

CONSOLIDATED FINANCIAL STATEMENTS

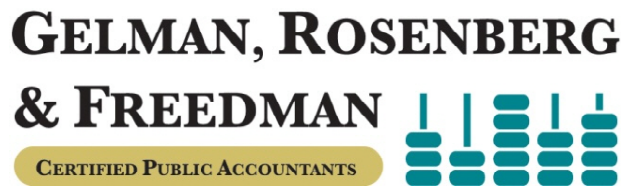
**GLOBAL GIVING FOUNDATION, INC.
AND SUBSIDIARIES**

**FOR THE YEAR ENDED DECEMBER 31, 2012
WITH SUMMARIZED CONSOLIDATED FINANCIAL
INFORMATION FOR 2011**

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARIES

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of the GlobalGiving Foundation, Inc. and Subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2012, and the related consolidated statements of activities and change in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of GlobalGiving UK, a subsidiary, which statements reflect total assets of \$606,719 as of March 31, 2012 and total revenue of \$1,208,653 for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for GlobalGiving UK, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Opinion

In our opinion, based on our audit and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of GlobalGiving Foundation, Inc. and Subsidiaries as of December 31, 2012, and the consolidated change in their net assets and their consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the GlobalGiving Foundation, Inc. and Subsidiaries' 2011 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 15, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.



December 4, 2013

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2012
WITH SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION FOR 2011

ASSETS		<u>2012</u>	<u>2011</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	9,674,170	\$ 7,314,171
Accounts receivable		1,195,153	1,976,091
Prepaid expenses and other assets		<u>84,077</u>	<u>41,463</u>
Total current assets		<u>10,953,400</u>	<u>9,331,725</u>
FIXED ASSETS			
Fixed assets, net of accumulated depreciation and amortization of \$302,401 and \$293,961 for 2012 and 2011, respectively (Note 8)		<u>203,044</u>	<u>213,623</u>
OTHER ASSETS			
Note receivable (Note 2)		50,625	50,625
Deposits		16,413	16,413
Other assets - Trademark (Note 12)		<u>279,981</u>	<u>-</u>
Total other assets		<u>347,019</u>	<u>67,038</u>
TOTAL ASSETS		<u>\$ 11,503,463</u>	<u>\$ 9,612,386</u>

See accompanying notes to consolidated financial statements.

LIABILITIES AND NET ASSETS

	<u>2012</u>	<u>2011</u>
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 165,144	\$ 170,641
Accrued payroll liabilities	63,772	91,073
Deposits	-	27,570
Deferred revenue	59,441	516,038
Other current liabilities (Note 12)	4,006	-
Current portion of deferred rent (Note 7)	<u>13,514</u>	<u>5,530</u>
Total current liabilities	<u>305,877</u>	<u>810,852</u>
NON-CURRENT LIABILITIES		
Deferred rent (Note 7)	<u>64,364</u>	<u>80,739</u>
Total liabilities	<u>370,241</u>	<u>891,591</u>
NET ASSETS		
Unrestricted:		
Unrestricted	2,920,000	1,405,120
Non-controlling interest	<u>-</u>	<u>400</u>
Total unrestricted net assets	2,920,000	1,405,520
Temporarily restricted (Note 3)	<u>8,213,222</u>	<u>7,315,275</u>
Total net assets	<u>11,133,222</u>	<u>8,720,795</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,503,463</u>	<u>\$ 9,612,386</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2012
WITH SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION FOR 2011**

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE				
Grants	\$ 1,201,828	\$ 1,608,877	\$ 2,810,705	\$ 1,008,408
Project contributions	1,969,508	17,131,316	19,100,824	22,819,255
Professional services	1,164,528	-	1,164,528	1,489,781
Interest income	9,829	-	9,829	9,449
Contributed services and materials (Note 5)	164,680	-	164,680	110,238
Other revenue	301,009	-	301,009	36,417
Net assets released from donor restrictions (Note 4)	<u>17,817,581</u>	<u>(17,817,581)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>22,628,963</u>	<u>922,612</u>	<u>23,551,575</u>	<u>25,473,548</u>
EXPENSES				
Project distributions	16,666,413	-	16,666,413	17,137,889
Salaries and benefits	2,945,152	-	2,945,152	2,676,294
Professional fees and services	313,081	-	313,081	453,470
General and administration	212,124	-	212,124	247,346
Legal and registration fees	290,278	-	290,278	362,117
Telephone	29,964	-	29,964	33,511
Travel	150,269	-	150,269	135,422
Rent (Note 7)	193,723	-	193,723	208,758
Office supplies, printing and reproduction	65,282	-	65,282	94,636
Depreciation and amortization	108,070	-	108,070	90,884
Insurance	12,071	-	12,071	8,446
Other	<u>98,860</u>	<u>-</u>	<u>98,860</u>	<u>137,256</u>
Total expenses (Note 11)	<u>21,085,287</u>	<u>-</u>	<u>21,085,287</u>	<u>21,586,029</u>
Change in net assets before other items	<u>1,543,676</u>	<u>922,612</u>	<u>2,466,288</u>	<u>3,887,519</u>
OTHER ITEMS				
Currency exchange rate loss	(349)	(24,665)	(25,014)	-
Income tax expense (Note 6)	<u>(28,847)</u>	<u>-</u>	<u>(28,847)</u>	<u>(36,000)</u>
Total other items	<u>(29,196)</u>	<u>(24,665)</u>	<u>(53,861)</u>	<u>(36,000)</u>
Change in net assets	1,514,480	897,947	2,412,427	3,851,519
Net assets at beginning of year	<u>1,405,520</u>	<u>7,315,275</u>	<u>8,720,795</u>	<u>4,869,276</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,920,000</u>	<u>\$ 8,213,222</u>	<u>\$ 11,133,222</u>	<u>\$ 8,720,795</u>

See accompanying notes to consolidated financial statements.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012
WITH SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION FOR 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,412,427	\$ 3,851,519
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	108,070	90,884
Loss on disposal of fixed assets	2,443	5,259
Transfer of MFI trademark	(279,981)	-
(Increase) decrease in:		
Accounts receivable	780,938	(924,578)
Prepaid expenses and other assets	(42,614)	(12,530)
Increase (decrease) in:		
Accounts payable and accrued expenses	(5,497)	(31,080)
Accrued payroll liabilities	(27,301)	(41,998)
Deposits	(27,570)	35
Deferred revenue	(456,597)	212,615
Other current liabilities	4,006	-
Deferred rent	(8,391)	(749)
Net cash provided by operating activities	<u>2,459,933</u>	<u>3,149,377</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(99,934)	(82,381)
Proceeds from sale of fixed assets	<u>-</u>	<u>100</u>
Net cash used by investing activities	<u>(99,934)</u>	<u>(82,281)</u>
Net increase in cash and cash equivalents	2,359,999	3,067,096
Cash and cash equivalents at beginning of year	<u>7,314,171</u>	<u>4,247,075</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 9,674,170</u>	<u>\$ 7,314,171</u>
SUPPLEMENTAL INFORMATION		
Taxes Paid	<u>\$ 28,847</u>	<u>\$ 108,000</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organizations -

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

ManyFutures, Inc. (the Corporation), a majority owned subsidiary of the Foundation is a Delaware taxable for-profit corporation formed to provide website and consulting services relating to international philanthropy. The Corporation has been inactive operationally since January 2009. During 2012, the Foundation dissolved the Corporation and transferred to GlobalGiving trademarks and Intellectual Property that support the Foundation's efforts to enable individuals and companies to find and support high-impact, grassroots social and economic development projects around the world. Donors may communicate with the social entrepreneurs who run these projects and receive reports from the field.

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

The year end for GG UK is March 31, 2013. Therefore, the Consolidated Statement of Activities and Change in Net Assets is presented for GG UK for the year ending March 31, 2013, which includes the activity for GG UK from April 1, 2012 to March 31, 2013.

Basis of presentation -

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

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the GlobalGiving Foundation, Inc. and Subsidiaries' consolidated financial statements for the year ended December 31, 2011, from which the summarized information was derived.

Basis of consolidation -

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

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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

Cash and cash equivalents -

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

Through December 31, 2012, the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") provided temporary unlimited deposit insurance coverage for non-interest bearing transaction accounts at all Federal Deposit Insurance Corporation (FDIC) insured depository institutions (the "Dodd-Frank Deposit Insurance Provision"). GlobalGiving Foundation, Inc. and Subsidiaries maintained a portion of their cash balances at financial institutions in non-interest bearing accounts; thereby, all of these cash balances were protected by the FDIC under this Act. Beginning January 1, 2013, funds deposited in non-interest bearing accounts will no longer receive unlimited deposit insurance coverage. Bank deposit accounts at one institution will be insured by the FDIC up to a limit of \$250,000. Management believes the risk in these situations to be minimal.

The Foundation receives website donations on behalf of over 4,600 pre-screened projects and makes remittances to those organizations on behalf of the donors. The terms of the website operator require these funds to be segregated from the Foundation's other funds. As of December 31, 2012, these funds totaled \$7,038,333.

The terms of a grant held by the Foundation require these funds to be segregated from the Foundation's other funds. As of December 31, 2012, these funds totaled \$500,125.

At December 31, 2012 the Foundation had \$462,758 of cash and cash equivalents held at financial institutions in foreign countries. The majority of funds held in foreign countries is uninsured.

Accounts receivable -

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

Fixed assets -

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

Leasehold improvements are amortized over five years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended December 31, 2012 totaled \$108,070.

Income taxes -

The Foundation -

The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income as detailed in Note 6. The Foundation is not a private foundation.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2012

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

Income taxes (continued) -

The Corporation -

Income taxes are provided for the tax effects of transactions reported in the Corporation's financial statements and consist of taxes currently due, plus deferred taxes. Deferred income taxes are computed under the method as prescribed by FASB ASC 740-10 and 740-30, *Income Taxes*. Deferred income taxes arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or non-current, depending on the classification of the assets and liabilities to which they relate. Temporary differences result principally from the use of different depreciation methods and different accounting methods for recognizing bad debts (Note 6).

GlobalGiving UK -

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

Uncertain tax positions -

For the year ended December 31, 2012, the GlobalGiving Foundation, Inc. and Subsidiaries have documented their consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

The Federal Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the Internal Revenue Service, generally for three years after it is filed.

Net asset classification -

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

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

Contributions and grants -

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

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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

Contributions and grants (continued) -

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

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

Foreign currency translation -

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

Contributed services and materials -

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

Use of estimates -

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

Risks and uncertainties -

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

2. NOTE RECEIVABLE

In July 2009, the Foundation loaned \$50,000 to an organization. The annual interest rate is 2.5%. Interest is payable semi-annually in arrears on each June 30th and December 31st. The principal sum plus any unpaid interest is due June 30, 2014. Interest received under the terms of this loan for the year ended December 31, 2012 totaled \$1,250.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012**

3. TEMPORARILY RESTRICTED NET ASSETS

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

Temporarily restricted net assets consisted of the following at December 31, 2012:

Program Restricted:	
Foundation projects	\$ 7,803,817
Guarantee reserve	4,467
GG UK projects	<u>404,938</u>
TOTAL TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 8,213,222</u>

4. NET ASSETS RELEASED FROM RESTRICTIONS

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

Program Restricted:	
Foundation project distributions	\$ 16,029,018
Other programs	723,797
GG UK projects	747,592
GG UK - other programs	<u>317,174</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 17,817,581</u>

5. CONTRIBUTED SERVICES AND MATERIALS

During the year ended December 31, 2012, the GlobalGiving Foundation, Inc. and Subsidiaries were the beneficiary of donated services and software totaling \$164,680, utilized for the operations of the GlobalGiving Foundation, Inc. and Subsidiaries. Contributed services and materials for the year ended December 31, 2012 were as follows:

Donated legal services	\$ 148,922
Other donations	<u>15,758</u>
TOTAL CONTRIBUTED SERVICES AND MATERIALS	<u>\$ 164,680</u>

The following programs have benefited from these donated services:

Program Expense	\$ 137,112
Management and General	26,135
Fundraising	<u>1,433</u>
TOTAL	<u>\$ 164,680</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012

6. INCOME TAXES

For the year ended December 31, 2012, the Foundation derived income from certain activities for which it has provisionally accrued unrelated business income taxes totaling \$28,847. The Federal and state income taxes for the year ended December 31, 2012 were \$16,500 and \$12,347, respectively.

For the year ended December 31, 2012, the Corporation had no taxable income and, accordingly, no provision for income taxes has been recorded. The Corporation was formally dissolved during 2012 and a final tax return has been filed.

7. LEASE COMMITMENT

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

Effective March 2011, GG UK leased office space under a five-year agreement terminating June 2016 and cancelable with a three-month written notice. Base rent is \$30,302 per annum, plus a proportionate share of expenses, increasing at the landlord's discretion.

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

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

<u>Year Ending December 31,</u>	
2013	\$ 215,714
2014	224,057
2015	232,776
2016	<u>32,587</u>
	<u>\$ 705,134</u>

Rent expense for the year ended December 31, 2012 totaled \$193,723. The deferred rent liability was \$77,878.

8. FIXED ASSETS

Fixed assets consisted of the following for the year ended December 31, 2012:

Furniture, fixtures, and computers	\$ 313,078
Software	159,530
Leasehold improvements	<u>32,837</u>
	505,445
Less: Accumulated depreciation and amortization	<u>(302,401)</u>
FIXED ASSETS, NET	<u>\$ 203,044</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012**

9. OTHER FINANCIAL COMMITMENTS

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

10. LINE OF CREDIT

The Foundation has a \$400,000 bank line of credit. Amounts borrowed under this agreement bear interest based upon the index and the margin described in the financing agreement (3.5% at December 31, 2012). As of December 31, 2012, there was no outstanding balance on the line of credit. The line is secured by cash and investments held in accounts at the same financial institution.

11. FUNCTIONAL EXPENSES

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

The expenses of the GlobalGiving Foundation, Inc. and Subsidiaries, on a functional basis, are as follows at December 31, 2012:

	Program Expense	Management and General	Fundraising	Total Supporting Services	Total Expenses
Project distributions	\$ 16,666,413	\$ -	\$ -	\$ -	\$ 16,666,413
Salaries and benefits	2,479,327	441,616	24,210	465,826	2,945,153
Professional fees and services	275,739	35,402	1,941	37,343	313,082
General and administration	178,045	32,307	1,771	34,078	212,123
Legal and registration fees	241,685	46,067	2,525	48,592	290,277
Telephone	24,948	4,755	261	5,016	29,964
Travel	131,524	17,771	974	18,745	150,269
Rent	161,294	30,744	1,685	32,429	193,723
Office supplies, printing and reproduction	54,534	10,189	559	10,748	65,282
Depreciation and amortization	89,979	17,151	940	18,091	108,070
Insurance	10,050	1,916	105	2,021	12,071
Other	<u>82,428</u>	<u>15,578</u>	<u>854</u>	<u>16,432</u>	<u>98,860</u>
TOTAL EXPENSES	<u>\$ 20,395,966</u>	<u>\$ 653,496</u>	<u>\$ 35,825</u>	<u>\$ 689,321</u>	<u>\$ 21,085,287</u>
PERCENT	<u>96.7%</u>	<u>3.1%</u>	<u>.2%</u>	<u>3.3%</u>	<u>100%</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012**

12. MANYFUTURES, INC. DISSOLUTION

During 2012, ManyFutures, Inc. (the Corporation) was formally dissolved. All remaining assets and liabilities, including the value of the trademark, were transferred to the Foundation as of December 29, 2012. The value of the trademark is included in other assets in the accompanying Consolidated Statement of Financial Position. The value of the trademark will be evaluated and revalued on an annual basis.

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

13. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the GlobalGiving Foundation, Inc. and Subsidiaries have evaluated events and transactions for potential recognition or disclosure through December 4, 2013, the date the consolidated financial statements were issued.