

# COTÉ & COMPANY, APC

CERTIFIED PUBLIC ACCOUNTANTS

## **GLOBAL EXCHANGE (A NOT-FOR-PROFIT CORPORATION)**

---

FINANCIAL STATEMENTS  
WITH  
INDEPENDENT ACCOUNTANTS' REVIEW REPORT

---

FOR THE YEAR ENDED JUNE 30, 2021 AND 2020

---

**GLOBAL EXCHANGE  
(A NOT-FOR-PROFIT CORPORATION)**

TABLE OF CONTENTS

JUNE 30, 2021

---

	<u>Page</u>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT.....	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statement of Activities, June 30, 2021.....	4
Statement of Activities, June 30, 2020.....	5
Statement of Functional Expenses, June 30, 2021.....	6
Statement of Functional Expenses, June 30, 2020.....	7
Statements of Cash Flows.....	8
Notes to Financial Statements.....	9 - 17

---

**Coté & Company, APC**  
CERTIFIED PUBLIC ACCOUNTANTS

ACCOUNTANTS' REVIEW REPORT

To the Board of Directors  
Global Exchange  
(A Not-for-Profit Corporation)  
San Francisco, California

We have reviewed the accompanying financial statements of **GLOBAL EXCHANGE (A NOT-FOR-PROFIT CORPORATION)** which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

***Management's Responsibility for the Financial Statements***

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

***Accountants' Responsibility***

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

ACCOUNTANTS' REVIEW REPORT  
(Continued)

*Accountants' Conclusion*

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Coté & Company, APC*

San Francisco, CA  
November 22, 2021

**GLOBAL EXCHANGE**  
**(A NOT-FOR-PROFIT CORPORATION)**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 581,992	\$ 645,607
Prepaid expenses	34,146	30,913
Prepaid reality tours	<u>5,456</u>	<u>2,417</u>
Total current assets	<u>621,594</u>	<u>678,937</u>
<b>FIXED ASSETS</b>		
Furniture, fixtures and equipment	13,101	13,783
Less accumulated depreciation	<u>(10,014)</u>	<u>(10,783)</u>
Total fixed assets	<u>3,087</u>	<u>3,000</u>
<b>INVESTMENTS</b>	<u>51,163</u>	<u>43,262</u>
<b>TOTAL ASSETS</b>	<u>\$ 675,844</u>	<u>\$ 725,199</u>
<u>LIABILITIES AND NET ASSETS</u>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 36,081	\$ 35,399
Credit cards payable	285	1,512
Unearned revenue - PPP funds	68,400	68,395
Tour deposits	<u>20,392</u>	<u>69,805</u>
Total liabilities	<u>125,158</u>	<u>175,111</u>
<b>NET ASSETS</b>		
Without donor restrictions	227,357	254,491
With donor restrictions	<u>323,329</u>	<u>295,597</u>
Total net assets	<u>550,686</u>	<u>550,088</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 675,844</u>	<u>\$ 725,199</u>

The accompanying notes are an integral part of these financial statements.

**GLOBAL EXCHANGE  
(A NOT-FOR-PROFIT CORPORATION)**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>OPERATING ACTIVITIES</b>			
<b>REVENUES AND OTHER SUPPORT</b>			
Contributions	\$ 283,995	\$ 342,803	\$ 626,798
Grants	27,500	-	27,500
Reality tours	18,955	-	18,955
PPP loan forgiveness	68,395	-	68,395
Fiscal sponsorship fees	23,650	-	23,650
Interest and dividends	996	-	996
Other income	470	-	470
Net assets released from restrictions	<u>315,071</u>	<u>(315,071)</u>	<u>-</u>
Total revenues and other support	<u>739,032</u>	<u>27,732</u>	<u>766,764</u>
<b>EXPENSES</b>			
<b>Program Services</b>			
Reality tours	118,332	-	118,332
Campaigns	160,055	-	160,055
Grants	<u>315,094</u>	<u>-</u>	<u>315,094</u>
Total programs	<u>593,481</u>	<u>-</u>	<u>593,481</u>
<b>Support Services</b>			
Management and general	40,794	-	40,794
Fund raising	<u>138,315</u>	<u>-</u>	<u>138,315</u>
Total support services	<u>179,109</u>	<u>-</u>	<u>179,109</u>
Total expenses	<u>772,590</u>	<u>-</u>	<u>772,590</u>
Change in net assets from operating activities	<u>(33,558)</u>	<u>27,732</u>	<u>(5,826)</u>
<b>NONOPERATING ACTIVITIES</b>			
Realized and unrealized gains	<u>6,424</u>	<u>-</u>	<u>6,424</u>
Total nonoperating activities	<u>6,424</u>	<u>-</u>	<u>6,424</u>
Change in net assets	(27,134)	27,732	598
NET ASSETS, beginning of year	<u>254,491</u>	<u>295,597</u>	<u>550,088</u>
NET ASSETS, end of year	<u>\$ 227,357</u>	<u>\$ 323,329</u>	<u>\$ 550,686</u>

The accompanying notes are an integral part of these financial statements.

**GLOBAL EXCHANGE**  
**(A NOT-FOR-PROFIT CORPORATION)**  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>OPERATING ACTIVITIES</b>			
<b>REVENUES AND OTHER SUPPORT</b>			
Contributions	\$ 314,515	\$ 533,249.0	\$ 847,764
Grants	50,916	-	50,916
Reality tours	342,276	-	342,276
Fiscal sponsorship fees	38,621	-	38,621
Interest and dividends	391	-	391
Other income	791	-	791
Net assets released from restrictions	<u>330,376</u>	<u>(330,376)</u>	<u>-</u>
Total revenues and other support	<u>1,077,886</u>	<u>202,873</u>	<u>1,280,759</u>
<b>EXPENSES</b>			
<b>Program Services</b>			
Reality tours	455,930	-	455,930
Campaigns	199,971	-	199,971
Grants	<u>321,376</u>	<u>-</u>	<u>321,376</u>
Total programs	<u>977,277</u>	<u>-</u>	<u>977,277</u>
<b>Support Services</b>			
Management and general	37,137	-	37,137
Fund raising	<u>144,009</u>	<u>-</u>	<u>144,009</u>
Total support services	<u>181,146</u>	<u>-</u>	<u>181,146</u>
Total expenses	<u>1,158,423</u>	<u>-</u>	<u>1,158,423</u>
Change in net assets from operating activities	<u>(80,537)</u>	<u>202,873</u>	<u>122,336</u>
<b>NONOPERATING ACTIVITIES</b>			
Realized and unrealized gains	<u>1,478</u>	<u>-</u>	<u>1,478</u>
Total nonoperating activities	<u>1,478</u>	<u>-</u>	<u>1,478</u>
Change in net assets	(79,059)	202,873	123,814
NET ASSETS, beginning of year	<u>333,550</u>	<u>92,724</u>	<u>426,274</u>
NET ASSETS, end of year	<u>\$ 254,491</u>	<u>\$ 295,597</u>	<u>\$ 550,088</u>

The accompanying notes are an integral part of these financial statements.

**GLOBAL EXCHANGE  
(A NOT-FOR-PROFIT CORPORATION)**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021**

	Reality Tours	Campaigns	Special Projects	Total Programs	General & Admin.	Fundraising	Total
Salaries and wages	\$ 86,930	\$ 97,671	\$ 21,730	\$ 206,331	\$ 19,501	\$ 94,007	\$ 319,839
Payroll taxes	6,891	8,189	1,721	16,801	1,709	7,763	26,273
Employee benefits	2,635	6,695	-	9,330	2,635	2,635	14,600
Workers' compensation	280	339	40	659	68	314	1,041
Professional services	7,821	9,812	189,671	207,304	8,701	10,358	226,363
Grants and donations	-	-	101,932	101,932	-	-	101,932
Travel	3,000	30,273	-	33,273	-	2,212	35,485
Advertising and promotion	1,788	1,198	-	2,986	1,198	2,285	6,469
Dues and subscriptions	1,117	1,834	-	2,951	1,009	1,396	5,356
Bank fees and charges	152	467	-	619	452	268	1,339
Insurance	4,024	798	-	4,822	798	798	6,418
Occupancy	1,292	1,292	-	2,584	1,293	1,293	5,170
Postage and shipping	-	-	-	-	-	1,818	1,818
Printing and publications	627	626	-	1,253	626	11,143	13,022
Telephone	1,681	647	-	2,328	646	856	3,830
Supplies	94	214	-	308	435	1,169	1,912
Depreciation	-	-	-	-	1,418	-	1,418
Taxes and licenses	-	-	-	-	305	-	305
<b>Total</b>	<b>\$ 118,332</b>	<b>\$ 160,055</b>	<b>\$ 315,094</b>	<b>\$ 593,481</b>	<b>\$ 40,794</b>	<b>\$ 138,315</b>	<b>\$ 772,590</b>

The accompanying notes are an integral part of these financial statements.



**GLOBAL EXCHANGE  
(A NOT-FOR-PROFIT CORPORATION)**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020**

	Reality Tours	Campaigns	Special Projects	Total Programs	General & Admin.	Fundraising	Total
Salaries and wages	\$ 106,606	\$ 123,364	\$ -	\$ 229,970	\$ 14,220	\$ 93,440	\$ 337,630
Payroll taxes	9,770	9,792	-	19,562	1,104	7,577	28,243
Employee benefits	7,623	13,741	-	21,364	1,966	1,892	25,222
Workers' compensation	417	373	-	790	48	342	1,180
Professional services	12,257	11,415	196,505	220,177	10,774	8,959	239,910
Grants and donations	12	27,524	114,731	142,267	-	2,796	145,063
Travel	297,746	4,323	-	302,069	927	2,064	305,060
Advertising and promotion	5,109	239	-	5,348	77	77	5,502
Dues and subscriptions	1,445	1,177	-	2,622	769	1,478	4,869
Bank fees and charges	1,227	55	-	1,282	85	40	1,407
Insurance	5,314	1,489	-	6,803	973	972	8,748
Meetings and conferences	39	25	-	64	86	17	167
Occupancy	4,501	4,195	10,140	18,836	2,741	2,741	24,318
Postage and shipping	132	43	-	175	52	3,529	3,756
Printing and publications	562	526	-	1,088	344	16,701	18,133
Telephone	1,989	1,192	-	3,181	779	1,049	5,009
Supplies	1,074	498	-	1,572	494	335	2,401
Depreciation	-	-	-	-	1,473	-	1,473
Taxes and licenses	107	-	-	107	225	-	332
<b>Total</b>	<b>\$ 455,930</b>	<b>\$ 199,971</b>	<b>\$ 321,376</b>	<b>\$ 977,277</b>	<b>\$ 37,137</b>	<b>\$ 144,009</b>	<b>\$ 1,158,423</b>

The accompanying notes are an integral part of these financial statements.

**GLOBAL EXCHANGE  
(A NOT-FOR-PROFIT CORPORATION)**

**STATEMENTS OF CASH FLOWS**

For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 598	\$ 123,814
Adjustments to reconcile the change in net assets to net cash provided by operation activities:		
Depreciation	1,418	1,473
Net unrealized gains on investments	(6,424)	(1,478)
PPP loan forgiveness	(68,395)	-
(Increase) decrease in:		
Prepaid expenses	(3,233)	825
Prepaid reality tours	(3,039)	96,986
Increase (decrease) in:		
Accounts payable and accrued expenses	682	2,485
Credit cards payable	(1,227)	(5,402)
Tour deposits	(49,413)	(79,168)
Net cash (used) provided by operating activities	<u>(129,033)</u>	<u>139,535</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,505)	(1,109)
Purchases of investments, reinvestments and transfers	<u>(1,477)</u>	<u>(1,161)</u>
Net cash used by investing activities	<u>(2,982)</u>	<u>(2,270)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in unearned revenue - PPP funds	<u>68,400</u>	<u>68,395</u>
Net cash provided by financing activities	<u>68,400</u>	<u>68,395</u>
<b>NET (DECREASE) INCREASE IN CASH</b>	(63,615)	205,660
<b>CASH</b>		
Beginning of year	<u>645,607</u>	<u>439,947</u>
End of year	<u>\$ 581,992</u>	<u>\$ 645,607</u>

The accompanying notes are an integral part of these financial statements.

**GLOBAL EXCHANGE  
(A NOT-FOR-PROFIT CORPORATION)**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

---

NOTE A – DESCRIPTION OF THE ORGANIZATION

Global Exchange is a nonprofit research, education and action center dedicated to advocating and working for political, economic and social justice on a global scale. Its goal is to increase global awareness and move the U.S. public to action while building international and domestic partnerships around the world.

Management and general activities include the functions necessary to provide support for the Organization's program activities. They include activities that provide governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting, legal services, human resource management, and similar functions that ensure an adequate working environment and an equitable employment program.

Fundraising activities include publicizing and conducting fundraising campaigns; maintaining donor lists; conducting special fundraising events; and other activities involved with soliciting contributions from corporations, foundations, individuals, and others.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization's financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for not-for-profit entities, which require the Organization to report information regarding financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets without donor restrictions are resources available to support operations. The only limit on the use of these assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulate time has passed. Other donor-imposed restrictions are perpetual in nature and the organization must continue to use the resources in accordance with the donor's instructions. The Organization's unspent contributions are included in this class if the donor limited their use.

**GLOBAL EXCHANGE  
(A NOT-FOR-PROFIT CORPORATION)**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

---

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by a passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Nature of Operations

The statements of activities report all changes in net assets, including changes in net assets from operations and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing program services and dividends and interest earned on investments. Nonoperating activities are limited to resources that generate a return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

The Organization's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

Promises to Give

Unconditional promises to give, less an allowance for uncollectible amounts, if any, are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Fixed assets are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. Fixed assets are capitalized if it has a cost of \$2,500 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expense as incurred. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets as follows:

Furniture and fixtures	5 - 10 years
Equipment	5 - 7 years

Investments

Investments in equity securities with readily determinable fair values and all investment in debt securities are reported at their fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

**GLOBAL EXCHANGE  
(A NOT-FOR-PROFIT CORPORATION)**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

---

NOTE B – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Functional Expenses

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, payroll taxes, and benefits are allocated based on activity reports prepared by personnel.
- Occupancy and depreciation are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.
- Administrative expenses that cannot be directly identified are allocated on the basis of employee headcount for each program and supporting activity.

The bases on which costs are allocated are evaluated periodically.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities.

Advertising costs are expensed as incurred.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**GLOBAL EXCHANGE  
(A NOT-FOR-PROFIT CORPORATION)**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

---

NOTE B – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from Federal income taxes under Internal Revenue Code Section 501 (c)(3) and from California Franchise taxes under Revenue and Taxation Code Section 23701d. The IRS has also determined that Global Exchange is not a private foundation under the provisions of Internal Revenue Code Section 509(a).

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability or asset if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service or the Franchise Tax Board. Management has analyzed the tax positions taken by the Organization, and has concluded that, as of June 30, 2021, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or asset or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in question. Management believes it is no longer subject to federal (IRS) and state (FTB) tax examinations for years prior to 2017 and 2016, respectively.

Subsequent Events

Management has evaluated subsequent events through December 21, 2021 the date the financial statements were available to be issued.

NOTE C – CONCENTRATION OF CREDIT RISK

The Organization maintains its demand deposits in several commercial banks which are insured to a maximum of \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and, at times during the year, the Organization's uninsured demand deposits may exceed the FDIC limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash balances. The Organization's FDIC limits were exceeded by \$297,933 and \$354,303 at June 30, 2021 and 2020, respectively.

**GLOBAL EXCHANGE  
(A NOT-FOR-PROFIT CORPORATION)**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

---

NOTE D – INVESTMENTS

The fair value of investments at June 30, 2021 and 2020 are as follows:

	<u>2021</u>		
	<u>Fair Value</u>	<u>Cost</u>	<u>Appreciation</u>
Bank Sweep Account	\$ 1,270	\$ 1,270	\$ -0-
Bond Funds	5,006	5,010	( 4)
Equity Funds	21,172	12,357	8,815
Exchange Traded Funds	<u>23,715</u>	<u>23,391</u>	<u>324</u>
Total	\$ <u>51,163</u>	\$ <u>42,028</u>	\$ <u>9,135</u>

  

	<u>2020</u>		
	<u>Fair Value</u>	<u>Cost</u>	<u>Appreciation</u>
Bank Sweep Account	\$ 26,973	\$ 26,973	\$ -0-
Equity Funds	13,688	11,019	2,669
Exchange Traded Funds	<u>2,601</u>	<u>2,568</u>	<u>33</u>
Total	\$ <u>43,262</u>	\$ <u>40,560</u>	\$ <u>2,702</u>

The following schedule summarizes investment return for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 996	\$ 391
Unrealized gains	<u>6,424</u>	<u>1,478</u>
Total	\$ <u>7,420</u>	\$ <u>1,869</u>

NOTE E – FAIR VALUE MEASUREMENTS

FASB ASC Topic 820, *Fair Value Measurements and Disclosures* establishes a framework for measuring fair value which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under ASC Topic 820 are described below:

Level 1 -

Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the Organization has the ability to access.

**GLOBAL EXCHANGE  
(A NOT-FOR-PROFIT CORPORATION)**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

---

NOTE E – FAIR VALUE MEASUREMENTS (Continued)

Level 2 -

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual term), the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 -

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for asset measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Bond and Equity Securities -

The fair values are determined by reference to quoted market prices and other relevant information generated by market transactions.

Mutual Funds -

Valued at the net asset value ("NAV") of shares held by the Organization at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, while the Organization believes that the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.



**GLOBAL EXCHANGE  
(A NOT-FOR-PROFIT CORPORATION)**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE E – FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2021 and 2020:

	June 30, 2021			
	(Level 1)	(Level 2)	(Level 3)	Total
Bank sweep account	\$ 1,270	\$ -0-	\$ -0-	\$ 1,270
Exchange traded funds (ETF)	23,715	-0-	-0-	23,715
Government bond fund	5,006	-0-	-0-	5,006
Large value equity funds	5,768	-0-	-0-	5,768
Large blend equity funds	<u>15,404</u>	<u>-0-</u>	<u>-0-</u>	<u>15,404</u>
Total investments	<u>\$ 51,163</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 51,163</u>
	June 30, 2020			
	(Level 1)	(Level 2)	(Level 3)	Total
Bank sweep account	\$ 26,973	\$ -0-	\$ -0-	\$ 26,973
Exchange traded funds (ETF)	2,601	-0-	-0-	2,601
Large value equity funds	3,310	-0-	-0-	3,310
Large blend equity funds	<u>10,378</u>	<u>-0-</u>	<u>-0-</u>	<u>10,378</u>
Total investments	<u>\$ 43,262</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 43,262</u>

NOTE F – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor restrictions limiting their use, within one year of June 30, 2021 and 2020 are:

	June 30,	
	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 581,992	\$ 645,607
Investments	<u>51,163</u>	<u>43,262</u>
Total financial assets	633,155	688,869
Less financial assets held to meet donor-imposed restrictions:		
Purpose-restricted net assets	<u>323,329</u>	<u>295,597</u>
Amount available for general expenditures within one year	<u>\$ 309,826</u>	<u>\$ 393,272</u>

**GLOBAL EXCHANGE  
(A NOT-FOR-PROFIT CORPORATION)**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

---

NOTE F – LIQUIDITY AND AVAILABILITY (Continued)

As part of its liquidity management plan, the Organization invests cash in excess of daily requirements in short-term investments.

NOTE G – UNEARNED REVENUE – PPP FUNDS

In April 2021 and 2020, the Organization received loan proceeds in the amount of \$68,400 and \$68,395 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES ACT”), provides for loans to qualifying businesses for up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of the loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Organization intends to use the entire loan amount for qualifying expenses.

In May 2021, the Organization received notice that the April 2020 loan, in the amount of \$68,395 was forgiven. It is reported as income on the June 30, 2021 financial statements.

NOTE H – COMMITMENTS

In July 2020, the Organization signed a Coworking Agreement with Intersection for the Arts (“IFTA”) to become “Designated Desk” members at \$350 per month per desk, plus an “Annual Services Contribution” of \$300 per desk/per year. The Coworking Agreement is for the period of January 1, 2020 through September 30, 2020.

The monthly “Designated Desk” fee of \$350 was reduced to \$175 for the period of July 1, 2020 through September 30, 2020.

In December, 2020, the Organization signed a Coworking Agreement with Intersection for the Arts (“IFTA”) to become “Designated Desk” members at \$75 per month per desk, plus an additional \$75 per month for storage. The Coworking Agreement begins on January 1, 2021 and is ongoing month to month.

**GLOBAL EXCHANGE  
(A NOT-FOR-PROFIT CORPORATION)**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

---

NOTE I - TEMPORARILY RESTRICTED NET ASSETS

The temporarily restricted net assets are available for the following purposes at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Fiscally sponsored projects	\$ <u>323,329</u>	\$ <u>295,597</u>

Net assets were released from donor restrictions by incurring expenses satisfying programming restrictions.

NOTE J – RISKS AND UNCERTAINCIES

In March 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders. While business disruption is expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. Because the Organization's major customers are directly impacted by these events, and the Organization has adjusted certain aspects of its operations to protect its employees and customers it is probable that this matter will negatively impact the Organization. However, the ultimate financial impact and duration cannot be reasonably estimated at this time.

The extent to which the COVID-19 pandemic may impact the Organization's operating results, financial condition, and cash flows will depend on future developments, which are highly uncertain and cannot be predicted at this time, including new information that may emerge concerning the severity of COVID-19 and the steps taken to contain it or treat its impact, among others.