

Global Financial Integrity

Financial Statements
and Independent Auditor's Report

December 31, 2024 and 2023

Global Financial Integrity

Financial Statements
December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Global Financial Integrity

Opinion

We have audited the accompanying financial statements of Global Financial Integrity (GFI), which comprise the statements of financial position as of December 31, 2024 and 2023; the related statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GFI as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GFI and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GFI's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 GFI's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GFI's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Vienna, Virginia
July 11, 2025

Global Financial Integrity

Statements of Financial Position December 31, 2024 and 2023

	2024	2023
Assets		
Cash	\$ 800,589	\$ 551,450
Grants and accounts receivable	189,063	63,372
Prepaid expenses	11,896	23,118
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Total assets	\$ 1,001,548	\$ 637,940
	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 117,693	\$ 54,308
Deferred revenue	843,488	520,814
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Total liabilities	961,181	575,122
	<hr/>	<hr/>
Net Assets		
Without donor restrictions	40,367	62,818
	<hr/>	<hr/>
Total net assets	40,367	62,818
	<hr/>	<hr/>
Total liabilities and net assets	\$ 1,001,548	\$ 637,940
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See accompanying notes.

Global Financial Integrity

Statements of Activities For the Years Ended December 31, 2024 and 2023

	2024	2023
Revenue and Support		
Grants	\$ 1,685,642	\$ 1,448,716
Contractual services	121,983	43,267
Contributions	16,107	25,106
Other revenue	717	2,017
	<hr/>	<hr/>
Total revenue and support	1,824,449	1,519,106
	<hr/>	<hr/>
Expenses		
Program services:		
Advocacy	151,782	186,526
Research	1,611,161	1,323,035
	<hr/>	<hr/>
Total program services	1,762,943	1,509,561
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Supporting services:		
Management and general	83,957	141,619
Fundraising	-	33,370
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Total supporting services	83,957	174,989
	<hr/>	<hr/>
Total expenses	1,846,900	1,684,550
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Change in Net Assets	(22,451)	(165,444)
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Net Assets, beginning of year	62,818	228,262
	<hr/>	<hr/>
Net Assets, end of year	\$ 40,367	\$ 62,818
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See accompanying notes.

Global Financial Integrity

Statement of Functional Expenses For the Year Ended December 31, 2024

	Program Services			Supporting Services		Total Expenses
	Advocacy	Research	Total Program Services	Management and General	Total Supporting Services	
Salaries, payroll taxes, and benefits	\$ 70,118	\$ 466,005	\$ 536,123	\$ 9,226	\$ 9,226	\$ 545,349
Rent	1,587	10,102	11,689	39	39	11,728
Office expenses	685	27,916	28,601	10,689	10,689	39,290
Subscriptions and resources	39,162	36,960	76,122	1,899	1,899	78,021
Professional fees and consultants	28,577	630,661	659,238	57,650	57,650	716,888
International projects and partners	6,500	381,266	387,766	-	-	387,766
Travel	5,153	58,251	63,404	4,454	4,454	67,858
Total Expenses	\$ 151,782	\$ 1,611,161	\$ 1,762,943	\$ 83,957	\$ 83,957	\$ 1,846,900

See accompanying notes.

Global Financial Integrity

Statement of Functional Expenses For the Year Ended December 31, 2023

	Program Services			Supporting Services			Total Expenses
	Advocacy	Research	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries, payroll taxes, and benefits	\$ 77,553	\$ 524,299	\$ 601,852	\$ 27,281	\$ 26,800	\$ 54,081	\$ 655,933
Rent	3,624	20,280	23,904	42,163	469	42,632	66,536
Office expenses	810	22,754	23,564	15,241	628	15,869	39,433
Subscriptions and resources	35,645	40,659	76,304	1,694	-	1,694	77,998
Professional fees and consultants	32,809	390,931	423,740	54,623	-	54,623	478,363
International projects and partners	35,575	263,240	298,815	-	-	-	298,815
Travel	510	60,872	61,382	617	5,473	6,090	67,472
Total Expenses	\$ 186,526	\$ 1,323,035	\$ 1,509,561	\$ 141,619	\$ 33,370	\$ 174,989	\$ 1,684,550

See accompanying notes.

Global Financial Integrity

Statements of Cash Flows For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (22,451)	\$ (165,444)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Amortization of right-of-use asset	-	41,264
Depreciation	-	122
Change in operating assets and liabilities:		
Decrease (increase) in:		
Grants and accounts receivable	(125,691)	(1,319)
Prepaid expenses	11,222	227
(Decrease) increase in:		
Accounts payable and accrued expenses	63,385	25,710
Lease liability	-	(49,750)
Deferred revenue	322,674	(65,112)
	<u>249,139</u>	<u>(214,302)</u>
Net cash provided by (used in) operating activities		
	<u>249,139</u>	<u>(214,302)</u>
Net Increase (Decrease) in Cash		
	<u>551,450</u>	<u>765,752</u>
Cash, beginning of year		
	<u>\$ 800,589</u>	<u>\$ 551,450</u>
Cash, end of year		

See accompanying notes.

Global Financial Integrity

Notes to Financial Statements
December 31, 2024 and 2023

1. Nature of Operations

Global Financial Integrity (GFI) was organized as a District of Columbia not-for-profit corporation for the purpose of researching and analyzing the cross-border flow of illegal money and promoting national and multilateral policies, safeguards, and agreements aimed at curtailing such illicit activity. GFI is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC). The mission of GFI is to put forward solutions, facilitate strategic partnerships, and conduct groundbreaking research to lead the way in efforts to curtail illicit financial flows and enhance global development and security. GFI's programs and activities include research and advocacy.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

GFI's financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Consequently, revenues are recognized when earned and expenses when obligations are incurred.

Net assets are reported based on the presence or absence of donor-imposed restrictions as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. There were no net assets with donor restrictions at December 31, 2024 and 2023.

Global Financial Integrity

Notes to Financial Statements
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Use of 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 the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

For financial statement purposes, GFI considers highly liquid investments with an original maturity of three months or less as cash equivalents. Cash amounts are held by GFI in non-interest bearing checking accounts used to fund operations and program activities. Certain grant monies totaling \$790,794 at December 31, 2024 and \$523,337 at December 31, 2023 were held in separate non-interest bearing checking accounts as required by the grant agreements.

Grants and Accounts Receivable

Grants and accounts receivable consist primarily of amounts billed to various governments and other organizations for services performed under grants and contracts, which are all due in less than one year and are stated at their net realizable value. Receivables considered delinquent, based on periodic reviews by management and determined to be uncollectible, will be reserved, as a result of individual credit evaluation and specific circumstances. At December 31, 2024 and 2023, GFI considered all receivables fully collectible. Therefore, no allowance for doubtful accounts has been recognized at December 31, 2024 and 2023.

Leases

GFI determines if an arrangement is a lease at inception. Operating lease is included in right-of-use (ROU) assets, which represent GFI's right to use an underlying asset for the lease term, and lease liabilities represent GFI's obligation to make lease payments arising from the lease. Operating ROU lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term.

GFI does not apply the recognition requirements under Accounting Standards Codification Topic 842, *Leases*, to short-term leases, which are leases with terms of a year or less.

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Notes to Financial Statements
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment acquisitions with a cost of \$3,000 or more and with a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to five years. Repair and maintenance costs are expensed as incurred. All property and equipment were fully depreciated at December 31, 2024 and 2023.

Income Taxes

GFI is recognized as a tax-exempt organization under IRC Section 501(c)(3) on any net income derived from activities related to its exempt purpose. This code section enables GFI to accept donations that qualify as charitable contributions to the donor as provided in IRC Section 170(b)(1)(A)(vi). GFI is subject to tax on net income from unrelated business activities. For the years ended December 31, 2024 and 2023, GFI did not recognize income tax expense in the accompanying financial statements as there was no unrelated business taxable income.

GFI is not aware of any activities that would jeopardize its tax-exempt status that would require recognition in the accompanying financial statements. Generally, tax returns are subject to examination by taxing authorities for up to three years from the date a completed return is filed. If there are material omissions of income, tax returns may be subject to examination for up to six years. It is GFI's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense. As of December 31, 2024 and 2023, GFI did not recognize a liability as there were no uncertain tax positions.

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

Grants and contributions that are nonreciprocal are recognized as revenue when cash, securities, or other assets, or an unconditional promise to give, is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

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Notes to Financial Statements
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for in Accordance with Contribution Accounting (continued)

GFI reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of GFI's programs or to a future year. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue Accounted for as Contracts with Customers

Grants and contractual services that are exchange transactions are recognized as revenue when GFI satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration GFI expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, GFI combines it with other performance obligations until a distinct bundle of goods or services exists. Amounts received in advance of satisfying contractual performance obligations are reflected as deferred revenue in the statements of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

In-Kind Contributions

The value of contributions that enhance a nonfinancial asset, which are considered specialized and can be estimated, and would have been purchased if not donated, are reflected in the accompanying statements of activities as in-kind contributions. In-kind contributions are recognized as revenue and expense in the accompanying statements of activities at their estimated fair value, as provided by the donor, at the date of receipt, or calculated fair value of use of property in the period the property is used. There were no in-kind contributions for the years ended December 31, 2024 and 2023.

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Notes to Financial Statements
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2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of providing the various program and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, expenses have been allocated among the programs and supporting services benefited based on specific identification or reasonable allocation methodologies, which are consistently applied using estimates of time and effort by employees. The expenses that are allocated include salaries, benefits, and general expenses, and expenses directly identifiable to the specific programs and supporting activities are recorded accordingly. The statements of functional expenses present the natural classification detail of expenses by function.

Foreign Currency Transactions

Transactions denominated in foreign currency are converted into GFI's reporting currency, the U.S. dollar, on the date of the transaction. Net foreign currency transaction gains or losses are included in the accompanying statements of activities and were not significant for the years ended December 31, 2024 and 2023.

Reclassifications

Certain amounts in the 2023 financial statements have been reclassified to conform to the 2024 presentation. These reclassifications have no effect on the change in net assets previously reported.

Subsequent Events

In preparing these financial statements, GFI has evaluated events and transactions for potential recognition or disclosure through July 11, 2025, the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in these financial statements.

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Notes to Financial Statements
December 31, 2024 and 2023

3. Liquidity and Availability

GFI's cashflows have seasonal variations due to timing of grants and contracts. GFI manages its liquidity to meet general expenditures, liabilities, and other obligations as they become due.

Financial assets available for general expenditures, within one year of the statements of financial position date, comprise the following at December 31:

	2024	2023
Cash	\$ 800,589	\$ 551,450
Grants and accounts receivable	189,063	63,372
Total available for general expenditures	<u>\$ 989,652</u>	<u>\$ 614,822</u>

4. Concentration of Credit Risk

GFI maintains bank deposits with a commercial financial institution that, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) limits. At December 31, 2024 and 2023, deposits in excess of FDIC limits totaled \$550,389 and \$307,236, respectively. GFI monitors the creditworthiness of the institution and has not experienced any credit losses on its bank deposits, nor does it expect to experience any such losses.

5. Deferred Revenue

Deferred revenue was comprised of the following at December 31:

	2024	2023
Finland Ministry	\$ 457,245	\$ 347,681
Norwegian Agency for Development Cooperation	353,743	154,950
City National Bank	17,500	14,583
Cote d'Ivoire	15,000	-
Financial Transparency Coalition	-	3,600
Total deferred revenue	<u>\$ 843,488</u>	<u>\$ 520,814</u>

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Notes to Financial Statements
December 31, 2024 and 2023

6. Grants and Contractual Services Revenue

Grants and contractual services revenues were derived from the following sources for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Grants:		
Norwegian Agency for Development Cooperation	\$ 728,939	\$ 816,081
United States Department of State	390,982	331,679
Finland Ministry	345,163	139,060
Foreign Commonwealth and Development Office – Colombia	151,987	-
Foreign Commonwealth and Development Office	64,971	58,230
Financial Transparency Coalition	3,600	-
DC Forum	-	86,535
International Union for Conservation of Nature	-	17,131
Total grants	<u>\$ 1,685,642</u>	<u>\$ 1,448,716</u>
Contractual Services:		
Cote d’Ivoire	\$ 75,000	\$ -
City National Bank	27,083	25,000
Other	19,900	18,267
Total contractual services	<u>\$ 121,983</u>	<u>\$ 43,267</u>

7. Defined Contribution Plan

GFI sponsors a single, employer-defined contribution plan called the 403(B) Thrift Plan for Global Financial Integrity (“the Plan”). There are no eligibility requirements for salary reduction agreements. To participate in employer contributions, an employee must have been employed for a minimum of two years of continuous service with GFI.

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Notes to Financial Statements
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7. Defined Contribution Plan (continued)

At inception, GFI made contributions to the Plan for its employees hired on May 1, 2013 by matching eligible employee contributions at 100% up to 6% of employee compensation up to the maximum limits allowed by law, and made contributions to the Plan for its employees hired after May 1, 2013 by matching eligible employee contributions at 100% up to 3% of employee compensation up to the maximum limits allowed by law. Beginning September 1, 2015, GFI changed its matching arrangement and made contributions to the Plan by matching all eligible employee contributions at 100% up to 5% of employee compensation up to the maximum limits allowed by law.

Employer contributions totaled \$12,930 and \$21,819 for the years ended December 31, 2024 and 2023, respectively.

8. Commitments

Operating Lease

GFI had a six-year lease for the office space where it resides that originally expired December 31, 2019. On January 15, 2018 the lease was extended to expire on December 31, 2022, and during 2020 the lease was further extended to March 31, 2023 with a three-month rent abatement. On January 17, 2023 ongoing negotiations concluded to settle October 2021 through March 2023 rent for \$72,628, which included surrender of the \$22,628 security deposit as rent. Rent expense totaled \$11,728 and \$66,536 for the years ended December 31, 2024 and 2023, respectively, and cash outlays included in these amounts were first applied to funded programs that required such outlays for reimbursement of expenses and the remaining cash outlay amounts were applied to other programs with no such requirements.

9. Related Party Transactions

Throughout 2024, GFI obtained no interest loans totaling \$193,000 from the former President to fund operations as needed and repaid \$193,000 on October 11, 2024.