

CONSOLIDATED FINANCIAL STATEMENTS

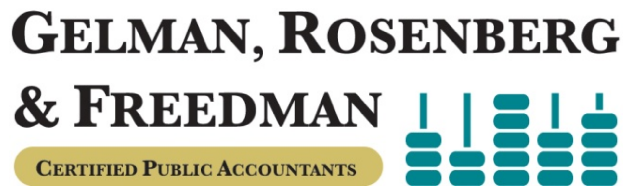
**GLOBALGIVING FOUNDATION, INC.
AND SUBSIDIARY**

**FOR THE YEAR ENDED DECEMBER 31, 2014
WITH SUMMARIZED CONSOLIDATED FINANCIAL
INFORMATION FOR 2013**

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of the GlobalGiving Foundation, Inc. and Subsidiary, which comprise the consolidated statement of financial position as of December 31, 2014, and the related consolidated statements of activities and change in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of GlobalGiving UK, a subsidiary, which statements reflect total assets of \$1,073,858 as of March 31, 2015 and total revenue of \$1,753,469 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 the GlobalGiving Foundation, Inc. and Subsidiary as of December 31, 2014, and the consolidated change in their net assets and their consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the GlobalGiving Foundation, Inc. and Subsidiary's 2013 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 4, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

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

January 20, 2016

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2014
WITH SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION FOR 2013

ASSETS

	<u>2014</u>	<u>2013</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 12,917,556	\$ 8,905,858
Accounts receivable	3,695,241	1,678,109
Pledges and grants receivable	816,000	800,000
Prepaid expenses and other assets	<u>77,576</u>	<u>115,902</u>
Total current assets	<u>17,506,373</u>	<u>11,499,869</u>
 FIXED ASSETS		
Fixed assets, net of accumulated depreciation and amortization of \$485,484 and \$389,910 for 2014 and 2013, respectively (Note 9)	<u>916,762</u>	<u>151,782</u>
 OTHER ASSETS		
Note receivable (Note 2)	-	50,625
Deposits	13,389	13,389
Other assets - Trademark (Note 13)	311,487	302,322
Pledges and grants receivable, net of current portion	<u>-</u>	<u>46,804</u>
Total other assets	<u>324,876</u>	<u>413,140</u>
TOTAL ASSETS	<u>\$ 18,748,011</u>	<u>\$ 12,064,791</u>

LIABILITIES AND NET ASSETS

	<u>2014</u>	<u>2013</u>
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 240,439	\$ 128,937
Accrued payroll liabilities	74,567	70,240
Income taxes payable	-	5,420
Deferred revenue	212,931	111,786
Deferred rent (Note 8)	30,577	21,858
Other current liabilities (Note 13)	<u>4,006</u>	<u>4,006</u>
Total current liabilities	<u>562,520</u>	<u>342,247</u>
NON-CURRENT LIABILITIES		
Deferred rent, net of current portion (Note 8)	<u>876,816</u>	<u>36,197</u>
Total liabilities	<u>1,439,336</u>	<u>378,444</u>
NET ASSETS		
Unrestricted	3,031,380	3,155,352
Temporarily restricted (Note 3)	<u>14,277,295</u>	<u>8,530,995</u>
Total net assets	<u>17,308,675</u>	<u>11,686,347</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 18,748,011</u>	<u>\$ 12,064,791</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014
WITH SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION FOR 2013**

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE				
Grants	\$ 392,179	\$ 1,846,955	\$ 2,239,134	\$ 2,262,805
Project contributions	2,694,483	33,031,773	35,726,256	23,871,126
Professional services	1,205,894	-	1,205,894	776,761
Interest income	6,072	-	6,072	8,812
Contributed services and materials (Note 5)	70,935	-	70,935	48,850
Other revenue	124,236	-	124,236	172,146
Rental income	45,412	-	45,412	-
Net assets released from donor restrictions (Note 4)	<u>29,093,612</u>	<u>(29,093,612)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>33,632,823</u>	<u>5,785,116</u>	<u>39,417,939</u>	<u>27,140,500</u>
EXPENSES (Note 12)				
Project distributions	27,471,771	-	27,471,771	21,741,474
Salaries and benefits	3,772,329	-	3,772,329	3,206,236
Professional fees and services	971,381	-	971,381	618,726
Systems, Domains and Communications	205,011	-	205,011	125,727
Legal and registration fees	147,203	-	147,203	128,823
Field Services and Systems	115,331	-	115,331	75,014
Travel	195,083	-	195,083	146,180
Rent (Note 8)	311,919	-	311,919	184,759
Office supplies, printing and reproduction	93,994	-	93,994	53,143
Depreciation and amortization	143,512	-	143,512	101,830
Insurance	17,156	-	17,156	15,878
Subscriptions and publications	63,447	-	63,447	46,025
Meetings and conventions	96,920	-	96,920	84,626
Impairment	3,547	-	3,547	9,020
Other	<u>122,155</u>	<u>-</u>	<u>122,155</u>	<u>57,274</u>
Total expenses	<u>33,730,759</u>	<u>-</u>	<u>33,730,759</u>	<u>26,594,735</u>
Change in net assets before other items	<u>(97,936)</u>	<u>5,785,116</u>	<u>5,687,180</u>	<u>545,765</u>
OTHER ITEMS				
Currency exchange rate (loss) gain	(22,650)	(38,816)	(61,466)	25,495
Income tax expense (Note 6)	<u>(3,386)</u>	<u>-</u>	<u>(3,386)</u>	<u>(18,135)</u>
Total other items	<u>(26,036)</u>	<u>(38,816)</u>	<u>(64,852)</u>	<u>7,360</u>
Change in net assets	(123,972)	5,746,300	5,622,328	553,125
Net assets at beginning of year	<u>3,155,352</u>	<u>8,530,995</u>	<u>11,686,347</u>	<u>11,133,222</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,031,380</u>	<u>\$ 14,277,295</u>	<u>\$ 17,308,675</u>	<u>\$ 11,686,347</u>

See accompanying notes to consolidated financial statements.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
WITH SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION FOR 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 5,622,328	\$ 553,125
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	143,512	101,830
Loss on disposal of fixed assets	6,390	9,020
Change in valuation of MFI trademark	(9,165)	(22,341)
Change in discount	(3,196)	3,196
(Increase) decrease in:		
Accounts receivable	(2,017,132)	(482,956)
Pledges and grants receivable	34,000	(850,000)
Prepaid expenses and other assets	38,326	(31,825)
Note receivable	50,625	-
Deposits	-	3,024
Increase (decrease) in:		
Accounts payable and accrued expenses	111,502	(36,207)
Accrued payroll liabilities	4,327	6,468
Income taxes payable	(5,420)	5,420
Deferred revenue	101,145	52,345
Deferred rent	<u>849,338</u>	<u>(19,823)</u>
Net cash provided (used) by operating activities	<u>4,926,580</u>	<u>(708,724)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>(914,882)</u>	<u>(59,588)</u>
Net cash used by investing activities	<u>(914,882)</u>	<u>(59,588)</u>
Net increase (decrease) in cash and cash equivalents	4,011,698	(768,312)
Cash and cash equivalents at beginning of year	<u>8,905,858</u>	<u>9,674,170</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 12,917,556</u>	<u>\$ 8,905,858</u>
SUPPLEMENTAL INFORMATION		
Taxes Paid	<u>\$ 18,133</u>	<u>\$ 18,135</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organizations -

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

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

The year end for GG UK is March 31, 2015. Therefore, the Consolidated Statement of Activities and Change in Net Assets is presented for GG UK for the year ending March 31, 2015, which includes the activity for GG UK from April 1, 2014 to March 31, 2015.

Basis of presentation -

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

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the GlobalGiving Foundation, Inc. and Subsidiary's consolidated financial statements for the year ended December 31, 2013, from which the summarized information was derived.

Basis of consolidation -

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

Cash and cash equivalents -

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

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

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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

Cash and cash equivalents (continued) -

The Foundation receives website donations on behalf of over 5,600 pre-screened projects and makes remittances to those organizations on behalf of the donors. The terms of the website operator require these funds to be segregated from the Foundation's other funds. As of December 31, 2014, these funds totaled \$9,496,492.

The terms of a grant held by the Foundation require funds to be segregated from the Foundation's other funds. As of December 31, 2014, these funds totaled \$629,295.

At December 31, 2014, the Foundation had \$1,001,721 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 and pledges receivable approximate fair value and are due within one year. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Pledges receivable that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and gifts revenue.

Fixed assets -

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

Leasehold improvements are amortized over the life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended December 31, 2014 totaled \$143,512.

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 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.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

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

Uncertain tax positions -

For the year ended December 31, 2014, the GlobalGiving Foundation, Inc. and Subsidiary have documented their consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

Net asset classification -

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

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

Contributions and grants -

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

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

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.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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

Use of estimates -

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

Risks and uncertainties -

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

Reclassification -

Certain amounts in the prior year's consolidated financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported changes in net assets.

2. NOTE RECEIVABLE

In July 2009, the Foundation loaned \$50,000 to an organization. The annual interest rate was 2.5%. Interest was payable semi-annually in arrears on each June 30th and December 31st. The principal sum, plus any unpaid interest, was due June 30, 2014.

The principal on the note receivable has been repaid, in full, during the year ending December 31, 2014.

3. TEMPORARILY RESTRICTED NET ASSETS

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

Temporarily restricted net assets consisted of the following at December 31, 2014:

Program Restricted:	
Foundation projects	\$ 13,460,840
Guarantee reserve	4,467
GG UK projects	<u>761,988</u>
	14,227,295
Time Restricted	<u>50,000</u>
TOTAL TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 14,277,295</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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	\$	27,698,889
GG UK projects		<u>1,344,723</u>
		29,043,612
Passage of Time		<u>50,000</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	\$	<u>29,093,612</u>

5. CONTRIBUTED SERVICES AND MATERIALS

During the year ended December 31, 2014, the GlobalGiving Foundation, Inc. and Subsidiary were the beneficiary of donated services and software totaling \$70,935, utilized for the operations of the GlobalGiving Foundation, Inc. and Subsidiary. Contributed services and materials for the year ended December 31, 2014 were as follows:

Donated Legal Services	\$	<u>70,935</u>
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The following programs have benefited from these donated services:

Program Expense	\$	56,443
Management and General		10,491
Fundraising		<u>4,001</u>
TOTAL	\$	<u>70,935</u>

6. INCOME TAXES

For the year ended December 31, 2014, the Foundation has recorded unrelated business income tax expense of \$3,136, derived from certain activities which occurred during the year ended December 31, 2013. The Foundation did not have any unrelated business income for the year ended December 31, 2014.

7. RETIREMENT PLAN

The Foundation established the Global Giving Foundation, Inc. 401k Plan for the exclusive benefit of all eligible employees and their beneficiaries. To be eligible to make a salary deferral contribution and to receive a matching contribution, an employee must have completed a minimum of three months of service with 160 hours in each month. Each year, at the Foundation's discretion, a match may be a discretionary percentage allocated proportionate to an employee salary deferrals, flat dollar amount, or tiered formula, as the Foundation elects each year. The safe harbor contribution will be a match of 100% of the first 3% of salary deferral plus 50% of the next 2% of salary deferral. The total safe harbor match for the year ended December 31, 2014 was \$92,196.

Additionally, the Foundation, at its discretion, may make a profit sharing contribution to the plan. To be eligible to receive an allocation of the discretionary employer profit sharing contributions an employee must complete 1,000 hours of service during the plan year and be employed the last day of the plan year. The Foundation did not make a profit sharing contribution for the year ended December 31, 2014.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014**

8. LEASE COMMITMENT

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

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

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

Effective March 2011, GG UK leased office space under a five-year agreement terminating June 2016 and cancelable with a three-month written notice. Base rent is \$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 and income:

<u>Year Ending December 31,</u>	<u>Rental Payments</u>	<u>Rental Income</u>	<u>Net</u>
2015	\$ 560,539	\$ (109,120)	\$ 451,419
2016	368,162	(4,664)	363,498
2017	343,597	-	343,597
2018	352,199	-	352,199
2019	363,151	-	363,151
Thereafter	<u>1,797,264</u>	<u>-</u>	<u>1,797,264</u>
	<u>\$ 3,784,912</u>	<u>\$ (113,784)</u>	<u>\$ 3,671,128</u>

Rent expense for the year ended December 31, 2014 totaled \$311,919. The deferred rent liability was \$907,393.

9. FIXED ASSETS

Fixed assets consisted of the following for the year ended December 31, 2014:

Furniture, fixtures and computers	\$ 612,545
Software	178,104
Leasehold improvements	<u>611,597</u>
	1,402,246
Less: Accumulated depreciation and amortization	<u>(485,484)</u>
FIXED ASSETS, NET	<u>\$ 916,762</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014**

10. 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.

11. 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, 2014). As of December 31, 2014, there was no outstanding balance on the line of credit. The line is secured by cash held in accounts at the same financial institution.

12. FUNCTIONAL EXPENSES

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

The expenses of the GlobalGiving Foundation, Inc. and Subsidiary, on a functional basis, are as follows at December 31, 2014:

	<u>Supporting Services</u>				
	<u>Program Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	<u>Total Expenses</u>
Project distributions	\$27,471,771	\$ -	\$ -	\$ -	\$27,471,771
Salaries and benefits	2,417,642	1,084,652	270,035	1,354,687	3,772,329
Professional fees and services	884,244	63,082	24,055	87,137	971,381
Systems, Domains and Communications	163,127	30,321	11,563	41,884	205,011
Legal and registration fees	117,129	21,772	8,302	30,074	147,203
Field Services and Systems	107,435	5,716	2,180	7,896	115,331
Travel	176,491	13,459	5,133	18,592	195,083
Rent	248,194	46,133	17,592	63,725	311,919
Office supplies, printing and reproduction	77,581	11,882	4,531	16,413	93,994
Depreciation and amortization	114,193	21,225	8,094	29,319	143,512
Insurance	13,651	2,537	968	3,505	17,156
Subscriptions and publications	50,485	9,384	3,578	12,962	63,447
Meetings and conventions	78,945	13,013	4,962	17,975	96,920
Impairment	2,822	525	200	725	3,547
Other	<u>109,647</u>	<u>9,055</u>	<u>3,453</u>	<u>12,508</u>	<u>122,155</u>
TOTAL EXPENSES	<u>\$32,033,357</u>	<u>\$ 1,332,756</u>	<u>\$ 364,646</u>	<u>\$ 1,697,402</u>	<u>\$33,730,759</u>
PERCENT	<u>94.9 %</u>	<u>4.0%</u>	<u>1.1%</u>	<u>5.1 %</u>	<u>100%</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014**

13. MANYFUTURES, INC. DISSOLUTION

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

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

14. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the GlobalGiving Foundation, Inc. and Subsidiary have evaluated events and transactions for potential recognition or disclosure through January 20, 2016, the date the consolidated financial statements were issued.