



GLOBAL INTEGRITY
Independent Information on Governance & Corruption

Financial Statements

For the Year Ended December 31, 2017

(With Summarized Financial Information for the Year Ended December 31, 2016)



**and
Report Thereon**





Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Global Integrity

We have audited the accompanying financial statements of Global Integrity, which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Global Integrity as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Continued

Other Matter*Report on Summarized Comparative Information*

We have previously audited Global Integrity's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 6, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Raffa, P.C.

Raffa, P.C.

Washington, DC
July 30, 2018

GLOBAL INTEGRITY
STATEMENT OF FINANCIAL POSITION
December 31, 2017
(With Summarized Financial Information as of December 31, 2016)

	2017	2016
ASSETS		
Current assets		
Cash and cash equivalents	\$ 979,171	\$ 919,512
Accounts receivable	19,007	9,779
Grants receivable, current portion	580,374	795,742
Prepaid expenses	16,022	22,537
Total Current Assets	1,594,574	1,747,570
Grants receivable net, non-current portion	258,611	184,850
Property and equipment, net	918,088	1,053,408
Security deposit	47,332	71,000
TOTAL ASSETS	\$ 2,818,605	\$ 3,056,828
LIABILITIES AND NET ASSETS		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 89,851	\$ 96,581
Deferred revenue	48,282	43,456
Deferred rent and lease incentives, current portion	158,016	137,386
Sublease security deposit	6,500	6,500
Total Current Liabilities	302,649	283,923
Deferred rent and lease incentives, non-current portion	1,359,443	1,517,264
TOTAL LIABILITIES	1,662,092	1,801,187
Net Assets		
Unrestricted	60,945	124,783
Temporarily restricted	1,095,568	1,130,858
TOTAL NET ASSETS	1,156,513	1,255,641
TOTAL LIABILITIES AND NET ASSETS	\$ 2,818,605	\$ 3,056,828

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

GLOBAL INTEGRITY

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017

(With Summarized Financial Information for the Year Ended December 31, 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
REVENUE AND SUPPORT				
Program revenue – OpenGov Hub	\$ 1,162,274	\$ -	\$ 1,162,274	\$ 1,095,651
Grants	-	1,340,894	1,340,894	979,246
Other revenue	48,503	-	48,503	16,186
Interest income	117	-	117	75
Foreign currency loss	(2,462)	-	(2,462)	(14,252)
Net assets released from restrictions:				
Satisfaction of program restrictions	871,096	(871,096)	-	-
Satisfaction of time restrictions	505,088	(505,088)	-	-
TOTAL REVENUE AND SUPPORT	<u>2,584,616</u>	<u>(35,290)</u>	<u>2,549,326</u>	<u>2,076,906</u>
EXPENSES				
Program Services:				
OpenGov Hub	1,165,806	-	1,165,806	1,066,828
Integrity and anti-corruption	635,698	-	635,698	546,934
Multistakeholder government initiatives	246,948	-	246,948	167,524
Open fiscal governance	84,723	-	84,723	49,283
Advocacy	34,086	-	34,086	8,498
Money, politics and transparency	8,881	-	8,881	4,147
Total Program Services	<u>2,176,142</u>	<u>-</u>	<u>2,176,142</u>	<u>1,843,214</u>
Supporting Services:				
Management and general	327,974	-	327,974	456,126
Fundraising	144,338	-	144,338	124,078
Total Supporting Services	<u>472,312</u>	<u>-</u>	<u>472,312</u>	<u>580,204</u>
TOTAL EXPENSES	<u>2,648,454</u>	<u>-</u>	<u>2,648,454</u>	<u>2,423,418</u>
CHANGE IN NET ASSETS	(63,838)	(35,290)	(99,128)	(346,512)
NET ASSETS, BEGINNING OF YEAR	<u>124,783</u>	<u>1,130,858</u>	<u>1,255,641</u>	<u>1,602,153</u>
NET ASSETS, END OF YEAR	<u>\$ 60,945</u>	<u>\$ 1,095,568</u>	<u>\$ 1,156,513</u>	<u>\$ 1,255,641</u>

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

GLOBAL INTEGRITY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2017
(with Summarized Financial Information for the Year Ended December 31, 2016)

	Program Services						Supporting Services				2017 Total	2016 Total
	OpenGov Hub	Integrity and Anti-Corruption	Multistakeholder Government Initiatives	Open Fiscal Governance	Advocacy	Money, Politics and Transparency	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Salaries and related benefits	\$ 165,819	\$ 207,976	\$ 93,199	\$ 48,182	\$ 27,643	\$ 5,661	\$ 548,480	\$ 253,579	\$ 113,275	\$ 366,854	\$ 915,334	\$ 831,802
Occupancy, utilities and other facilities costs	768,916	36,732	10,754	6,442	2,110	629	825,583	24,628	9,084	33,712	859,295	851,482
Local experts and contractors	10,232	294,790	27,312	11,250	-	-	343,584	507	-	507	344,091	279,133
Depreciation and amortization	128,772	9,740	2,918	1,747	574	169	143,920	6,711	2,467	9,178	153,098	153,199
Accounting	16,917	27,721	14,013	5,092	1,272	504	65,519	20,350	7,932	28,282	93,801	89,916
Meetings and conventions	2,122	1,307	57,274	390	573	957	62,623	972	1,015	1,987	64,610	28,170
Travel	1,507	2,966	33,256	6,792	352	438	45,311	1,201	3,897	5,098	50,409	28,374
Database and telecommunications	7,779	13,809	4,053	2,395	744	286	29,066	9,473	3,362	12,835	41,901	57,910
Professional fees	3,839	29,463	455	349	144	38	34,288	1,696	313	2,009	36,297	28,300
Supplies	29,274	1,148	389	218	61	18	31,108	1,017	336	1,353	32,461	33,900
Other	19,315	20	-	-	-	-	19,335	155	-	155	19,490	3,300
Bank and other fees	3,302	4,900	1,775	938	305	91	11,311	3,755	1,376	5,131	16,442	16,361
Insurance	2,926	5,032	1,527	909	302	85	10,781	3,464	1,263	4,727	15,508	16,151
Equipment	4,998	-	-	-	-	-	4,998	364	-	364	5,362	5,048
Postage and delivery	71	61	18	12	4	1	167	41	12	53	220	234
Interest expense	17	33	5	7	2	4	68	61	6	67	135	138
TOTAL EXPENSES	\$ 1,165,806	\$ 635,698	\$ 246,948	\$ 84,723	\$ 34,086	\$ 8,881	\$ 2,176,142	\$ 327,974	\$ 144,338	\$ 472,312	\$ 2,648,454	\$ 2,423,418

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

GLOBAL INTEGRITY

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2017

Increase (Decrease) in Cash and Cash Equivalents

(With Summarized Financial Information for the Year Ended December 31, 2016)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (99,128)	\$ (346,512)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	153,098	153,199
Discount on multiyear receivables	(2,064)	1,078
Changes in assets and liabilities:		
Accounts receivable	(9,228)	6,174
Grants receivable	143,671	456,955
Prepaid expenses	6,515	65,685
Security deposit	23,668	-
Accounts payable and accrued expenses	(6,730)	47,168
Deferred revenue	4,826	(4,601)
Deferred rent and lease incentives	(137,191)	(119,755)
	<u>77,437</u>	<u>259,391</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(17,778)	(1,019)
	<u>(17,778)</u>	<u>(1,019)</u>
NET CASH USED IN INVESTING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	59,659	258,372
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	919,512	661,140
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 979,171</u>	<u>\$ 919,512</u>
SUPPLEMENTAL INFORMATION		
Interest paid	<u>\$ 135</u>	<u>\$ 138</u>

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

GLOBAL INTEGRITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2017

1. Organization and Summary of Significant Accounting Policies

Organization

Global Integrity is a nonprofit organization, organized and incorporated in Washington, D.C., during September 2005, commencing operations on January 1, 2006. Global Integrity supports progress toward open and accountable governance in countries and communities around the world. As an independent information provider, facilitator and advocate, Global Integrity supports progress toward more open governance through a combination of data and research, country-level engagement and global advocacy.

Global Integrity established a registered entity in South Africa in 2011. The program, Global Integrity Trust, is currently inactive but has remained open for future use.

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Consequently, revenue is recognized when earned, and expenses are recognized when incurred.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits, money market accounts and all highly liquid investments with initial maturities of three months or less.

Foreign Currency Transactions

The U.S. dollar is the functional currency for Global Integrity's operations. Transactions in currencies other than U.S. dollars are translated into U.S. dollars at the rate of exchange in effect during the month of the transaction. Current assets and liabilities denominated in non-U.S. currency are translated into U.S. dollars at the exchange rate in effect at the date of the accompanying statement of financial position. During the year ended December 31, 2017, Global Integrity recognized a loss of \$2,462 as a result of foreign currency devaluation on a receivable pledged in a foreign currency.

Accounts and Grants Receivable

Global Integrity uses the allowance method to record potentially uncollectible accounts and grants receivable.

Property and Equipment and Related Depreciation and Amortization

Property and equipment with an acquisition value of \$1,000 or more are capitalized at cost and 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 shorter of the lease term or useful life. The cost of property and equipment retired or disposed of is removed from the accounts along with the related accumulated depreciation or amortization, and any

GLOBAL INTEGRITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2017

1. Organization and Summary of Significant Accounting Policies (continued)

Property and Equipment and Related Depreciation and Amortization (continued)

gain or loss is reflected in revenue and support or expenses in the accompanying statement of activities. Major additions are capitalized, while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred.

Net Assets

The net assets of Global Integrity are reported as follows:

- Unrestricted net assets represent the portion of expendable funds that are available for support of Global Integrity's operations.
- Temporarily restricted net assets represent amounts that are specifically restricted by donors or grantors for various purposes or time periods.

Revenue Recognition

Global Integrity recognizes all unconditional contributed support in the period in which the commitment to give is made. Grants are considered unrestricted revenue and available for general operations unless specifically restricted by the donor. Global Integrity reports grants of cash and other assets as temporarily restricted revenue and support if they are received with donor stipulations that limit the use of the donated assets to particular purposes or to future periods. When the stipulated time restriction ends or the purpose of the restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities as net assets released from restrictions. Revenue recognized on grants that has been committed to Global Integrity, but has not been received, is reflected as grants receivable in the accompanying statement of financial position.

Program revenue is related to administrative services provided to other third-party nonprofit organizations under Global Integrity's collaborative arrangement of the OpenGov Hub (OGH) with another nonprofit organization, Development Gateway (DG) (see Note 5). As part of this program, other mission-aligned third-party nonprofit organizations pay licensing fees for the use of shared office space and event space, along with related services. Program revenue is recognized in the period to which it relates. Payments from third parties received in advance are deferred until earned, and are reflected in the accompanying statement of financial position as deferred revenue. Any fees for service revenue that is earned but not received is recorded in accounts receivable in the accompanying statement of financial position.

In accordance with accounting standards, collaborative arrangements in which Global Integrity is considered the principal organization, which is the case with the OGH arrangement, require Global Integrity to record and report costs incurred and revenue generated from transactions with parties that do not participate in the arrangement on a gross basis in the financial statements. Profit and loss sharing obligations to participants of these arrangements are reported as occupancy, utilities and other facilities costs in the accompanying financial statements.

GLOBAL INTEGRITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2017

1. Organization and Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated proportionately among the programs and supporting services to which they relate on the basis of staff time and other direct labor costs.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Grants Receivable

Grants receivable consist of grants from foundations and were due as follows at December 31, 2017:

Less than one year	\$ 580,374
One to five years	<u>262,500</u>
Total Grants Receivable	842,874
Less: Discount to Present Value	<u>(3,889)</u>
Grants Receivable, Net	<u>\$ 838,985</u>

Grants due in more than one year have been recorded at the present value of the estimated cash flows, using a discount rate of 1.36%. All amounts are expected to be fully collected.

During the year ended December 31, 2017, Global Integrity was awarded a multiyear grant totaling \$1,500,000. \$500,000 of the total grant is contingent upon Global Integrity's completion of certain matching requirements. As of December 31, 2017, grants receivable did not include this amount as the related matching condition had not been met.

3. Property and Equipment and Accumulated Depreciation and Amortization

Global Integrity's property and equipment consisted of the following as of December 31, 2017:

Leasehold improvements	\$ 1,317,093
Furniture and fixtures	147,588
Computer and office equipment	<u>48,774</u>
Total Property and Equipment	1,513,455
Less: Accumulated Depreciation and Amortization	<u>(595,367)</u>
Property and Equipment, Net	<u>\$ 918,088</u>

Depreciation and amortization expense totaled \$153,098 for the year ended December 31, 2017.

Continued

GLOBAL INTEGRITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2017

4. Temporarily Restricted Net Assets

Global Integrity's temporarily restricted net assets were available for the following future periods and purposes as of December 31, 2017:

General support – time-restricted for 2018-2020	\$ 747,278
Multistakeholder government initiatives – TAI Learning Collaborative	123,831
Open fiscal governance – Follow the Money, Mexico 2.0	115,622
Integrity and anti-corruption – Africa Integrity Indicators	65,895
OpenGov Hub – Defending Democracy	40,475
Integrity and anti-corruption – Anti-Corruption Conference	<u>2,467</u>
Total Temporarily Restricted Net Assets	<u>\$ 1,095,568</u>

5. Collaborative Arrangement

In 2012, Global Integrity and DG established OGH, governed and supported by a memorandum of understanding (MOU) between the organizations. The purpose of OGH is to serve as a center for collaboration, learning and innovation on issues related to promoting open government reforms and to house the organizations that pursue these causes. Each organization using OGH reimburses Global Integrity for the use of the shared office and equipment, which is typically governed by one-year agreements.

Under the MOU, both parties equally share in the profits and losses of OGH, as well as the related financial obligations. The revenue and expenses of OGH are recorded in the statement of activities of Global Integrity in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 808, *Collaborative Arrangements*. Operating revenue and expenses related to OGH for the year ended December 31, 2017, were \$1,162,274 and \$1,165,806, respectively, and are reported in and OpenGov Hub revenue and expenses, respectively, in the accompanying statement of activities. Revenue and expenses related to OGH for the year ended December 31, 2017, for purposes of determining Global Integrity's share and DG's share of the operating results of OGH were \$1,267,445 and \$1,194,323, respectively, resulting in a net income of \$73,122. Revenue and expenses for the purposes of determining operating results were adjusted to reflect certain items of inclusion and exclusion identified and agreed upon between the organizations. For the year ended December 31, 2017, \$36,561 representing the other organization's 50% share of the net operating results of OGH was reported as occupancy, utilities and other facilities costs in the accompanying statement of functional expenses. In April 2018, Global Integrity and DG amended certain terms of the MOU, adopting a policy that provides for the forgiveness of a portion of each organization's share of OGH's operating results. The amendment to the MOU required that this forgiveness start with the year ended December 31, 2017. This resulted in a reduction of the share due to DG by \$37,573, which is recognized as other revenue in the accompanying statement of activities. As of December 31, 2017, the outstanding balance due to DG was \$25,610, which is included in accounts payable and accrued expenses in the accompanying statement of financial position.

Continued

GLOBAL INTEGRITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2017

6. Commitments and Risks

Operating Leases

Global Integrity and DG entered into a noncancelable lease agreement for office space that commenced on April 1, 2014, and expires in July 2024. Both organizations have joint and several liability for obligations under the lease agreement and, under a separate MOU, agreed to share the responsibilities of the operating lease agreement equally. The terms of the office space lease required maintenance of a letter of credit, in lieu of a security deposit, which is equivalent to three months of rent payments totaling \$194,315, and provided nine months of abated rent. The letter of credit amount required to be maintained would be further reduced on the second and fifth anniversaries of the lease agreement. Global Integrity paid \$71,000 to DG for its agreed share and contribution towards the cost of obtaining the letter of credit with a financial institution which the other organization has in its name. During the year ended December 31, 2017, the required letter of credit amount was reduced to \$47,332. The terms of the lease included a construction allowance totaling \$1,267,276, which Global Integrity and the other organization used to build out the office space. The lease also contains a fixed escalation clause for increases in the annual minimum rent at a rate of 2.5% per year, with the exception of lease year six when the increase is 3.9%.

Under GAAP, all rental payments, including fixed rent increases, less any rental abatements and other incentives are recognized on a straight-line basis over the term of the lease. The difference between the GAAP rent expense and the required lease payments is reflected as deferred rent and lease incentives in the accompanying statement of financial position.

As of December 31, 2017, future minimum lease payments required under this operating lease, exclusive of pass-through operating expenses, were as follows:

For the Year Ending December 31,	Global Integrity	Development Gateway	Total
2018	\$ 426,396	\$ 426,396	\$ 852,792
2019	441,688	441,688	883,376
2020	454,276	454,276	908,552
2021	465,618	465,618	931,236
2022	477,277	477,277	954,554
Thereafter	<u>780,443</u>	<u>780,443</u>	<u>1,560,886</u>
Total	<u>\$ 3,045,698</u>	<u>\$ 3,045,698</u>	<u>\$ 6,091,396</u>

Rent expense totaled \$704,492 for the year ended December 31, 2017, and is included in occupancy, utilities and other facilities costs in the accompanying statement of functional expenses.

Pledged Account Related to Credit Card

Global Integrity holds a credit card with a financial institution in the amount of \$50,000. Amounts drawn on the credit card accrue interest at the bank's daily periodic rate and are payable on demand. The periodic rate as of December 31, 2017, was 15.99%. The credit

GLOBAL INTEGRITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2017

6. Commitments and Risks (continued)

Pledged Account Related to Credit Card (continued)

card is secured by a pledge agreement which grants the financial institution a security interest in Global Integrity's money market account held at the financial institution, and requires Global Integrity to comply with certain nonfinancial covenants. The outstanding balance as of December 31, 2017, was \$15,141 and is included in accounts payable and accrued expenses in the accompanying statement of financial position.

Concentration of Credit Risk

Global Integrity maintains its cash and cash equivalents with certain commercial financial institutions, which aggregate balances may exceed, at times, the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000 per depositor per institution. As of December 31, 2017, Global Integrity had approximately \$931,000 composed of demand deposits, which exceeded the maximum limit insured by the FDIC by approximately \$485,000. Global Integrity monitors the creditworthiness of these institutions and has not experienced any historical credit losses on its cash and cash equivalents.

Concentration of Revenue

For the year ended December 31, 2017, Global Integrity received \$1,000,000 from a major grantor. The grant represented approximately 75% of the total grants recognized by Global Integrity for the year ended December 31, 2017. As of December 31, 2017, Global Integrity was owed \$500,000, approximately 60% of grants receivable, from this grantor. If a significant reduction in funding from this grantor was to occur, it might adversely impact Global Integrity's financial position and ability to carry out its program activities.

7. Retirement Plan

Global Integrity maintains a defined contribution pension plan covering substantially all full-time employees over the minimum age of 18 years. All contributions to the plan are fully vested. Global Integrity matches elective employee deferrals on a dollar-for-dollar basis up to 3% of compensation, and for deferrals over the 3% there is an additional 50% match up to 5% of compensation. Pension expense for the year ended December 31, 2017, totaled \$27,982.

8. Income Taxes

Global Integrity qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the IRC) and is classified as a publicly supported organization under Section 509(a)(1) of the IRC. No provision for income taxes is required for the year ended December 31, 2017, as Global Integrity had no net unrelated business income.

GLOBAL INTEGRITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2017

8. Income Taxes (continued)

Global Integrity performed an evaluation of uncertainty in income taxes for the year ended December 31, 2017, and determined that there are no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of December 31, 2017, the statute of limitations for tax years 2014 through 2016 remained open with the U.S. federal jurisdiction and/or the various states and local jurisdictions in which Global Integrity files tax returns. Global Integrity is not currently under audit by the U.S. Internal Revenue Service. It is Global Integrity's policy to recognize interest and penalties related to uncertainty in income taxes, if any, in income tax expense. As of December 31, 2017, Global Integrity had no accruals for interest and/or penalties.

9. Prior Year Summarized Financial Information

The accompanying 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 GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

10. Reclassifications

Certain 2016 amounts have been reclassified to conform with the 2017 financial statement presentation.

11. Subsequent Events

In preparing these financial statements, Global Integrity has evaluated events and transactions for potential recognition or disclosure through July 30, 2018, the date the financial statements were issued. Except for the amendment to the MOU described in Note 5, there were no other events that would require recognition or disclosure.