

**Global Poverty Project, Inc.
d/b/a Global Citizen**

**Consolidated Financial Statements
Years Ended December 31, 2022 and 2021**

Global Poverty Project, Inc. d/b/a Global Citizen

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Global Poverty Project, Inc. d/b/a Global Citizen

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Tel: 212-371-4446
Fax: 212-371-9374
www.bdo.com

622 Third Ave, Suite 3100
New York, NY 10017

Independent Auditor's Report

Board of Directors
Global Poverty Project, Inc. d/b/a Global Citizen
New York, New York

Opinion

We have audited the consolidated financial statements of Global Poverty Project, Inc. d/b/a Global Citizen and its subsidiaries (the Organization), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2022 and 2021, and the results of its operations 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and

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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 GAAS 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

BDO USA, P.C.

September 20, 2023

Global Poverty Project, Inc. d/b/a Global Citizen

Consolidated Statements of Financial Position

<i>December 31,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 2,089,330	\$ 18,051,656
Contributions receivable, net	8,873,101	3,310,941
Accounts receivable, net	3,870,723	2,267,843
Security deposit	125,513	125,513
Prepaid expenses and other assets	919,754	1,416,450
Right of use asset, operating lease	1,201,909	-
Property and equipment, net	2,877,908	2,652,866
Total Assets	\$ 19,958,238	\$ 27,825,269
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 4,739,582	\$ 6,911,029
Paycheck Protection Program loan payable	-	2,000,000
Operating lease liability	1,226,103	-
Contract Liabilities	500,000	2,000,000
Total Liabilities	6,465,685	10,911,029
Net Assets		
Without donor restrictions	2,583,350	12,082,760
With donor restrictions	10,909,203	4,831,480
Total Net Assets	13,492,553	16,914,240
Total Liabilities and Net Assets	\$ 19,958,238	\$ 27,825,269

See accompanying notes to the consolidated financial statements.

Global Poverty Project, Inc. d/b/a Global Citizen

Consolidated Statements of Activities

<i>Year ended December 31, 2022</i>	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Sponsorships	\$ 33,005,000	\$ -	\$ 33,005,000
Contributions	5,199,193	13,479,282	18,678,475
Broadcasting	1,067,609	-	1,067,609
Social media income	851,527	-	851,527
Other contracted services	524,538	-	524,538
Ticket sales	1,522,806	-	1,522,806
Contributions of non-financial assets	3,900,819	-	3,900,819
Forgiveness of debt - Paycheck Protection Program	2,000,000	-	2,000,000
Other income	62,064	-	62,064
Net assets released from restrictions	7,401,559	(7,401,559)	-
Total Support and Revenue	55,535,115	6,077,723	61,612,838
Expenses			
Program services:			
Major Events	35,469,913	-	35,469,913
Campaigns	20,954,572	-	20,954,572
Total Program Services	56,424,485	-	56,424,485
Supporting services:			
Management and general	5,727,497	-	5,727,497
Fundraising	2,674,877	-	2,674,877
Total Supporting Services	8,402,374	-	8,402,374
Total Expenses	64,826,859	-	64,826,859
Change in Net Assets, before foreign currency translation			
Foreign Currency Translation	207,666	-	207,666
Change in Net Assets	(9,499,410)	6,077,723	(3,421,687)
Net Assets, beginning of year	12,082,760	4,831,480	16,914,240
Net Assets, end of year	\$ 2,583,350	\$ 10,909,203	\$ 13,492,553

See accompanying notes to the consolidated financial statements.

Global Poverty Project, Inc. d/b/a Global Citizen

Consolidated Statements of Activities

<i>Year ended December 31, 2021</i>	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets Without Donor Restriction			
Sponsorships	\$ 48,365,795	\$ -	\$ 48,365,795
Contributions	13,169,982	7,432,551	20,602,533
Broadcasting	15,760,500	-	15,760,500
Social media income	1,863,204	-	1,863,204
Other contracted services	1,604,605	-	1,604,605
Ticket sales	1,763,664	-	1,763,664
Contributions of non-financial assets	9,796,567	-	9,796,567
Forgiveness of debt - Paycheck Protection Program	1,694,267	-	1,694,267
Other income	545,742	-	545,742
Net assets released from restrictions	17,667,500	(17,667,500)	-
Total Support and Revenue	112,231,826	(10,234,949)	101,996,877
Expenses			
Program services:			
Major Events	79,651,417	-	79,651,417
Campaigns	20,688,318	-	20,688,318
Total Program Services	100,339,735	-	100,339,735
Supporting services:			
Management and general	4,819,717	-	4,819,717
Fundraising	3,506,562	-	3,506,562
Total Supporting Services	8,326,279	-	8,326,279
Total Expenses	108,666,014	-	108,666,014
Change in Net Assets, before foreign currency translation			
Foreign Currency Translation	27,819	-	27,819
Change in Net Assets	3,537,993	(10,234,949)	(6,696,956)
Net Assets, beginning of year	8,544,767	15,066,429	23,611,196
Net Assets, end of year	\$ 12,082,760	\$ 4,831,480	\$ 16,914,240

See accompanying notes to the consolidated financial statements.

Global Poverty Project, Inc. d/b/a Global Citizen

Consolidated Statement of Functional Expenses

Year ended December 31, 2022

	Program Services			Management and General	Fundraising	Total
	Major Events	Campaigns	Subtotal			
Payroll and benefits	\$ 2,356,257	\$ 10,384,205	\$ 12,740,462	\$ 2,584,370	\$ 2,146,546	\$ 17,471,378
Event production fees	24,363,572	423,493	24,787,065	132,757	19,118	24,938,940
Professional fees	960,973	4,394,079	5,355,052	1,065,615	-	6,420,667
In-kind professional services	3,900,819	-	3,900,819	-	-	3,900,819
Marketing expenses	9,056	494,242	503,298	-	25,876	529,174
Accounting	-	-	-	167,000	-	167,000
Travel	2,228,385	861,689	3,090,074	252,566	168,323	3,510,963
Rent	211,961	471,105	683,066	211,876	212,046	1,106,988
Office expenses	918,890	989,319	1,908,209	1,148,447	22,647	3,079,303
Awards paid	520,000	220,816	740,816	-	-	740,816
Subgrants to domestic entities	-	500,000	500,000	-	-	500,000
Bad Debt Expense	-	409,447	409,447	154,805	80,321	644,573
Depreciation and amortization	-	1,806,177	1,806,177	10,061	-	1,816,238
Total Expenses	\$ 35,469,913	\$ 20,954,572	\$ 56,424,485	\$ 5,727,497	\$ 2,674,877	\$ 64,826,859

See accompanying notes to the consolidated financial statements.

Global Poverty Project, Inc. d/b/a Global Citizen

Consolidated Statement of Functional Expenses

Year ended December 31, 2021

	Program Services			Management and General	Fundraising	Total
	Major Events	Campaigns	Subtotal			
Payroll and benefits	\$ 2,245,603	\$ 9,549,617	\$ 11,795,220	\$ 2,229,403	\$ 2,278,654	\$ 16,303,277
Event production fees	61,775,721	664,015	62,439,736	85,677	14,277	62,539,690
Professional fees	417,122	4,597,324	5,014,446	1,171,880	495,609	6,681,935
In-kind professional services	9,796,567	-	9,796,567	-	-	9,796,567
Marketing expenses	22,250	608,626	630,876	-	-	630,876
Accounting	-	-	-	147,000	-	147,000
Travel	3,345,700	717,645	4,063,345	145,803	112,025	4,321,173
Rent	135,280	300,675	435,955	135,226	135,335	706,516
Office expenses	1,313,174	1,109,590	2,422,764	889,663	470,662	3,783,089
Awards paid	600,000	583,967	1,183,967	-	-	1,183,967
Subgrants to domestic entities	-	1,020,000	1,020,000	-	-	1,020,000
Depreciation and amortization	-	1,536,859	1,536,859	15,065	-	1,551,924
Total Expenses	\$ 79,651,417	\$ 20,688,318	\$100,339,735	\$ 4,819,717	\$ 3,506,562	\$108,666,014

See accompanying notes to the consolidated financial statements.

Global Poverty Project, Inc. d/b/a Global Citizen

Consolidated Statements of Cash Flows

<i>Year ended December 31,</i>	2022	2021
Cash Flows from Operating Activities		
Change in net assets	\$ (3,421,687)	\$ (6,696,956)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	1,816,238	1,551,924
Bad debt expense	644,573	-
Forgiveness of Paycheck Protection Program loan	(2,000,000)	(1,694,267)
Non-cash lease expense	769,254	-
Change in discount on multi-year pledges	230,623	(231,341)
Translation of foreign currency	207,666	27,819
Changes in operating assets and liabilities:		
Contributions receivable	(6,437,356)	7,270,532
Accounts receivable	(1,602,880)	2,424,588
Prepaid expenses and other assets	496,696	(244,053)
Accounts payable and accrued expenses	(2,171,447)	5,133,372
Principal reduction in operating lease liabilities	(745,060)	-
Contract liabilities	(1,500,000)	(15,330,000)
Net Cash Used in Operating Activities	(13,713,380)	(7,788,382)
Cash Flows Used in Investing Activities		
Purchases of property and equipment	(2,041,280)	(1,708,671)
Cash Flows from Financing Activities		
Proceeds from Paycheck Protection Program loan payable	-	2,000,000
Effect of Exchange rate Changes on Cash	(207,666)	(27,819)
Net Decrease in Cash	(15,962,326)	(7,524,872)
Cash and Cash Equivalents, beginning of year	18,051,656	25,576,528
Cash and Cash Equivalents, end of year	\$ 2,089,330	\$ 18,051,656

See accompanying notes to the consolidated financial statements.

Global Poverty Project, Inc. d/b/a Global Citizen

Notes to Consolidated Financial Statements

1. The Organization

Global Poverty Project, Inc. d/b/a Global Citizen (GC) was incorporated on June 30, 2010. GC is an exempt organization for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code (IRC) and under the corresponding provisions of the New York State tax laws. GC has been classified to be a publicly supported organization and not a private foundation under IRC Section 509(a) and is qualified for deductible contributions as provided in IRC Section 170(b)(1)(A)(ii).

As part of a global restructuring process, GC became the sole member of Global Poverty Project UK (GPP UK) on June 12, 2012 and Global Poverty Project Limited (GPP AU) on July 5, 2012. On February 19, 2013, Global Poverty Project Canada (GPP Canada) was created, with GC as its sole member. On March 15, 2018, Global Citizen Movement NPC (GPP South Africa) was created with GC as its sole member. On October 27, 2020, Global Citizen International for poverty alleviation limited (GPP Nigeria) was created, with GC as its sole member. On March 3, 2022, Global Citizen Germany (GPP Germany) was created, which is wholly owned by GPP UK.

GC's primary sources of income are contributions, sponsorships, and license fees. A summary of its major program events and campaigns are set forth below:

Global Citizen focused its efforts in 2022 to several activities and campaigns:

- Global Citizen Prize awarded activists and entrepreneurs in an award ceremony, recognizing them for their achievements in the pursuit of ending extreme poverty. Winners entered a year-long program with Global Citizen, where their efforts were highlighted from Global Citizen platforms throughout the year; they appeared on the Global Citizen stage and were supported in their advocacy efforts to end extreme poverty.
- Global Citizen NOW is a thought leadership summit taking place over two transformative days, from May 22-23 of 2022 in New York City. In its inaugural year, attendees of *Global Citizen NOW* included select dignitaries, philanthropists, artists, journalists, and grassroots organizations from around the world. The summit's dynamic program features action-oriented keynotes, fireside conversations, and panel discussions alongside first-person storytelling from those at the forefront of protecting the planet and ending extreme poverty NOW.
- Global Citizen Festival NYC + Accra: The 2022 Global Citizen Festival campaign, taking place in NYC + Accra, culminated in over \$2.4 billion in commitments to end extreme poverty NOW. The six-week campaign concluded with a nine-hour festival across two stages, beginning in Black Star Square in Accra, Ghana, presented by and ending in New York City's Central Park. On the Global Citizen Festival: Accra stage, the governments of Ghana and South Africa announced the African Prosperity Fund, a joint initiative by the governments of Ghana and South Africa, which aims to deploy \$1 billion to fund projects for economic inclusion and financial participation across the continent. Global Citizens took a record-breaking total of 2.1 million actions as part of this campaign.

Global Poverty Project, Inc. d/b/a Global Citizen

Notes to Consolidated Financial Statements

2. Principles of Consolidation

These consolidated financial statements report the consolidated activities of Global Poverty Project and its component entities, as defined in Note 1, in accordance with accounting principles generally accepted in the United States of America (GAAP). The consolidation is required since the entities are related through shared economic interest, board members, and management. All significant intercompany transactions and balances between GC and the component entities have been eliminated in consolidation.

3. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis in accordance with GAAP. In the consolidated statements of financial position, assets are presented in order of liquidity or conversion to cash, and liabilities are presented according to their maturity resulting in the use of cash.

Consolidated Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the two classes of net assets—with and without donor restrictions—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities. Net assets, revenues, gains, and losses are classified into two classes of net assets based on existence or absence of donor-imposed restrictions.

These classes are defined as follows:

With Donor Restrictions - Contributions and other inflows of assets whose use is subject to donor-imposed restrictions that are more specific than broad limits reflecting the nature of the not-for-profit entity, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws or comparable documents. Donor-imposed restrictions may be temporary in nature, such as stipulating those resources may be used only after a specified date or limited to specific programs or services. Certain donor-imposed restrictions are perpetual in nature.

Without Donor Restrictions - Contributions and other inflows of assets whose use is not subject to donor-imposed restrictions. This net asset category includes both contributions not subject to donor restrictions and exchange transactions.

Cash and Cash Equivalents

The Organization considers all highly liquid instruments purchased with an original maturity of three months or less to be cash and cash equivalents.

Contributions Receivable

Contributions receivable represent unconditional promises to give by donors. For the years ended December 31, 2022 and 2021, GC had contributions receivable of \$8,873,101 and \$3,310,941 respectively. GC has determined that no allowance for uncollectible contributions receivable is

Global Poverty Project, Inc. d/b/a Global Citizen

Notes to Consolidated Financial Statements

necessary as of December 31, 2022 and 2021. Such estimate is based on GC's assessment of the creditworthiness of its donors, the aged basis of its receivables, as well as current economic conditions and historical information. Bad debt expense for year ended December 31, 2022 and 2021 were \$644,573 and \$0 respectively.

The carrying value of contributions receivable approximates net realizable value.

Foreign Currency Translation

Financial statements of foreign entities' activities are translated into U.S dollars using period-end exchange rates for assets and liabilities, and average exchange rates for revenue and expenses during the reporting period. Net loss on foreign-currency translation was \$207,666 and \$27,819 for the years ended December 31, 2022 and 2021, respectively.

Revenue Recognition

Transfers of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions. Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions.

Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event GC fails to overcome one or more barriers. Assets received before the barrier is overcome and are accounted for as refundable advances. For year ended December 31, 2022, GC had conditional contribution of \$500,000.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions.

Unconditional contributions without donor restrictions are recognized as revenue or support in changes in net assets without donor restrictions when received or promised. Contributions subject to donor restrictions are recognized in changes in net assets with donor restrictions. When a purpose restriction is satisfied or when a time restriction expires, the contribution is reported as net assets released from restrictions and is recognized in changes in net assets without donor restrictions.

GC's revenue is derived primarily from private contributions, sponsorship, contract fees, and fee for service and ticket sales.

- *Private Contributions* - GC records contributions as revenue in accordance with the terms of the respective contribution arrangement. Contributions are considered available for unrestricted use, unless specifically restricted by the donor. Conditional contributions and grants are recorded when the specified conditions have been met.

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Notes to Consolidated Financial Statements

- *Sponsorships* - GC records sponsorships in the period in which the event or campaign takes place.
- *Contract Fees* - Fees are recognized as income when earned, which is when the respective service is complete.
- *Fee for Service and Ticket Sales* - GC enters into contracts with broadcasters for the right to broadcast the Festivals. GC will host these Festivals and revenue is recognized once the Festivals are complete.

The Organization applies Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* to exchange transactions when applicable.

Transactions with Multiple Elements

The Organization has entered into certain revenue transactions, such as the licensing of broadcasting rights and corporate advertising transactions that involve the delivery of multiple elements to the buyer. In accounting for these transactions, the Organization must evaluate whether there is objective evidence of fair value for each individual element delivered and, if so, account for each element of the transaction separately, based on relevant revenue recognition accounting policies. An allocation of revenue is made to all elements for which fair value is determinable. The balance of consideration received for which the fair value is not determinable is allocated to the remaining elements.

Revenues with customers is comprised of:

<i>December 31,</i>	2022	2021
Sponsorships	\$ 33,005,000	\$ 48,365,795
Broadcasting	1,067,609	15,760,500
Social media income	851,527	1,863,204
Ticket sales	1,522,806	1,763,664
Other contracted services	524,538	1,604,605
Total Revenue from Contracts Subject to ASC 606	36,971,480	69,357,768
Total Other Revenues Not Subject to ASC 606 ⁽¹⁾	24,641,358	32,639,109
Total Operating Revenues	\$ 61,612,838	\$ 101,996,877

⁽¹⁾ Other revenues not subject to ASC 606 include contributions, contributions of non-financial assets, forgiveness of debt, and other income.

The following table shows GC's accounts receivable subject to ASC 606, disaggregated by revenue type:

<i>December 31,</i>	2022	2021
Sponsorships	\$ 3,067,449	\$ 33,103
Broadcasting	64,500	466,033
Social media income	138,774	-
Other contracted services receivable	600,000	1,768,707
Total Accounts Receivable	\$ 3,870,723	\$ 2,267,843

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Notes to Consolidated Financial Statements

Sponsorships

Sponsorships involve various forms of sponsorship for the Festivals. Sponsorship revenues are derived from over 20 sponsorship agreements with counterparties who provide consideration in the form of cash in exchange for acknowledgement, marketing rights and advertising. Revenues are recognized when the Festivals are conducted. Some of these sponsorships are multi-year contracts extending through December 31, 2022. For the years ended December 31, 2022 and 2021, sponsorship revenue amounted to \$33,005,000 and \$48,365,795, respectively.

Contracts with corporate sponsors cover multi-year periods with the amount of consideration attributable to each period indicated in the contract. Each year's performance obligations relate to the unique events for a given year. The Organization's performance obligations are satisfied at a point in time and the contractual consideration for a given year is recognized once those performance obligations are fulfilled.

Broadcasting

Broadcasting revenues are earned through exclusive television rights agreements with domestic and international broadcasters who provide consideration in the form of cash. The aggregate gross revenues derived from cash consideration for such agreements for the years ended December 31, 2022 and 2021 were \$1,067,609 and \$15,760,500, respectively. Such agreements are subject to termination and renewal clauses.

The Organization's performance obligations consist of the conduct of the Festivals to enable the production of a broadcast. The terms of broadcasting arrangements are such that rights are assigned to individual events that occur annually and are satisfied at the point in time when the respective event to which they pertain occurs. Accordingly, the Organization does not have any unsatisfied performance obligations as of year-end. The Organization characterizes the intellectual property (IP) associated with the Festivals as functional IP and recognizes the revenue associated with the licensing of these rights at the point in time the Festivals occur.

Social Media Income

Social Media Income is earned through exclusive advertising rights agreements with domestic and international companies who provide consideration in the form of cash. The aggregate gross revenues derived from cash consideration for such agreements for the years ended December 31, 2022 and 2021 were \$851,527 and \$1,863,204, respectively.

The Organization's performance obligations consist of airing the companies' advertisements during the Festivals. The terms of advertising arrangements are such that rights are assigned to individual advertisements and are satisfied at the point in time when the respective advertisement is aired. Accordingly, the Organization does not have any unsatisfied performance obligations as of year-end.

Ticket Sales

Ticket Sales for the years ended December 31, 2022 and 2021 are principally from the Festivals that occurred during the year and amounted to \$1,522,806 and \$1,763,664, respectively. Sales of tickets to attend the Festivals are derived from a wide range of individuals and corporations prior to and at the event. Ticket revenues are deferred until the point in time in which the event occurs.

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Notes to Consolidated Financial Statements

Other Contracted Services

Other revenues are predominately from the production and development of ad-hoc projects and totaled \$524,538 and \$1,604,605 for the years ended December 31, 2022 and 2021, respectively. These revenues are recognized in the period the respective transaction occurs. There are no performance obligations beyond those satisfied at the point in time the event occurs. All of these revenues relate to the current fiscal period and there are no deferred revenues associated with the transactions classified as other revenues.

Property and Equipment, Net

Property and equipment are stated at cost and are depreciated on the straight-line method over the estimated useful lives of the assets. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized, based on the established threshold. GC has established a \$5,000 threshold above which assets are evaluated to be capitalized.

Technology and content costs are expensed as incurred, except for certain costs relating to the website development, including software used to upgrade and enhance GC's websites and applications supporting the business, which are capitalized. These costs are amortized over the estimated life of three years using the straight-line method.

Impairment of Long Lived Assets

GC reviews long-lived assets to determine whether there has been any permanent impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the assets, GC recognizes an impairment loss. No impairment losses were recognized for the years ended December 31, 2022 and 2021.

Contract Liabilities

As at December 31, 2022 and 2021, GC had \$500,000 and \$2,000,000 of refundable advances respectively, which represent sponsorships received in advance for events happening in 2023.

Marketing Expenses

GC expenses marketing costs as incurred. Marketing expense incurred for the years ended December 31, 2022 and 2021 was \$2,140,210 (including donated services of \$1,611,036) and \$4,856,871 (including donated services of \$4,225,995), respectively, and is included in marketing expenses and in-kind professional service in the consolidated statements of functional expenses.

Contributed Non-financial Assets

Amounts are reported in the financial statements for voluntary donations of services if those services create or enhance nonfinancial assets or require specialized skills provided by individuals possessing those skills, and which would typically be purchases if not provided by donation. Donated non-cash assets, which are an integral part of the Organization, are reported in the financial statements based on market values of items noted or on current prices at the time of donation. Donated services are recognized as contributed non-financial assets if the services (a) create or enhance non-financial

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assets or (b) require specialized skills and are performed by people whose services would otherwise be purchased if not provided by donation. The amount includes \$1,611,036 and \$2,289,783, recognized in revenue and expenses from marketing and legal services. Without the professional services provided by the legal firms and marketing services from individuals and corporate donors, the Organization would be required to compensate the legal firms for these services or pay the vendors for the tangible goods received.

A substantial number of other volunteers have donated significant amounts of their time in supporting the Organization's activities. No amounts have been reflected in the accompanying financial statements for these donated services since they do not meet the criteria for recognition. The following summarizes the Organization's contributed non-financial assets:

December 31, 2022

	Revenue Recognition	Donor Restrictions	Valuation Techniques and Inputs
Donated legal services	\$ 2,289,783	No associated donor restrictions	Valued based on prevailing rates of professional time
Donated marketing services	1,611,036	No associated donor restrictions	Valued based on prevailing rates of professional time
Total	\$ 3,900,819		

December 31, 2021

	Revenue Recognition	Donor Restrictions	Valuation Techniques and Inputs
Donated legal services	\$ 3,570,572	No associated donor restrictions	Valued based on prevailing rates of professional time
Donated marketing services	4,225,995	No associated donor restrictions	Valued based on prevailing rates of professional time
Donated technology services	2,000,000	No associated donor restrictions	Valued based on prevailing rates of professional time
Total	\$ 9,796,567		

Functional Allocation of Expenses

Functional expenses are those expenses incurred by the Organization in the accomplishment of their mission. The consolidated statements of functional expenses present expenses by function and natural classification. Accordingly, certain costs have been allocated among the respective programs and activities according to the functional categories, as follows:

- *Program Services* - This category represents expenses related to the program and supporting services. These costs are allocated based on the time and effort allocation method.

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- *Management and General* - This category represents expenses related to the overall administration and operation of the Organization that are not specific to any program services or development. These costs are allocated based on time and effort.
- *Fundraising* - This category represents expenses directly associates with the Organization's effort to raise funds to support the operations. These costs are allocated based on time and effort.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization is exempt from federal, state and local income taxes under Section 501(c)(3) of the Internal Revenue Code (the IRC) and, therefore, has made no provision for income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "publicly supported organization" within the meaning of Section 509(a) of the IRC. There was no unrelated business income for the year ended December 31, 2022.

GC files federal and New York State informational returns. GC's foreign subsidiaries file individually in their respective countries and provinces. With few exceptions, GC is no longer subject to federal, state, or local income tax examinations for years before 2019.

Under U.S. GAAP, an organization must recognize the tax benefit associate with tax positions taken for tax-return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. The Organization does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Organization is subject to routine audits by a taxing authority. As of December 31, 2022, the Organization was not subject to any examination by a taxing authority.

Accounting Pronouncements Recently Adopted

Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets

In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU is intended to increase transparency on how contributed nonfinancial assets (also referred to as gifts-in-kind) received by nonprofits are to be used and how they are valued. The provisions of ASU 2020-07 were adopted by the Organization beginning January 1, 2022.

Accounting for Leases

In February 2016, the FASB issued ASU 2016-02, *Accounting for Leases*, which applies a right-of-use (ROU) model that requires a lessee to record, for all leases with a lease term of more than

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12 months, an asset representing its right to use the underlying asset and a liability to make lease payments. For leases with a term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize an ROU asset or lease liability. At inception, lessees must classify all leases as either finance or operating based on five criteria. Balance sheet recognition of finance and operating leases is similar, but the pattern of expense recognition in the income statement, as well as the effect on the statement of cash flows, differs depending on the lease classification. In addition, lessees and lessors are required to provide certain qualitative and quantitative disclosures to enable users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The FASB issued ASU 2020-05, which deferred the effective date for the Organization until annual periods beginning after December 15, 2021. Effective January 1, 2022, the Organization adopted this ASU following the modified retrospective method of application, see Note 6.

Reclassification

Certain amounts in the 2021 consolidated financial statements were reclassified to conform with the 2022 presentation. These reclassifications had no effect on the Organization's financial position and change in net assets.

4. Contributions Receivable, Net

The net present value of contributions receivable was calculated using a risk-free discount rate. At December 31, 2022 the net present value discount ranged from 4.06% to 4.43%:

<i>December 31,</i>	2022	2021
Amount due in:		
One year	\$ 6,379,184	\$ 3,336,402
Two to five years	2,750,000	-
	9,129,185	3,336,402
Less: discount	(256,084)	(25,461)
Total	\$ 8,873,101	\$ 3,310,941

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5. Liquidity and Availability of Resources

GC maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization's financial assets available within one year of the consolidated statements of financial position date for general expenditures are as follows:

<i>December 31,</i>	2022	2021
Cash and Cash Equivalents	\$ 2,089,330	\$ 18,051,656
Contributions receivable, net	8,873,101	3,310,941
Accounts receivable, net	3,870,723	2,267,843
Total Financial Assets Available	\$ 14,833,154	\$ 23,630,440
Less: amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose or time	\$ 10,909,203	\$ 4,831,480
Total Financial Assets Available to Management for General Expenditures Within One Year	\$ 3,923,951	\$ 18,798,960

6. Property and Equipment, Net

Property and equipment, net consists of the following:

<i>December 31,</i>	2022	2021	Estimated Useful Lives
Website	\$ 10,093,698	\$ 8,091,630	3 years
Furniture and equipment	107,430	106,362	3 years
Application software	264,943	226,799	3 years
	10,466,071	8,424,791	
Less: accumulated depreciation and amortization	(7,588,163)	(5,771,925)	
	\$ 2,877,908	\$ 2,652,866	

Depreciation and amortization expense for the years ended December 31, 2022 and 2021 was \$1,816,238 and \$1,551,924, respectively.

7. Operating Lease

The Organization has adopted the provisions of ASC 842, *Leases*. For leases with initial terms of greater than one year (or initially, greater than one year remaining under the lease at the date of the adoption of ASC 842), the Organization records the related right-of-use assets and liabilities at the present value of the remaining lease payments to be paid over the life of the related lease. Lease payments related to periods subject to renewal options are excluded from the amounts used to determine the present value of the remaining lease payments unless the Organization is

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reasonably certain to exercise the option to extend the lease. The lease require monthly payments of principal and interest at a rate of 3.25%. The present value of the lease payments is calculated by utilizing the discount rate stated in the lease, when readily determinable. For leases for which a discount rate is not readily available, the organization has elected to use the risk-free rate plus a reasonable premium comparative for entities of similar risk. The Organization has made an accounting policy election not to separate lease components from non-lease components in contracts when determining its lease payments for all of its asset classes, as permitted by ASC 842. As such, the Organization accounts for the applicable non-lease components together with the related lease components when determining the right-of-use assets and liabilities. The Organization has made an accounting policy election not to record leases with an initial term of less than one year as right-of-use assets and liabilities in the consolidated statements of financial position.

On July 1, 2021, GC moved into a new space located at 740 Broadway, New York, expiring on June 30, 2024. In conjunction with this lease, GC provided a security deposit of \$125,513. The lease is deemed to be operating lease based on the underlying terms of the agreement and the criteria included in ASC 842.

The following tables summarize information related to the lease assets and liabilities:

Year ended December 31, 2022

Lease Costs

Operating lease cost:

Amortization of right-of-use assets	\$	769,254
Interest on lease liabilities		53,342

Total Lease Cost	\$	822,596
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Year ended December 31, 2022

Right-of-use assets and liabilities:

Operating lease right-of-use assets, net of amortization	\$	1,201,909
Operating lease liabilities	\$	1,226,103

Weighted-average remaining lease term - operating leases (years)	1.50
Weighted-average discount rate - operating leases (%)	3.25

For operating leases, right-of-use assets are recorded in operating lease right-of-use assets, net and lease liabilities are recorded in operating lease liabilities in the accompanying consolidated statements of financial position. Amortization expense is recorded as a component of amortization expense within consolidated statement of functional expense. Interest expense is recorded as a component of interest expense within consolidated statement of functional expense.

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The following is a schedule of future minimum lease payments, including interest, under the term of the leases, together with the present value of the net minimum lease payments, as of December 31, 2022:

Year ending December 31,

2023	\$	834,693
2024		423,395
Total Minimum Lease Payments		1,258,088
Less: imputed interest		(31,985)
Present Value of Net Minimum Lease Payments	\$	1,226,103

8. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following:

<i>December 31,</i>	2022	2021
Purpose restricted	\$ 10,776,203	\$ 520,578
Time restricted - 2022	-	4,310,902
Time restricted - 2023	133,000	-
Total Net Assets with Donor Restrictions	\$ 10,909,203	\$ 4,831,480

Net assets of \$7,401,559 and \$17,667,500 were released from restrictions either by incurring expenses or by the passage of time, thus satisfying their respective restricted purposes for the years ended December 31, 2022 and 2021, respectively.

9. Revolving Line of Credit Facility

On February 24, 2022, GC entered into an agreement with Citibank, N.A. The credit agreement provides GC with a \$1 million unsecured revolving credit facility, the proceeds of which are to be used for working capital or other general corporate purposes. The line of credit accrues interest at the Adjusted Term SOFR plus 2.850 percentage points.

The credit agreement includes various covenants, including, among others, maintaining a leverage ratio from 2.50 to 1.00. service. There was no outstanding borrowings under this facility at December 31, 2022.

10. Retirement Plan

GC has a 403(b) profit sharing plan (the Plan) which covers most of the employees. The Plan is a defined contribution plan. Employees are eligible to enroll in the Plan either on the first day of the month or after employees have worked at least three months. Those employees who have completed at least three months of service are also eligible for employer contributions. The Plan provides for GC to contribute up to 3% of an employee's salary. GC contribution becomes fully vested after the employee completes three months of service. For the years ended December 31, 2022 and 2021, pension expense for GC was \$273,467 and \$261,552, respectively, which is included in payroll and benefits in the accompanying consolidated statements of functional expenses.

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11. Risk Management

The Organization is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Organization maintains commercial insurance to help protect itself from such risks.

The Organization may be involved in various claims and legal actions in the ordinary course of business. The Organization does not believe there is any litigation that will have a material effect on the Organization.

12. Concentrations, Risk, and Uncertainty

Financial instruments that potentially subject GC to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. GC places its cash with high credit quality financial institutions. At times, cash deposits may be in excess of the FDIC limits. Foreign operations, including cash holdings, are subject to risks inherent in operating under different legal systems and various political economic environments.

For the years ended December 31, 2022 and 2021, one donor contributed approximately 15% and 27% of GC's total contributions, sponsorships, and license fees, respectively.

Three donors amounted to approximately 82% of GC's total contributions receivable at December 31, 2022. Two donors amounted to approximately 59% of GC's total contributions receivable at December 31, 2021.

Two vendors accounted for approximately 30% of total accounts payables at December 31, 2022. Three vendors accounted for approximately 42% of total accounts payables at December 31, 2021.

13. Subsequent Events

The Organization has evaluated events through September 20, 2023, which is the date the consolidated financial statements were available to be issued.