



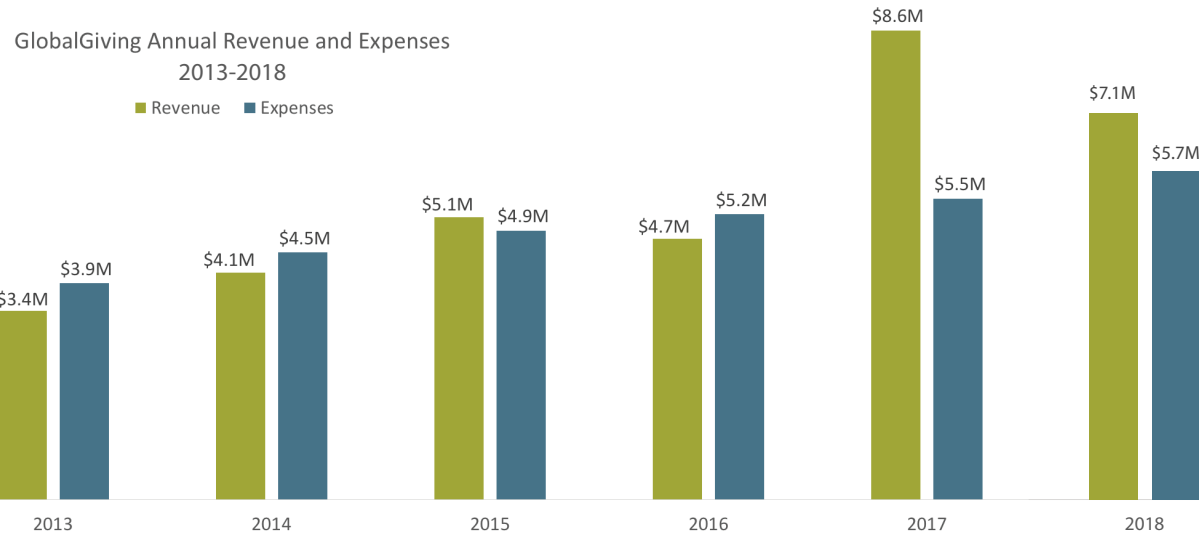
2018 Annual Report





Since 2002, more than 889,000 donors have given \$382 million to 22k+ projects in 170 countries.

2018 was another incredible year for GlobalGiving. We built upon our record-breaking success in 2017 to raise \$58M from 187k donors for 3,404 organizations. This report highlights some of our key accomplishments from 2018.





Leadership Transitions

A letter from our new CEO, Alix Guerrier

Since joining the team in November 2018, I've delighted at the chance to learn not only about GlobalGiving's work directly but also about the interlinked communities we serve—our nonprofit partners, individual donors, and the companies we work with. What I've learned is that there is a lot to admire, and a lot to celebrate.

Some of what deserves celebration is the new stuff: new initiatives, ideas, and innovations. Our commitment to Never Settle (one of our four core values) requires us to continually raise the bar for ourselves in how we serve our communities. The team here is, happily, up to task, and I'm energized by the daily efforts to do more, and do better.

One of the things that I'm most looking forward to in 2019 is a renewed focus on our mission to accelerate community-led change. This mission defines the critical role our organization plays in the philanthropic landscape and is at the heart of what drew me to GlobalGiving.

GlobalGiving's founders started the organization with a few key principles in mind, one of them being that the ideas that will change the world for the better can come from anywhere. Our founders sought to create a platform that would level the playing field for all organizations and donors to test ideas, making the social sector more community-led and accelerating the impact sought by donors and the communities served by those organizations. That principle held promise in 2002, it was the focus of our work in 2018, and it will anchor our work in 2019 and beyond.

Thanks to you, our community-led impact could be witnessed in action in so many places around the world in 2018: It could be seen in SMEP's work to reduce the spread of cholera in Yemen, which has sickened thousands. It could be heard in the voices of the Rohingya refugees who launched a radio program to share vital information in overcrowded camps in Bangladesh. It could be read about in the pages of Mi Valedor, the first street newspaper in Mexico, which had funds to operate and employ the homeless thanks to GlobalGiving donors.

Thank you for being a part of this community, and the incredible impact that this community has had in the past year. More importantly, thank you in advance for being a part of the movement going forward; there's yet more work to do. Working with our nonprofit partners, donors, companies, and funders like you, we'll go further, and get there faster, than any one of us alone can imagine.

Alix Guerrier
GlobalGiving CEO

Highlights from Our Programs + Activities



Photo: *Help Typhoon Haiyan survivors in the Philippines* by Mercy Corps

Disaster Recovery Network

When a disaster strikes, recovery efforts led by people who live and work in affected communities are overlooked and underfunded. That's why in 2018 we launched the Disaster Recovery Network at GlobalGiving. We are transforming humanitarian aid and philanthropy by shifting decision-making power to crisis-affected communities through trust-based grantmaking and support.

The Disaster Recovery Network at GlobalGiving makes it easy, quick, and safe to support people on the ground who understand needs in their communities better than anyone else. They were there long before the news cameras arrived, and they'll be there long after the cameras leave. They know how to make their communities more resilient to future disasters, and they're already hard at work. We put donations and grants directly into their hands. Because the status quo—which gives the vast majority of funding to a few large organizations—doesn't make sense.

Our recovery network comprises of thousands of local nonprofit organizations in more than 170 countries—backed by thousands of generous funders. Local organizations are key to disaster relief and recovery, and we connect them with donors directly so that communities can receive funding within days of an event.



Tiffany Stafford, **2018 Disaster Feedback Fellow** of the Disaster Recovery Network at GlobalGiving

Disaster Feedback Fellows

As a part of the Disaster Recovery Network, we hosted the inaugural class of Disaster Feedback Fellows. These 10 inspiring nonprofit leaders represented organizations around the world that had responded to natural disasters in their communities over the past year, such as Target Hunger in Houston.

Target Hunger served 47,000 Hurricane Harvey survivors in low-income communities in the year following the storm. “The middle-class assumption is that everybody recovers the same way,” said Tiffany Stafford, a Target Hunger director. “Nothing could be further from the truth in the wake of a natural disaster,” explained Tiffany.

Tiffany and 9 other Disaster Feedback Fellows met in Washington DC for a week to learn new practices, share knowledge with each other, and develop best practices to share with others.

Championing Feedback and Learning

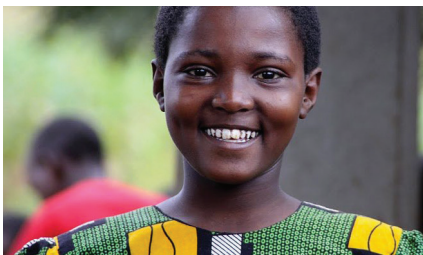
Every social organization, GlobalGiving included, needs to know if it’s having an impact on the communities it serves. For us, that means understanding the ways in which we are (or aren’t!) helping our nonprofit partners around the world improve their own effectiveness and capacity to create change, regardless of the type of work they do. Without this knowledge, social organizations can’t make informed decisions about the strategies to use to deliver their services.

For the last two years we’ve been working with organizations in India to conduct a study on GlobalGiving’s impact. Specifically, we wanted to see what impact, if any, GlobalGiving has on a nonprofit.

To assess our impact, we used the [“Organizational Performance Index” \(OPI\) framework](#) created by Pact. The OPI provides a structured way to understand a nonprofit’s capacity along eight different categories, including its ability to deliver programs, the diversity of its funding sources, and its use of community feedback. The OPI scores organizations on a scale of 1 (lowest) to 4 (highest). With the help of a fantastic team of volunteers in India, we gathered two years of OPI data from both the treatment and control groups, then compared how their scores changed over time to get an initial indicator of GlobalGiving’s impact.

In 2018 we published the results of this two-year impact study. We found that GlobalGiving nonprofit partners demonstrated significantly more participatory planning and decision-making processes (what we call “community leadership”) and improved their use of stakeholder feedback to inform their work. The study, one of the first of its kind for funders, was reviewed favorably by Caroline Fiennes in [London’s Financial Times](#).

Other Program Highlights



Matching Multiplies Impact

GlobalGiving drove \$17.9M in extra driven to our nonprofit community in 2018. Our team works hard to drive extra funding to nonprofits in the form of matching funds, promotions, and corporate donations.



Facebook Crisis Donate

Facebook users donated \$1.8M to support locally driven disaster relief around the world using the Crisis Donate button. Powered by Facebook users and the Disaster Recovery Network at GlobalGiving, these donations provided relief and recovery support for 270 disasters in 70 countries around the world. GlobalGiving distributed the funds primarily to local nonprofits, including SMEPS, an organization working to reduce the spread of cholera in Yemen.



Expanded Global Reach

We added more than 4,000 new projects in 145 countries in 2018, including our first project in Antarctica! GlobalGiving is now the only platform where you can support community-led projects on all seven continents!



Local Giving Options

M-Pesa: Mobile Money Options in Africa

In 2018 we added the option for GlobalGiving nonprofit partners to receive donations in Kenyan Shillings through a partnership with [M-Changa](#). Since July, donors have been able to select an M-Pesa giving option, made possible through the innovative partnership. This new giving tool is available to all organizations fundraising on GlobalGiving—including those participating in our Accelerator.

With this new partnership, GlobalGiving + [M-Changa](#) hope to strengthen community-led philanthropy in Kenya, as well as drive more international resources to local partners. Now, our partners in Kenya will be able to grow their network of supporters—both next door and across oceans.

Euros: Testing Our Hypothesis

GlobalGiving accepts donations in U.S. dollars and British pounds, and donors in India and East Africa can contribute in their local currencies via our partnerships with [ImpactGuru](#) and [M-Changa](#). Still, there are plenty of major currencies we don't offer yet. Our team wanted to know: What other currencies could help us connect more GlobalGivers with more community-led organizations?

We ran an A/B test to quantify the exact impact and financial sustainability of adding Euros as a currency, both to quantify the additional benefits to our partners and to ensure that we would have a financially sustainable solution.



We found that donors who had their default currency shown in euros went from their cart page to completing their donation about 26% of time versus just 21% of the time for donors in the control group. This increase proved to not only be positive for our partners, but was twice the size needed to be financially sustainable for GlobalGiving. We've since added euros as the default currency for all donors in the EU.

Expanding Options for Giving in China

Since 2008, GlobalGiving has disbursed more than \$11M in grants and partnered with more than 70 vetted nonprofit organizations in China. However, as part of our mission to serve community-led nonprofits around the world, we finalized our official registration for a Representative Office in China in June 2018 to facilitate corporate grant and giving programs for US and UK-based companies to Chinese nonprofits.

GlobalGiving now acts as an intermediary, ensuring that recipient organizations comply with local registration requirements and meet international grantmaking standards.

We are proud to partner locally with the Shanghai People's Association for Friendship with Foreign Countries and in cooperation with the Administrative Office of Overseas NGOs of Shanghai Public Security Bureau. In accordance with the new Overseas NGO law, foreign funders who want to support Chinese nonprofits are required to either apply for a temporary activities permit or register as an Overseas Nongovernmental Organization. Our permanent representative office and local staff in Shanghai enable us to continue our long history of supporting the Chinese social sector and to facilitate a range of corporate services.



Photo: *Lifeskills for 2,587 Children in South Africa*,
a project by Keep The Dream196

Partnering for Impact

Bill and Melinda Gates Foundation

As long-time supporters of GlobalGiving, the Bill and Melinda Gates Foundation knows how important it is to fund innovative and fundamental infrastructure for the sector. That's why we were thrilled when they awarded us a two-year grant to support research into donor generosity and to fund new features, such as our new fundraising tool for donors to support their favorite projects and a donor budgeting tool. These tools will help raise more money from more generous donors for more deserving causes.

Riot Games

The “buy item X, help support charity Y” model of corporate social innovation has been around a while. Riot Games wanted to try something a bit unconventional: They gave players agency into the outcomes supported by their community. Players could vote for one of three different charity projects with the top organization getting 50% of the total funds raised, and the other organizations receiving 25% each (so it's still a rising tide for all boats). In the end, the campaign had a 22% engagement rate and raised more than \$1.7 million for 32 GlobalGiving nonprofits in 20 countries.

Featured Projects

GlobalGiving helps nonprofits thrive by providing tools and resources they need to more effectively support their communities. Below are three recent stories from our outstanding partners.



Mi Valedor, Mexico

The creators of Mi Valedor, Mexico's first street newspaper, raised more than \$28,000 from 260+ donors in 3 weeks during an Accelerator. The Mi Valedor used these funds to expand their operations, including the first and second issues produced by the street vendors themselves. The vendors are currently honing their conceptual and photography skills through workshops and city walks. Support from GlobalGiving is helping them to expand their program to more people.



Rohingya Refugees

Bala-bura means good-bad in Rohingya. In conversation, it's similar to saying "how are you: good or bad?" The phrase is also the name of an audio program for Rohingya refugees. With support from the Disaster Recovery Network at GlobalGiving, a team of 20 Rohingya refugees produce the program in partnership with [Internews](#). The nonprofit is dedicated to providing Rohingya refugees with reliable access to lifesaving information. Rumors and misinformation spread quickly in the camps, where tensions between refugees in cramped, dirty conditions, as well as between refugees and Bangladeshis, can easily flare.

The refugees who produce Bala-Bura address issues in the camp, like how to deal with monsoon season, and interview fellow refugees in order to pass along their concerns to humanitarian organizations. "I feel happy that you ask how I'm doing. I don't get to share my thoughts and ideas often," a Rohingya mother of seven recently told Internews.

Bala-Bura is one of several information sharing programs that Internews is working on. They also distribute a paper bulletin to keep data flowing in the camps and fund a radio program that brings together 12 correspondents—half of whom are Rohingya, half of whom are Bangladeshi—to discuss issues affecting refugees and host communities.



The Bienvenido Project

150 children now have consistent access to nutritious food every day since Bienvenido Project joined GlobalGiving. “[We are] never without or running low on food and haven’t been since partnering with GlobalGiving,” reports Laura Collazo. “In prior years, lack of consistent funding meant we were always scrambling to find food. There were even days when no food was available. Veronica, our program founder and director, shared with me how amazing it is to no longer worry about food. It not only has freed up her time, so she can focus on other aspects of the program, but means the children are consistently being fed nutritious meals. This has led to improved health, behavior, and the ability to focus better in school.” Reliable funding from GlobalGiving donors has freed up staff to focus more time on the sociological and psychological development of the Dominican and Haitian children they serve.

2018 Top 10

In November 2018, GlobalGiving released its second annual [“Top 10: Nonprofits Committed To Impact”](#) list. Nonprofits featured on the list were:

1st Place Winner
Develop Africa

2nd Place Winner
UBECI

3rd Place Winner
Reach Out Cameroon

4th Place Winner
Kenya Connect

5th Place Winner
Balajothi Centre For The Disabled

6th Place
Sugar’s Gift

7th Place Winner
Arunachala Animal Sanctuary + Rescue Shelter

8th Place Winner
Outreach Uganda

9th Place Winner
SAMPARC

10th Place Winner
Tewa

*Honorable Mention: **The Rahul Kotak Foundation***

*Honorable Mention: **Olalo of Hope - Kenya***

*Honorable Mention: **Psicologa y Derechos Humanos (PSYDEH A.C.)***

*Honorable Mention: **Amara Sabai Kailaspur Nandakumarpur Joutha Sanstha***

*Honorable Mention: **Priyam Global Initiative***



Photo: *Give Them a Future: Educate a Tribal Girl in India*, a project by Agramee

The Link Between Learning and Impact

This Top 10 List represents GlobalGiving's unique perspective on the link between learning and impact. The list is based on our hypothesis that the most effective nonprofits make feedback a part of everything they do. They listen to the people they intend to help, they act on what they hear by trying out new ideas, they learn from the results and adapt their programs and services to improve. It's what we call, "Listen, Act, Learn. Repeat." GlobalGiving's Top 10 list features 15 nonprofits that have demonstrated the greatest commitment to impact by Listening, Acting, Learning, and Repeating.

GlobalGiving's nonprofit partners who Listen. Act. Learn. Repeat. can earn Effectiveness Points through [GG Rewards](#), a system for tracking the learning and effectiveness of every partner in the GlobalGiving community. With every point a nonprofit earns, they're more likely to gain recognition and funding on GlobalGiving. GlobalGiving awarded grants to each of the organizations on the list, with the goal of driving more resources to more effective organizations.

The 15 featured organizations are based in eight different countries, and represent causes related to education, health, economic empowerment, and animal welfare. "Develop Africa is absolutely thrilled to be the 1st place winner in GlobalGiving's annual Top 10 List," said Sylvester Renner, President & Founder of Develop Africa. "We are very thankful to GlobalGiving for the many learning opportunities and encouragement to continually improve. We have benefited tremendously from this. This has helped us become a much better organization."



Photo: *Make Women in Rural India Financially Secure*, a project by Seva Mandir

Renewed Commitment to Our Mission

GlobalGiving is shifting the power in aid and philanthropy to the people and communities most affected by the work.

GlobalGiving works to ensure individual donors, companies, foundations, nonprofits, and the entire social sector are more accountable to the vision and priorities of affected communities by driving more funding toward higher-impact community-led organizations, exploring the relationship between community-led organizations, trust, and impact, and helping nonprofits grow their impact.

We can't wait to see the incredible impact that our partners will make in the coming year thanks to your support.

Cover Photo: *Leadership Training for Girls in Maasai Kenya*, a project by Kakenya's Dream

GlobalGiving Board of Directors - 2018

- Laura Callanan
- Brian Walsh
- Fran Hauser
- Dennis Whittle
- Jackson Kaguri
- Bob Sims
- AJ Wasserstein
- Maulik Doshi
- Anthony House

CONSOLIDATED FINANCIAL STATEMENTS

**GLOBALGIVING FOUNDATION, INC.
AND SUBSIDIARY**

**FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED CONSOLIDATED
FINANCIAL INFORMATION FOR 2017**

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, 2018, and the related consolidated statements of activities and change 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 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 \$1,177,158 as of December 31, 2018 and total revenue of \$2,610,757 for the year ended December 31, 2018. 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 CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL
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, 2018, 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 2017 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 29, 2018. The financial activity of GlobalGiving UK included in those financial statements was audited by other auditors, whose report dated August 8, 2018 was furnished to us, and our opinion, insofar as it related to the amounts included for GlobalGiving UK, was based solely on the report of the other auditors. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.



November 13, 2019

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018
WITH SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION FOR 2017

ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 41,946,290	\$ 34,302,684
Investments	1,000,919	-
Receivables	2,809,996	4,530,786
Pledges and grants receivable	300,000	-
Prepaid expenses and other assets	<u>64,597</u>	<u>110,205</u>
Total current assets	<u>46,121,802</u>	<u>38,943,675</u>
FIXED ASSETS		
Fixed assets, net of accumulated depreciation and amortization of \$959,759 and \$859,943 for 2018 and 2017, respectively	<u>397,659</u>	<u>515,327</u>
OTHER ASSETS		
Other assets - Trademark	<u>311,487</u>	<u>311,487</u>
TOTAL ASSETS	<u>\$ 46,830,948</u>	<u>\$ 39,770,489</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 269,169	\$ 210,965
Accrued payroll liabilities	73,004	50,736
Project distributions payable	552,781	256,092
Deferred revenue	427,732	289,988
Deferred rent	87,094	76,141
Other current liabilities	<u>6,378</u>	<u>4,006</u>
Total current liabilities	<u>1,416,158</u>	<u>887,928</u>
NON-CURRENT LIABILITIES		
Deferred rent, net of current portion	<u>529,815</u>	<u>616,529</u>
Total liabilities	<u>1,945,973</u>	<u>1,504,457</u>
NET ASSETS		
Without donor restrictions	6,155,113	4,856,130
With donor restrictions	<u>38,729,862</u>	<u>33,409,902</u>
Total net assets	<u>44,884,975</u>	<u>38,266,032</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 46,830,948</u>	<u>\$ 39,770,489</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION FOR 2017

	2018			2017
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Grants	\$ 1,364,575	\$ 1,128,152	\$ 2,492,727	\$ 869,508
Project contributions	3,668,173	54,946,892	58,615,065	68,234,717
Professional services	2,140,485	-	2,140,485	1,571,060
Investment income, net of fees	22,344	-	22,344	-
Interest income	85,631	-	85,631	507
Other revenue	135,204	-	135,204	120,363
Rental income	14,700	-	14,700	-
Net assets released from donor restrictions	<u>50,732,443</u>	<u>(50,732,443)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>58,163,555</u>	<u>5,342,601</u>	<u>63,506,156</u>	<u>70,796,155</u>
EXPENSES				
Program Expenses	55,710,989	-	55,710,989	48,665,730
Management and General	1,079,522	-	1,079,522	1,310,602
Fundraising	<u>58,748</u>	<u>-</u>	<u>58,748</u>	<u>80,925</u>
Total expenses	<u>56,849,259</u>	<u>-</u>	<u>56,849,259</u>	<u>50,057,257</u>
Change in net assets before other item	1,314,296	5,342,601	6,656,897	20,738,898
OTHER ITEM				
Currency exchange rate (loss) gain	<u>(15,313)</u>	<u>(22,641)</u>	<u>(37,954)</u>	<u>76,947</u>
Change in net assets	1,298,983	5,319,960	6,618,943	20,815,845
Net assets at beginning of year	<u>4,856,130</u>	<u>33,409,902</u>	<u>38,266,032</u>	<u>17,450,187</u>
NET ASSETS AT END OF YEAR	<u>\$ 6,155,113</u>	<u>\$ 38,729,862</u>	<u>\$ 44,884,975</u>	<u>\$ 38,266,032</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2018**

WITH SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION FOR 2017

	2018			2017	
	Program Expenses	Management and General	Fundraising	Total Expenses	Total Expenses
Project distributions	\$ 49,984,276	\$ -	\$ -	\$ 49,984,276	\$ 43,259,806
Salary and benefits	3,792,383	816,493	46,416	4,655,292	4,770,019
Professional fees	690,249	41,097	2,966	734,312	496,716
Systems, domains and connectivity	374,264	37,765	2,725	414,754	402,316
Legal and registration fees	-	89,747	-	89,747	110,590
Field services	17,625	997	72	18,694	54,765
Travel	120,982	12,670	914	134,566	136,411
Rent	290,154	31,412	2,267	323,833	303,438
Office supplies, printing and reproduction	84,985	9,124	658	94,767	60,081
Depreciation and amortization	130,856	14,167	1,022	146,045	183,454
Insurance	28,324	3,066	221	31,611	29,888
Subscriptions and publications	16,167	1,750	126	18,043	36,596
Meetings and conventions	69,091	7,044	508	76,643	62,840
Interest expense	-	-	-	-	7,145
Taxes	-	2,372	-	2,372	-
Other expenses	111,633	11,818	853	124,304	143,192
TOTAL	\$ 55,710,989	\$ 1,079,522	\$ 58,748	\$ 56,849,259	\$ 50,057,257

See accompanying notes to consolidated financial statements.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION FOR 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 6,618,943	\$ 20,815,845
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	146,045	183,454
Loss on disposal of fixed assets	-	2,083
Donated securities	(201,731)	-
Unrealized gain on investments	(9,752)	-
Realized gain on investments	(10,016)	-
Decrease (increase) in:		
Receivables	1,720,790	(2,533,594)
Pledges and grants receivable	(300,000)	541,534
Prepaid expenses and other assets	45,608	(16,341)
Increase (decrease) in:		
Accounts payable and accrued expenses	58,204	65,610
Accrued payroll liabilities	22,268	(255,514)
Project distributions payable	296,689	256,092
Deferred revenue	137,744	288,167
Deferred rent	(75,761)	(67,160)
Other current liabilities	<u>2,372</u>	<u>-</u>
Net cash provided by operating activities	<u>8,451,403</u>	<u>19,280,176</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(28,377)	(33,261)
Purchase of investments	(1,976,148)	-
Sales of investments	<u>1,196,728</u>	<u>-</u>
Net cash used by investing activities	<u>(807,797)</u>	<u>(33,261)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on long-term debt	<u>-</u>	<u>(480,000)</u>
Net cash used by financing activities	<u>-</u>	<u>(480,000)</u>
Net increase in cash and cash equivalents	7,643,606	18,766,915
Cash and cash equivalents at beginning of year	<u>34,302,684</u>	<u>15,535,769</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 41,946,290</u>	<u>\$ 34,302,684</u>
SUPPLEMENTAL INFORMATION		
Interest Paid	<u>\$ -</u>	<u>\$ 7,145</u>
Taxes Paid	<u>\$ 2,372</u>	<u>\$ -</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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, non-stock corporation and has one class of voting members, which comprise the Board of Directors, consisting of ten members. The affairs and management of the Foundation are under the control of the Board of Directors.

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 working in partnership with GlobalGiving Foundation, Inc. in supporting the platform globalgiving.org which enables individuals, companies, and foundations to support a range of vetted charitable projects from all over the world. Donors to a specific project are automatically updated with the latest progress reports, therefore able to see the direct impact on the communities concerned.

Basis of presentation -

The accompanying consolidated financial statements reflect the activities of GlobalGiving Foundation, Inc. and Subsidiary for the year ended December 31, 2018.

The financial statements of the Foundation and the GG UK are in accordance with FASB Accounting Standards Codification (ASC) 958-810, *Not-for-Profit Entities, Consolidation*. 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. All intercompany transactions have been eliminated during consolidation.

The accompanying consolidated financial statements are also presented on the accrual basis of accounting and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14 *Presentation of Financial Statements for Not-for-Profit Entities*. The ASU was adopted for the year ended December 31, 2018 and applied retrospectively.

The consolidated 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, 2017, from which the summarized information was derived.

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, 2018**

**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, 2018, these funds totaled \$37,149,649.

The terms of a grant held by the Foundation require funds to be segregated from the Foundation's other funds. As of December 31, 2018, these funds totaled \$70,782.

At December 31, 2018, the Foundation had \$1,070,682 of cash and cash equivalents held at financial institutions in foreign countries. The majority of funds held in foreign countries is uninsured.

Investments -

Investments 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 by external investment advisors in the accompanying Consolidated Statement of Activities and Change in Net Assets.

Investments acquired by gift are recorded at their fair value at the date of the gift. The Foundation's policy is to liquidate all gifts of investments as soon as possible after the gift.

Accounts, pledges, and grants receivable -

Receivables and pledges receivable are recorded at their net realizable value, which approximates fair value. 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 their 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.

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.

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, 2018 totaled \$146,045.

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

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

Impairment of long-lived assets (continued) -

When considered impaired, the carrying amount of the assets is reduced, by a charge to Consolidated Statement of Activities and Change in Net Assets, to its current fair value.

Income taxes -

The Foundation -

The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is only subject to tax on unrelated business income. 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.

Uncertain tax positions -

For the year ended December 31, 2018, 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.

Project distributions payable -

Project distributions payable represent funds collected by GlobalGiving UK that are transferred to the Foundation to be disbursed to various charitable organizations. The revenue and expense are recorded within GlobalGiving UK's income statement and the Foundation serves as a pass-through organization.

Deferred revenue -

Deferred revenue consists of annual program management and setup fees received prior to being earned. The Foundation recognizes management fees on a pro-rata basis over the annual management period. The Foundation recognizes setup fees when the services are performed. Revenue recognized for these fees are included in professional services on the Consolidated Statement of Activities and Change in Net Assets.

Net asset classification -

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

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

Net asset classification (continued) -

- **Net Assets With Donor Restrictions** - Contributions restricted by donors (or certain grantors) are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other 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 Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

Contributions and grants -

Contributions and grants are recorded as revenue in the year notification is received from the donor. Contributions and grants with donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying consolidated financial statements. Contributions and grants received in advance of incurring the related expenses are recorded as "net assets with donor restrictions".

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. Fluctuations in currency are reported on the Consolidated Statement of Activities and Change in Net Assets as income (loss) and included in contributions.

Use of estimates -

The preparation of the 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.

Fair value measurements -

The Foundation adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. The Foundation accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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

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 Change 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 Foundation are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

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.

New accounting pronouncements not yet adopted -

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states 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 the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by one year; thus, the effective date is for fiscal years beginning after December 15, 2018. Early adoption is permitted. The Foundation has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contracts being accounted for as contributions than under previous GAAP. The ASU recommends application on a modified prospective basis; however, retrospective application is permitted. The Foundation has not yet decided on a transition method. This ASU is effective for fiscal years beginning after December 15, 2018.

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosing key information about leasing arrangements. The ASU is effective for private entities beginning after December 15, 2020. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

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

New accounting pronouncements not yet adopted (continued) -

The Foundation plans to adopt the new ASUs at the respective required implementation dates.

Reclassification -

Certain amounts in the prior year's consolidated financial statements have been reclassified to conform to the current year's presentation. The reclassifications are primarily due to the adoption of ASU 2016-14, as discussed above, which requires two classifications of net assets from the previously presented three classes.

Net assets previously classified as of December 31, 2017 as unrestricted net assets in the amount of \$4,856,130 are now classified as "net assets without donor restrictions". Net assets previously classified as temporarily restricted net assets in the amount of \$33,409,902 are now classified as "net assets with donor restrictions".

2. INVESTMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, the Foundation has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of 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 the Foundation 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.

Following is a description of the valuation methodology used for investments measured at fair value. There were no transfers between levels in the fair value hierarchy during the years ended December 31, 2018. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *U.S. Treasuries* - Valued at the closing price reported in the active market in which the individual securities are traded.
- *Common stocks* - Valued at the closing price reported on the active market in which the individual securities are traded.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. INVESTMENTS (Continued)

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy and those invested and measured at NAV as a practical expedient as of December 31, 2018.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total December 31, 2018</u>
Asset Class:				
U.S. Treasuries	\$ 995,721	\$ -	\$ -	\$ 995,721
Common stocks	<u>5,198</u>	<u>-</u>	<u>-</u>	<u>5,198</u>
TOTAL INVESTMENTS	<u>\$ 1,000,919</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000,919</u>

Included in investment income are the following:

Interest and dividends	\$ 2,751
Unrealized gain	9,752
Realized gain	10,016
Investment expenses provided by external investment advisors	<u>(175)</u>
TOTAL INVESTMENT INCOME, NET OF INVESTMENT EXPENSES	<u>\$ 22,344</u>

3. FIXED ASSETS

Fixed assets consisted of the following for the year ended December 31, 2018:

Furniture, fixtures and computers	\$ 610,950
Software	157,313
Leasehold improvements	<u>589,155</u>
	1,357,418
Less: Accumulated depreciation and amortization	<u>(959,759)</u>
FIXED ASSETS, NET	<u>\$ 397,659</u>

4. NET ASSETS WITH DONOR RESTRICTIONS

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.

Net assets with donor restrictions consist of the following at December 31, 2018:

Subject to expenditure for specified purpose:	
Foundation projects	\$ 38,161,987
Guarantee reserve	4,467
GG UK projects	<u>563,408</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 38,729,862</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018**

5. NET ASSETS RELEASED FROM RESTRICTIONS

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

Purpose restrictions accomplished:	
Foundation project distributions	\$ 46,862,948
Other programs	939,367
GG UK projects	<u>2,930,128</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 50,732,443</u>

6. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Consolidated Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 41,946,290
Investments	1,000,919
Receivables	2,809,996
Pledges and grants receivable	<u>300,000</u>
Subtotal financial assets available within one year	46,057,205
Less: Donor restricted funds	<u>(38,729,862)</u>

FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 7,327,343</u>
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The Foundation is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As of December 31, 2018, the Foundation has financial assets equal to approximately two months of operating expenses. In addition, the Foundation invests cash in excess of daily requirements in short-term investments. In the event of an unanticipated liquidity need, the Foundation also could draw upon \$750,000 of available lines of credit (as further discussed in Note 11).

7. COMMITMENTS

Outsourced services - The Foundation contracts with Insperity as a full-service, outsourced human resources provider for the Foundation. The agreement will remain in effect until terminated. Either party may cancel this Agreement at any time by giving the other party thirty (30) days prior written notice.

8. RETIREMENT PLAN

The Foundation established the GlobalGiving Foundation, Inc. 401(k) 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.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018**

8. RETIREMENT PLAN (Continued)

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, 2018 was \$111,557.

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, 2018.

9. LEASE COMMITMENT

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.

During 2016, GG UK signed a new lease with contractual terms commencing on April 24, 2016 and terminating on April 23, 2019. The lease has a base rent of £13,800 per annum, plus a proportionate share of service charges, taxes, and utilities. The base amount will be reviewed on an annual basis and adjusted based on the current RPI at the time of review. This lease was not renewed at the time of termination.

Subsequent to year end, GG UK signed a twenty-four month lease agreement for new office space with a commencement date of July 12, 2019. Base rent on the lease is £2,100 per month plus a proportionate share of service charges, taxes, and utilities.

The Foundation initiated a program with OpenGovHub to sublease office space to third party companies. The licensees would rent desk space from the Foundation but would also have access to all of the amenities at OpenGovHub. Total rental income for the year was \$14,700.

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>	<u>Rental Payments</u>
2019	\$ 386,085
2020	408,830
2021	401,405
2022	394,221
2023	404,089
Thereafter	<u>239,118</u>
	<u><u>\$ 2,233,748</u></u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018**

9. LEASE COMMITMENT (Continued)

Rent expense for the year ended December 31, 2018 totaled \$323,833. The deferred rent liability was \$616,909.

10. OTHER FINANCIAL COMMITMENTS

GG UK was obligated to make payments to Venturesome under a multi-year agreement which terminated during the year ended December 31, 2018. The payments were for a Revenue Participation Right that Venturesome had previously purchased. Payments to Venturesome during the year ended December 31, 2018 totaled £7,200 (approximately \$9,600) and were based on a percentage between 0.83% and 5% of income.

11. LINE OF CREDIT

The Foundation has a \$750,000 bank line of credit. Amounts borrowed under this agreement bear interest based upon the index and the margin described in the financing agreement (5.75% at December 31, 2018). As of December 31, 2018, 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. 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 November 13, 2019, the date the consolidated financial statements were issued.