restrictions. Donor- advised funds are treated as net assets without restrictions.

Net assets with donor restrictions: Net assets 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. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from donor restrictions.

Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Income Taxes

Global Impact is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and exempt from state income taxes under state law. Global Impact is designated as a public charity. Global Impact is taxed on unrelated business income and has unrelated business income from advisory services and income from Geneva Global. Geneva Global is classified as an S Corporation for U.S. income tax purposes. As such, income from Geneva Global, Inc. is passed through to Global Impact and is subject to unrelated business income tax.

U.S. GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of June 30, 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements. The Organization had no unrecognized benefits at June 30, 2021 and has incurred no interest or penalties related to income taxes for the period presented in the consolidated financial statements.

Global Impact and Subsidiary Notes to Consolidated Financial Statements June 30, 2021

Contribution Revenue

Global Impact receives funding through contributions and grants from individuals and foundations primarily for donor-advised funds and fiscal sponsorship projects and contributions from campaigns. Contributions are recognized in the appropriate category of net assets in the period received. The Organization recognizes contributions, including unconditional promises to give, as revenue in the period received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right to return or release, are not recognized in revenue until the conditions on which they depend have been substantially met. Contributions, net assets, and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions. Revenue from government and private grant and contract agreements, which are generally considered nonexchange transactions, is recognized when qualifying expenditures are incurred and conditions under the agreements are met. Grant funds received in advance of the expenditures incurred are recorded as refundable advances. Grant funds expended in advance of reimbursement from the funding source are classified as receivable in the consolidated statement of financial position. Contributions of assets, other than cash, are recorded at their estimated fair value at the date of gift.

Some workplace campaigns choose to distribute employee charitable contributions directly to member charities. Campaigns in which Global Impact and its funded charities actively participate are recorded based on campaign reports received from the employee campaigns. These direct payments are presented under amounts raised in campaigns in the consolidated statement of activities and changes in net assets.

Global Impact acts as a fiscal sponsor to a number of entities that engage in activities that are consistent with Global Impact's mission. Global Impact accepts tax-deductible donations on behalf of fiscally sponsored groups and administers the expenditures of those funds for designated tax-exempt charitable purposes. Global Impact has variance power over the fiscal sponsorship contributions it receives; therefore, the fiscal sponsorship contributions received by the Organization are recognized as contribution revenue with or without donor restrictions on the consolidated statement of activities and changes in net assets. The expenditures incurred for fiscal sponsorships are recognized as expenses by the Organization in the consolidated statement of functional expenses.

Revenue from Contracts with Customers

In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Organization performs the following steps: (i) identify contracts with customers; (ii) identify performance obligations; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations; and (v) recognize revenue when (or as) the Organization satisfies each performance obligation.

Revenue from Geneva Global program services and contracts and revenue from Global Impact's administrative charges for raising funds for others, advisory and program support services, and outreach coordinator fees are recognized in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*.

Geneva Global's revenue consists primarily of cost-plus fixed fee contracts to provide consulting and implementation services to not for profit organizations and other corporations. The contracts generally are carried out over time and have specific objectives and milestones, as defined in the contract. The revenue is recognized over time at standard rates as the time is incurred in connection with the cost-plus fixed fee model. The billing milestones in the contract generally follow the performance obligations, and therefore, there is not a significant lag between invoicing and revenue recognition.

Global Impact and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2021

Global Impact operates several distinct lines of business which are accounted for under ASC 606, including administrative charges for raising funds for others, advisory and other services, program support services, and combined federal campaign outreach campaign fees.

Global Impact's advisory services include primarily providing back-office accounting and reporting, check distribution, banking and other activities on behalf of the customer. Global Impact bills for services including implementation services, hosting, contribution processing, and fund administration. Billings are generally done on a periodic basis (monthly, quarterly, etc.), and revenue is recognized at a point in time and over time depending on the services.

Global Impact facilitates the Combined Federal Campaign and other workplace giving campaigns and provides services including fundraising and marketing, facilitation of donations and technology implementation. The administrative charges assessed range for each campaign based on contractually agreed-upon amounts. The fees are generally assessed at the time donations are received and are recognized at a point in time.

Revenue by service provided is recognized at a point in time and over time as follows:

	<u>Point in Time</u>	<u>Over Time</u>
Administrative charges for raising funds for others	\$ 2,066,340	\$ -
Advisory services, program grants, and related revenue	130,101	9,183,609
Program support services	-	3,087,569
Combined federal campaign - outreach campaign fees	<u>3,086,782</u>	<u>-</u>
	<u>\$ 5,283,223</u>	<u>\$ 12,271,178</u>

Contract Balances

Contract assets represent services provided or performance obligations met which are not yet billed. Deferred revenue (contract liabilities) represents funds received in advance of services provided. Accounts receivable represent amounts billed for the services provided. There were no contract assets at June 30, 2021.

Opening and ending balances of accounts receivable and deferred revenue were as follows:

	<u>Accounts Receivable</u>	<u>Deferred Revenue</u>
Beginning of year	\$ 4,172,723	\$ 1,215,397
End of year	<u>\$ 2,013,894</u>	<u>\$ 2,242,753</u>

Cash and Cash Equivalents

The Organization considers all cash on hand, deposits in banks, and investments purchased with an original maturity of three months or less to be cash and cash equivalents other than those included in the Organization's investment portfolio.

Global Impact and Subsidiary Notes to Consolidated Financial Statements June 30, 2021

Investments

Investments in debt and equity securities are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in investment income, which is presented net of investment expenses paid to external investment advisors in the accompanying consolidated statement of activities and changes in net assets. Purchases and sales of securities are recorded on a trade-date basis. Interest income is accrued when earned. Dividends are recorded on the ex-dividend date. Investment income is recorded as net assets without donor restrictions unless restricted by the donor or state law.

Accounts Receivable

Accounts receivable consist primarily of amounts due from member charities and other corporate clients for which the Organization provides advisory, cooperative advertising, backbone, and fund management services. Accounts receivable are non-interest bearing, unsecured obligations due on a current basis. They are recorded at their net realizable value, which approximates fair value. All amounts are due within one year, and there is no allowance for doubtful accounts due to management's belief that all accounts receivable are collectible.

Campaign Receivable

The Organization conducts campaigns annually to raise support for charitable organizations. Donors have the option to designate their contributions to a specific 501(c)(3) organization. These amounts are included in campaign revenues on the consolidated statement of activities and changes in net assets and deducted as amounts distributed to donor designated charities. Campaign donor designations payable in the consolidated statement of financial position represent campaign amounts raised that have been designated by donors to be paid out to specific 501(c)(3) organizations. At the end of each fiscal year, any amounts receivable from the previous year's campaign are written off. Subsequent receipts relating to such amounts are offset against the provision for uncollectible campaign receivables expense.

Promises to Give

Promises to give are recorded in the consolidated financial statements upon receipt of promises to give from the donor agreements. Global Impact honors designations made to each member organization. As all promises to give are expected to be collected within one year, they are recorded at their net realizable value. This is achieved by creating an allowance for estimated uncollectible promises to give. Management individually reviews all balances on promises to give and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Management has determined that no allowance for uncollectible promises to give was required at June 30, 2021. Bad debt expense related to promises to give totaled \$71,493 for the year ended June 30, 2021. All promises to give are due within one year.

Property and Equipment

Property and equipment are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets. Leasehold improvements are amortized over the remaining life of the lease. The assets are amortized over the lesser of the estimated useful life of the asset or the term of the lease. Cost and related accumulated depreciation and amortization are removed from the accounts when the assets are disposed of, with any gain or loss recognized. Expenditures for maintenance and repairs are charged to expense as incurred.

Global Impact and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2021

Depreciation is provided using the straight-line method over the estimated useful lives of the property and equipment as follows:

<u>Description</u>	<u>Estimated Life (Years)</u>
Software	3
Website	7
Office furniture and equipment	3-7
Leasehold improvements	Shorter of term of lease or life of asset

Goodwill

Goodwill was recorded in connection with Global Impact's acquisition of Geneva Global using push-down accounting. The Organization elected the practical expedient to amortize goodwill. Goodwill is being amortized using the straight-line method of amortization over ten years.

Campaign Donor Designations Payable

Amounts that are designated to charities are recorded as campaign donor designations payable. Cash received from campaigns is distributed to each participating member charity in the ratio of its designated pledges to total Global Impact pledges from the relevant campaign. Fees and expenses related to the campaign are deducted when cash is received, and the remainder of funds are distributed in accordance with contractual terms and conditions.

Grants and Distributions Payable

The Organization recognizes grants made, including unconditional promises, as expenses in the period made. Conditional promises, that is, those with a measurable performance or other barrier, and a right of return or release, are not recognized in expense until the conditions on which they depend have been substantially met. All grants and distributions payable are expected to be paid within the next fiscal year.

Deferred Rent Liability

U.S. GAAP requires that the total rent commitment be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent liability on the consolidated statement of financial position.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Organization are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated. Such allocations are determined on an equitable basis.

**Global Impact and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2021**

The expenses that are allocated include the following:

<u>Expense Category</u>	<u>Methodology</u>
Salaries	Time and effort
Employee fringe benefits	Salaries
Rent and occupancy	Salaries
Data network operations	Salaries
Travel	Salaries
Depreciation and amortization	Salaries
Legal	Salaries
Telephone	Salaries
Corporate insurance	Salaries
Conferences	Salaries

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the consolidated statement of financial position are categorized based on the inputs to valuation techniques as follows:

Level 1 - These are investments where values are based on unadjusted quoted prices for identical assets in an active market that the Organization has the ability to access.

Level 2 - These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full term of the investments.

Level 3 - These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Translation of Foreign Currencies

The foreign operations of the Organization occur in functional currencies other than the U.S. dollar. The revenues and expenses occurring in foreign currencies are translated into U.S. dollars using an average monthly rate of exchange. Assets and liabilities are translated using the rate of exchange at the consolidated statement of financial position date.

Global Impact and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2021

New Accounting Pronouncements Adopted in the Current Year

Revenue Recognition – Contracts with Customers

The FASB issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (“ASC 606”). ASC 606 supersedes the prior revenue recognition requirements (codified as ASC 605, *Revenue Recognition*). ASC 606 establishes a core principle that an entity should recognize revenue to depict the transfer of promised 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 or services.

The new guidance also added Subtopic 340-40, *Other Assets and Deferred Costs—Contracts with Customers*, which requires the deferral of incremental costs of obtaining a contract with a customer. All references to the “new guidance” include ASC 606 and/or ASC 340-40.

The Organization adopted the requirements of the new guidance as of July 1, 2020, utilizing the modified retrospective method of transition. No adjustment to net assets as of July 1, 2020 was necessary. The Organization applied the new guidance using the practical expedient provided in ASC 606 that allows the guidance to be applied only to contracts that were not complete as of July 1, 2020. Adoption of the new guidance resulted in minimal changes to the Organization’s accounting policies for revenue recognition, accounts receivable, contract costs, contract liabilities, and deferred costs.

Fair Value Measurement

Effective July 1, 2020, the Organization adopted FASB Accounting Standards Update (“ASU”) 2018-13, *Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement* (Topic 820). This ASU amended ASC Topic 820, *Fair Value Measurement*, by removing and modifying certain disclosure requirements related to fair value measurements, including Level 3 fair value measurement disclosures. The adoption of this ASU had no significant impact on the Organization’s consolidated financial statements.

New Accounting Pronouncements Issued Not Yet Effective

Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which requires the recognition of a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on the consolidated statement of financial position for all of the Organization’s lease obligations. This ASU is effective for fiscal years beginning after December 15, 2021. The Organization is currently evaluating the effect that this pronouncement will have on its consolidated financial statements and related disclosures.

Gifts In-Kind

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which is effective for fiscal years beginning after June 15, 2021, with early adoption permitted, and is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. Management does not expect this ASU to have a significant impact on the Organization’s consolidated financial statements.

Global Impact and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2021

Government Assistance

In November 2021, the FASB issued ASU 2021-10, *Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance*. ASU 2021-10 requires annual disclosures that are expected to increase the transparency of transactions involving government grants, including (1) the types of transactions, (2) the accounting for those transactions, and (3) the effect of those transactions on an entity's financial statements. The provisions of ASU 2021-10 are effective for fiscal years beginning after December 31, 2021, with early adoption permitted. The Organization is currently evaluating the effect that this pronouncement will have on its consolidated financial statements and related disclosures.

3. BUSINESS COMBINATION

On September 30, 2019, Global Impact entered into a stock purchase agreement to purchase 100% of the stock of Geneva Global for a total purchase price of \$2,500,000, consisting of \$750,000 that was paid upon closing and the remaining \$1,750,000 issued as a promissory note under which Global Impact is making 16 quarterly payments through 2023 (see Note 9). No interest shall accrue on the principal amount under the promissory note. As a result of the purchase, Geneva Global recognized goodwill amounting to \$1,601,580.

As part of the purchase agreement, if Geneva Global reaches specific financial benchmarks, Global Impact will pay the seller additional fees. The additional fees shall be equal to 25% of the amount by which aggregate earnings before interest, depreciation, and amortization of Geneva Global and Global Impact exceed one million dollars during the 48-month period ending on September 30, 2023.

4. FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of June 30, 2021, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses and fulfillment of liabilities, were as follows:

Financial assets	
Cash and cash equivalents	\$ 18,315,186
Investments	2,017,721
Accounts receivable	2,013,894
Campaign receivables, net	4,116,520
Promises to give, net	<u>8,841,080</u>
Total financial assets	35,304,401
Less those unavailable for Global Impact operations:	
Campaign donor designations payable	(4,525,276)
Grants and distributions payable	(1,919,796)
Net assets with donor restrictions	<u>(17,033,312)</u>
Financial assets available for expenditure	11,826,017
Liquidity resources	
Unused line of credit	<u>1,350,000</u>
Financial assets and liquidity resources available for expenditure	<u>\$ 13,176,017</u>

Global Impact and Subsidiary
Notes to Consolidated Financial Statements
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The Organization has a policy to structure its financial assets to be available and liquid as its obligations become due. As of June 30, 2021, the Organization has financial assets equal to approximately six months of operating expenses (excluding distributions). In addition, Global Impact has a line of credit (see Note 8) that it may draw upon, pending board approval. The Organization had \$1,350,000 available on that line of credit as of June 30, 2021.

5. INVESTMENTS AND FAIR VALUE

Investment income, net consisted of the following for the year ended June 30, 2021:

Interest and dividends	\$ 47,929
Unrealized gain	343,152
Management fees	<u>(12,386)</u>
	<u>\$ 378,695</u>

The following table summarizes the fair value of investments at June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 26,057	\$ -	\$ -	\$ 26,057
Mutual funds - equity	1,673,139	-	-	1,673,139
Mutual funds - fixed income	<u>318,525</u>	<u>-</u>	<u>-</u>	<u>318,525</u>
	<u>\$ 2,017,721</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,017,721</u>

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30, 2021:

Software	\$ 1,018,511
Leasehold Improvements	901,274
Office furniture and equipment	930,702
Website	<u>292,093</u>
	3,142,580
Less: Accumulated depreciation and amortization	<u>(2,580,049)</u>
Property and equipment, net	<u>\$ 562,531</u>

Depreciation expense amounted to \$158,155 for the year ended June 30, 2021 and is included in depreciation and amortization expense in the consolidated statement of functional expenses.

7. GOODWILL

Goodwill was recognized as a result of the purchase of Geneva Global. The Organization elected to amortize goodwill in accordance with the practical expedient. A summary of goodwill is as follows at June 30, 2021:

Cost	\$ 1,601,580
Accumulated amortization	<u>(280,287)</u>
Goodwill, net	<u>\$ 1,321,293</u>

Global Impact and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2021

Amortization expense for the year ended June 30, 2021 was \$160,164. Amortization expense of goodwill for the next five years and thereafter is as follows:

2022	\$ 160,164
2023	160,164
2024	160,164
2025	160,164
2026	160,164
Thereafter	<u>520,473</u>
	<u>\$ 1,321,293</u>

8. LINE OF CREDIT

Global Impact has a revolving line of credit with a maximum borrowing amount of \$2,500,000. Interest is equal to the London InterBank Offered Rate (“LIBOR”) daily floating rate plus 2.25 percentage points (2.33% as of June 30, 2021). The loan is secured by assets of Global Impact. The outstanding balance as of June 30, 2021 was \$1,150,000. The line of credit matures on September 30, 2022. Interest expense for the year ended June 30, 2021 totaled \$37,335. Global Impact has certain covenants that require compliance at each reporting date including a liquidity covenant. Global Impact was in compliance with these covenants at June 30, 2021.

9. PROMISSORY NOTE PAYABLE

Promissory note payable consists of the following at June 30, 2021:

Promissory note payable due to seller	\$ 984,375
Less: Deferred financing costs	<u>(43,701)</u>
Promissory note payable, net	<u>\$ 940,674</u>

Principal payments as stated in the promissory note are due as follows for years ending June 30:

2022	\$ 437,500
2023	437,500
2024	<u>109,375</u>
	<u>\$ 984,375</u>

10. PAYCHECK PROTECTION PROGRAM LOANS PAYABLE

On April 29, 2020, Geneva Global issued an unsecured promissory note (the “PPP Loan”) for \$647,400 established under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) and administered by the U.S. Small Business Administration (the “SBA”). The PPP Loan was guaranteed by the SBA. The PPP Loan may be forgiven, in whole or in part, if Geneva Global was eligible for the PPP Loan at the time of application, used the loan proceeds for eligible expenses within an 8-week period, and otherwise satisfied PPP requirements. The PPP Loan was made through Citizens Bank (the “Lender”), has a two-year term, bears interest at 1.00% per annum, and matures on April 29, 2022.

On April 7, 2021, Geneva Global was informed that its application for forgiveness of \$647,400 of the PPP Loan was approved. Accordingly, the Organization recorded it as forgiveness of debt in the accompanying consolidated statement of activities and changes in net assets during the year ended June 30, 2021.

Global Impact and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2021

On April 21, 2020, Global Impact issued a PPP Loan for \$1,243,500 through programs established under the CARES Act and administered by the SBA. The PPP Loan was guaranteed by the SBA. The PPP Loan may be forgiven, in whole or in part, if Global Impact was eligible for the PPP Loan at the time of application, used the loan proceeds for eligible expenses within a and 8-week period, and otherwise satisfied PPP requirements. The PPP Loan was made through City National Bank (the “Lender”), has a two-year term, bears interest at 1.00% per annum, and matures on April 21, 2022. On May 21, 2021, Global Impact was informed that its application for forgiveness of \$1,243,500 of the PPP Loan was approved. Accordingly, the Organization recorded it as forgiveness of debt in the accompanying consolidated statement of activities and changes in net assets for the year ended June 30, 2021.

On January 21, 2021, Global Impact issued another unsecured promissory note (the “PPP 2 Loan”) for \$1,300,000 through the PPP as established under the CARES Act, and administered by the SBA. The PPP 2 Loan is guaranteed by the SBA. The PPP 2 Loan may be forgiven, in whole or in part, if the Organization was eligible for the PPP 2 Loan at the time of application, used the loan proceeds for eligible expenses within the defined 24-week period after the PPP 2 Loan was disbursed, and otherwise satisfied PPP requirements. The PPP 2 Loan was made through City National Bank (the “Lender”), has a five-year term, bears interest at 1.00% per annum, and matures on March 21, 2027. If the PPP 2 Loan is not forgiven, monthly principal and interest payments are deferred until ten months after the end of the Covered Period, or May 4, 2022. The PPP 2 Loan may be prepaid at any time prior to maturity with no prepayment penalties. The Organization will record the forgiveness of the loan as a gain on extinguishment in the period in which legal release is received. There is no certainty that any or all of the PPP 2 Loan will be forgiven.

Future maturities of this PPP 2 Loan, assuming it is not forgiven, are as follows for years ending June 30:

2022	\$ -
2023	260,000
2024	260,000
2025	260,000
2026	260,000
Thereafter	<u>260,000</u>
	<u>\$ 1,300,000</u>

On April 6, 2021, Geneva Global issued another unsecured promissory note (the “PPP 2 Loan”) for \$647,400 through the PPP established under the CARES Act, and administered by the SBA. The PPP 2 Loan is guaranteed by the SBA. The PPP 2 Loan may be forgiven, in whole or in part, if Geneva Global was eligible for the PPP 2 Loan at the time of application, used the loan proceeds for eligible expenses within the defined 24-week period after the PPP 2 Loan was disbursed, and otherwise satisfied PPP requirements. The PPP 2 Loan was made through Citizens Bank (the “Lender”), has a five-year term, bears interest at 1.00% per annum, and matures on June 6, 2027. If the PPP 2 Loan is not forgiven, monthly principal and interest payments are deferred until ten months after the end of the Covered Period, or July 6, 2022. The PPP 2 Loan may be prepaid at any time prior to maturity with no prepayment penalties. Subsequent to June 30, 2021, Geneva Global was informed that its application for forgiveness of \$647,400 of the PPP 2 Loan was approved. Accordingly, Geneva Global will record it as forgiveness of debt in fiscal year 2022.

**Global Impact and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2021**

11. AMOUNTS RAISED IN CAMPAIGNS AND CAMPAIGN RECEIVABLES

Total amounts raised in campaigns for the year ended June 30, 2021 are as follows:

Combined federal campaigns	\$ 4,114,697
State government employee	1,312,901
Private sector employee	1,092,316
Local government employee	323,534
Less: Provision on uncollectable campaign receivables	(307,296)
Less: Campaign expenses	<u>(919,010)</u>
Total raised in campaigns	<u>\$ 5,617,142</u>

Amounts that remain due as campaign receivables as of June 30, 2021 are as follows:

Combined federal campaigns	\$ 3,705,839
State government employee	918,220
Private sector employee	550,151
Local government employee	168,616
Less: Provision on uncollectable campaign receivables	(307,296)
Less: Campaign expenses	<u>(919,010)</u>
Campaign receivables, net	<u>\$ 4,116,520</u>

12. RETIREMENT PLANS

Global Impact has a retirement plan, Global Impact 401(k) Profit Sharing Plan and Trust, which has two components: a money purchase pension plan and a 401(k) plan. The money purchase pension plan covers all full-time employees who have met eligibility requirements during the plan year. Under the terms of the 401(k) profit-sharing plan, eligible employees may make contributions to the extent allowed by law.

Global Impact has a discretionary match as well as a discretionary non-elective contribution. Employees may receive an employer match up to 5% of their annual salary based on the percentage of salary contributed by employees. Global Impact made matching contributions totaling \$9,106 for the year ended June 30, 2021. Global Impact made no nonelective contributions for the year ended June 30, 2021.

Geneva Global has a 401(k) profit-sharing plan for the benefit of its eligible employees. Geneva Global may make discretionary matching contributions to the plan based upon the percentage of employee contributions. Geneva Global made employer-matching contributions totaling \$91,856 for the year ended June 30, 2021.

13. DEFERRED COMPENSATION PLAN

In September 2015, Global Impact established a nonqualified deferred compensation plan for a key employee. Global Impact has assets totaling \$80,173 as of June 30, 2021, which are included in the accompanying consolidated statement of financial position in prepaid expenses and other assets. The assets are to be used to satisfy the deferred compensation liability included in the accompanying consolidated statement of financial position in accounts payable and accrued expenses. Global Impact did not contribute to this plan during the year ended June 30, 2021.

Investment gains and losses from the deferred compensation investments are recorded directly to the asset account and the corresponding liability account.

**Global Impact and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2021**

14. COMMITMENTS AND CONTINGENCIES

Operating Leases

Global Impact entered into a lease agreement for office space commencing in March 2014 through February 2025. The lease contains rent escalations of approximately 2.75% annually and a fixed rent abatement in the amount of \$243,328 applied toward the first two-year period. In addition, the landlord made concessions to pay for leasehold improvements of up to \$730,015, which is due to the landlord if the Organization leaves the property before the end of the lease. The remaining liability of \$243,338 as of June 30, 2021 is included in deferred rent and other liabilities and is being amortized over the life of the lease.

Geneva Global leases office space in Pennsylvania, Ethiopia, and Uganda. Geneva Global entered into a 75-month lease in Pennsylvania that expires in December 2025. The lease contains rent escalations of approximately 3% annually.

Rent expense for the year ended June 30, 2021 was \$667,180. The deferred rent liability as of June 30, 2021 was \$383,885 and is included in deferred rent and other liabilities on the consolidated statement of financial position.

Future minimum lease payments as of the years ending June 30 are as follows:

2022	\$ 725,416
2023	744,862
2024	764,906
2025	600,955
2026	<u>167,854</u>
	<u>\$ 3,003,993</u>

Employment Agreement

The Organization has a long-term contract with an employee that extends through April 30, 2023, with an option to be agreed upon by both parties at least 180 days prior to the termination date to extend the employment term for an additional five-year period. If the agreement is terminated without cause, the employee shall continue to receive base salary, and benefits for the lesser of (i) 24 months following the effective date of such termination; and (ii) the date of such termination through the end of the agreement date of April 20, 2023, which is approximately \$860,000.

15. RISKS AND UNCERTAINTIES

General Litigation

In the usual course of carrying out its mission, the Organization may be a party to litigation and other claims. Management is not aware of any pending litigation or claims that would have a material adverse effect on the Organization's consolidated financial statements.

COVID-19

Management continues to evaluate the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Organization's consolidated financial position and results of operations, the specific impact is not readily determinable as of the date of these consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**Global Impact and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2021**

Financial Instruments and Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash balances, accounts receivable, promises to give and campaign receivables. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Organization maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal. Credit risk associated with accounts receivable, promises to give and campaign receivables is considered to be limited due to high historical collection rates.

Revenue

The Organization had contributions from one donor amounting to 11% of total contributions at June 30, 2021.

Promises to Give

At June 30, 2021, the Organization had two donors that comprised 82% of promises to give.

16. NET ASSETS

Net assets with donor restrictions were comprised of the following at June 30, 2021:

Fiscal sponsorship projects	\$ 16,683,312
Passage of time	<u>350,000</u>
	<u>\$ 17,033,312</u>

The following represents net assets that were released from donor restrictions for the year ended June 30, 2021:

Fiscal sponsorship projects	\$ 21,136,701
Passage of time	<u>50,000</u>
	<u>\$ 21,186,701</u>

17. RELATED PARTY TRANSACTIONS

Geneva Global has a shared services agreement with Global Impact. The amount charged for shared services during the year ended June 30, 2021, was \$560,130 and the amount has been eliminated in consolidation.

Global Impact is related to Global Impact UK, Global Impact Canada and Global Impact Australia by virtue of common board membership.

Global Impact provided grants and other assistance to Global Impact Canada amounting to approximately \$305,000 for the year ended June 30, 2021.

Global Impact made a loan due on demand to Global Impact UK which was \$377,475 at June 30, 2021, which is included in loans receivable due from related party in the consolidated statement of financial position.

Global Impact and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2021

18. RESTATEMENT

The Organization restated its July 1, 2020 net assets to correct an error made in the prior year resulting from transactions that were not properly accounted for in accordance with U.S. GAAP during the year ended June 30, 2020. The net adjustment to the opening balance of net assets includes a decrease in expense and grant and distributions payable resulting in an increase to net assets with donor restrictions of \$6,182,122 and an increase to net assets without donor restrictions of \$474,518 as of June 30, 2020.

19. VARIABLE INTEREST ENTITIES

Geneva Global, Inc. has two branch offices in Uganda and Ethiopia. The branch offices were established as non-governmental organizations in the local jurisdictions. Geneva Global, Inc. has a variable interest in these entities due to their control over the organizations and passes through funding to operate in these specific regions. Management has determined these meet the criteria of variable interest entities and consolidated the entities in these financial statements.

The summarized statement of financial position is as follows at June 30, 2021:

Assets

Cash and cash equivalents	\$ 641,573
Prepaid expenses and other assets	1,535,909
Property and equipment, net	<u>5,512</u>
 Total assets	 <u>\$ 2,182,994</u>

Liabilities and Net Assets

Liabilities	
Accounts payable and accrued expenses	\$ <u>120,808</u>
Total liabilities	<u>120,808</u>
 Net assets	 <u>2,062,186</u>
 Total liabilities and net assets	 <u>\$ 2,182,994</u>

The summarized statement of activities is as follows at June 30, 2021:

Revenue	\$ 3,024,456
Expense	<u>1,334,300</u>
 Change in net assets	 <u>\$ 1,690,156</u>

**Global Impact and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2021**

20. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events occurring after the consolidated statement of financial position date through the date of March 10, 2022, which is the date the consolidated financial statements were available for issuance. Based upon this evaluation, the Organization has determined that no events have occurred that require adjustment to or disclosure in the consolidated financial statements except for PPP forgiveness discussed in Note 10 and the following:

Effective July 1, 2021, Global Impact became the sole corporate member of Capital for Good USA. Therefore, in fiscal 2022, Global Impact will consolidate Capital for Good USA in their consolidated financial statements resulting in an increase in assets of \$43,033,766, increase in liabilities of \$239,655 and an increase in net assets at July 1, 2021 of \$42,794,111, of which \$842,467 is without donor restrictions and \$41,951,644 is with donor restrictions.

SUPPLEMENTARY INFORMATION

**Global Impact and Subsidiary
Schedule of Expenditures Related to the DFID Programme Grant #205181-105
Project “International Action Against Corruption”
For the Period from July 1, 2020 through March 31, 2021**

Line	Amount (GBP)	Amount (USD)
Salaries	£ 118,485	\$ 159,611 *
Consultants (general support)	182,288	245,560
Consultants (technical)	43,950	59,205
Professional services (legal, communications)	19,467	26,224
Travel and workshops	115	155
Admin/overhead (project)	20,678	27,855
Admin/overhead (GI service fee)	45,017	60,642
	£ 430,000	\$ 579,252

*GI Subcontracts GI UK employees to perform the work.

**Global Impact and Subsidiary
Consolidating Statement of Financial Position
June 30, 2021**

	<u>Global Impact</u>	<u>Geneva Global</u>	<u>Eliminations</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 13,593,532	\$ 4,721,654	\$ -	\$ 18,315,186
Investments	5,157,517	-	(3,139,796)	2,017,721
Accounts receivable	1,571,692	442,202	-	2,013,894
Campaign receivables, net	4,116,520	-	-	4,116,520
Promises to give, net	8,841,080	-	-	8,841,080
Loans receivable due from related party	377,475	-	-	377,475
Prepaid expenses and advances	309,924	1,745,479	-	2,055,403
Property and equipment, net	551,976	10,555	-	562,531
Due from affiliates	91,743	-	(91,743)	-
Goodwill, net	-	1,321,293	-	1,321,293
	<u>-</u>	<u>1,321,293</u>	<u>-</u>	<u>1,321,293</u>
 Total assets	 <u>\$ 34,611,459</u>	 <u>\$ 8,241,183</u>	 <u>\$ (3,231,539)</u>	 <u>\$ 39,621,103</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	\$ 1,858,199	\$ 515,326	\$ -	\$ 2,373,525
Campaign donor designations payable	4,525,276	-	-	4,525,276
Grant advances payable	275,900	-	-	275,900
Deferred revenue	493,117	1,749,636	-	2,242,753
Line of credit	1,150,000	-	-	1,150,000
Paycheck Protection Program loans payable	1,300,000	647,400	-	1,947,400
Promissory note payable, net	940,674	-	-	940,674
Grants and distributions payable	1,919,796	-	-	1,919,796
Due to affiliates	-	91,743	(91,743)	-
Deferred rent and other liabilities	592,096	35,097	-	627,193
Total liabilities	<u>13,055,058</u>	<u>3,039,202</u>	<u>(91,743)</u>	<u>16,002,517</u>
Net assets				
Without donor restrictions	4,523,089	5,201,981	(3,139,796)	6,585,274
With donor restrictions	<u>17,033,312</u>	<u>-</u>	<u>-</u>	<u>17,033,312</u>
Total net assets	<u>21,556,401</u>	<u>5,201,981</u>	<u>(3,139,796)</u>	<u>23,618,586</u>
 Total liabilities and net assets	 <u>\$ 34,611,459</u>	 <u>\$ 8,241,183</u>	 <u>\$ (3,231,539)</u>	 <u>\$ 39,621,103</u>

See Independent Auditor's Report.

**Global Impact and Subsidiary
Consolidating Statement of Activities and Changes in Net Assets
Year Ended June 30, 2021**

	<u>Global Impact</u>			<u>Geneva Global</u>	<u>Eliminations</u>	<u>Total</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>			
Public support revenue, gains and other support						
Contributions	\$ 16,651,956	\$ 400,000	\$ 17,051,956	\$ 249,667	\$ -	\$ 17,301,623
Contributions from fiscal sponsor arrangements	4,517	30,748,079	30,752,596	-	-	30,752,596
Administrative charges for raising funds for others	2,066,340	-	2,066,340	-	-	2,066,340
Advisory and other services	3,313,008	-	3,313,008	6,694,854	(694,152)	9,313,710
Program support services	312,780	-	312,780	2,774,789	-	3,087,569
Combined federal campaign - outreach campaign fees	3,086,782	-	3,086,782	-	-	3,086,782
Investment income, net	1,117,757	-	1,117,757	876	(739,938)	378,695
Forgiveness of debt - Paycheck Protection Program loan	1,243,500	-	1,243,500	647,400	-	1,890,900
Other revenue	468,691	-	468,691	372,966	-	841,657
Net assets released from restrictions	<u>21,186,701</u>	<u>(21,186,701)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue, gains and other support	<u>49,452,032</u>	<u>9,961,378</u>	<u>59,413,410</u>	<u>10,740,552</u>	<u>(1,434,090)</u>	<u>68,719,872</u>
Amounts raised in campaigns						
Campaign revenues	5,617,142	-	5,617,142	-	-	5,617,142
Less: Distributions to donor designated charities	<u>(5,319,205)</u>	<u>-</u>	<u>(5,319,205)</u>	<u>-</u>	<u>-</u>	<u>(5,319,205)</u>
Campaign results, net	<u>297,937</u>	<u>-</u>	<u>297,937</u>	<u>-</u>	<u>-</u>	<u>297,937</u>
Total raised in campaigns	<u>49,749,969</u>	<u>9,961,378</u>	<u>59,711,347</u>	<u>10,740,552</u>	<u>(1,434,090)</u>	<u>69,017,809</u>
Expenses						
Program services	44,926,601	-	44,926,601	7,938,429	(694,152)	52,170,878
Management and general	2,622,910	-	2,622,910	-	-	2,622,910
Fundraising	<u>16,903</u>	<u>-</u>	<u>16,903</u>	<u>-</u>	<u>-</u>	<u>16,903</u>
Total expenses	<u>47,566,414</u>	<u>-</u>	<u>47,566,414</u>	<u>7,938,429</u>	<u>(694,152)</u>	<u>54,810,691</u>
Changes in net assets	2,183,555	9,961,378	12,144,933	2,802,123	(739,938)	14,207,118
Net assets						
Beginning of year, as previously stated	1,865,016	1,634,500	3,499,516	2,399,858	(2,399,858)	3,499,516
Restatement (See Note 18)	<u>474,518</u>	<u>5,437,434</u>	<u>5,911,952</u>	<u>-</u>	<u>-</u>	<u>5,911,952</u>
Beginning of year, as restated	<u>2,339,534</u>	<u>7,071,934</u>	<u>9,411,468</u>	<u>2,399,858</u>	<u>(2,399,858)</u>	<u>9,411,468</u>
End of year	<u>\$ 4,523,089</u>	<u>\$ 17,033,312</u>	<u>\$ 21,556,401</u>	<u>\$ 5,201,981</u>	<u>\$ (3,139,796)</u>	<u>\$ 23,618,586</u>

See Independent Auditor's Report.