

**GLOBAL POVERTY PROJECT, INC.
D/B/A GLOBAL CITIZEN**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

(WITH SUMMARIZED COMPARATIVE TOTALS FOR DECEMBER 31, 2015)

GLOBAL POVERTY PROJECT, INC. D/B/A GLOBAL CITIZEN

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Global Poverty Project, Inc. d/b/a Global Citizen

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Global Poverty Project, Inc. d/b/a Global Citizen (the "Organization") and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of Global Poverty Project UK, Global Poverty Project Limited and Global Poverty Project Canada, wholly-owned subsidiaries, whose statements reflect total assets constituting 9 percent of consolidated total assets at December 31, 2016 and total revenues constituting 5 percent of consolidated total revenues for the year then ended. Those statements, which were prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and Canadian Accounting Standards (including International Financial Reporting Standards), respectively, were audited by other auditors, whose reports have been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of Global Poverty Project UK, Global Poverty Project Limited and Global Poverty Project Canada, which conform those financial statements to accounting principles generally accepted in the United States of America. Our opinion, insofar as it relates to the amounts included for Global Poverty Project UK, Global Poverty Project Limited, and Global Poverty Project Canada prior to these conversion adjustments, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, based on our report and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Global Poverty Project, Inc. d/b/a Global Citizen and its subsidiaries as of December 31, 2016, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's December 31, 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements, based on our report and the reports of other auditors, in our report dated May 26, 2016. We did not audit the financial statements of Global Poverty Project UK and Global Poverty Project Limited, wholly-owned subsidiaries, whose statements reflect total assets constituting 8 percent of consolidated total assets at December 31, 2015 and total revenues constituting 6 percent of consolidated total revenues for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent in all material aspects, with the audited financial statements from which it has been derived.

MBAF CPAs, LLC

New York, NY
May 30, 2017

GLOBAL POVERTY PROJECT, INC. D/B/A GLOBAL CITIZEN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR DECEMBER 31, 2015)

ASSETS	2016	2015
Cash	\$ 1,929,095	\$ 4,843,089
Contributions receivable	2,301,992	882,432
Website, net	1,111,828	831,238
Property and equipment, net	107,526	4,484
Security deposit	114,164	114,164
Deferred rent	10,824	38,772
Prepaid expenses and other assets	181,320	70,845
	\$ 5,756,749	\$ 6,785,024
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,262,089	\$ 1,612,334
Loans payable	-	50,000
	1,262,089	1,662,334
COMMITMENTS (NOTE 4)		
NET ASSETS		
Unrestricted	4,146,677	1,517,908
Temporarily restricted	347,983	3,604,782
	4,494,660	5,122,690
	\$ 5,756,749	\$ 6,785,024

The accompanying notes are an integral part of the consolidated financial statements.

GLOBAL POVERTY PROJECT, INC. D/B/A GLOBAL CITIZEN
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015)

	Unrestricted	Temporarily Restricted	Total 2016	Total 2015
SUPPORT AND REVENUES				
Contributions, sponsorships, and license fees	\$ 27,026,106	\$ 347,983	\$ 27,374,089	\$ 31,661,469
Contributions in-kind	7,250,009	-	7,250,009	4,610,127
Other income	4,188	-	4,188	178,329
Interest income	207	-	207	89
Net assets released from restrictions	3,604,782	(3,604,782)	-	-
	<u>37,885,292</u>	<u>(3,256,799)</u>	<u>34,628,493</u>	<u>36,450,014</u>
EXPENSES				
Program	30,855,188		30,855,188	28,840,033
Management and general	3,231,991	-	3,231,991	1,784,593
Fundraising	1,169,344		1,169,344	739,703
	<u>35,256,523</u>	<u>-</u>	<u>35,256,523</u>	<u>31,364,329</u>
CHANGE IN NET ASSETS	2,628,769	(3,256,799)	(628,030)	5,085,685
NET ASSETS - BEGINNING OF YEAR	1,517,908	3,604,782	5,122,690	37,005
NET ASSETS - END OF YEAR	<u>\$ 4,146,677</u>	<u>\$ 347,983</u>	<u>\$ 4,494,660</u>	<u>\$ 5,122,690</u>

The accompanying notes are an integral part of the consolidated financial statements.

GLOBAL POVERTY PROJECT, INC. D/B/A GLOBAL CITIZEN
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2016

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015)

	Program Services			Supporting Services			Total 2016	Total 2015
	Major Events	Campaigns	Total Program	Management and General	Fundraising			
Payroll	\$ 484,357	\$ 5,630,493	\$ 6,114,850	\$ 1,194,389	\$ 803,669	\$ 8,112,908	\$ 4,386,333	
Event production fees	1,600,132	332,552	1,932,684	146,641	37,601	2,116,926	2,412,632	
Professional fees	18,634,370	1,594,428	20,228,798	556,479	178,601	20,963,878	21,122,038	
Accounting	-	-	-	96,999	-	96,999	118,247	
Travel	462,662	677,331	1,139,993	73,427	125,151	1,338,571	1,395,660	
Rent	-	-	-	530,727	-	530,727	270,540	
Office expenses	340,051	553,176	893,227	630,384	24,322	1,547,933	1,313,210	
Contributions	-	78,826	78,826	-	-	78,826	20,844	
Depreciation and amortization	-	466,810	466,810	2,945	-	469,755	124,825	
Bad debt expense	-	-	-	-	-	-	200,000	
Total Functional Expenses	\$ 21,521,572	\$ 9,333,616	\$ 30,855,188	\$ 3,231,991	\$ 1,169,344	\$ 35,256,523	\$ 31,364,329	

The accompanying notes are an integral part of the consolidated financial statements.

GLOBAL POVERTY PROJECT, INC. D/B/A GLOBAL CITIZEN

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (628,030)	\$ 5,085,685
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Forgiveness of loans payable	(50,000)	(100,000)
Depreciation and amortization	469,755	124,825
Bad debt expense	-	200,000
Deferred rent	27,948	(10,824)
Changes in operating assets and liabilities:		
Contributions receivable	(1,419,560)	(529,462)
Security deposit	-	3,594
Prepaid expenses and other assets	(110,475)	(3,130)
Accounts payable and accrued expenses	(350,245)	416,061
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(2,060,607)</u>	<u>5,186,749</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to website	(736,039)	(954,275)
Purchases of property and equipment	(117,348)	(2,948)
NET CASH USED IN INVESTING ACTIVITIES	<u>(853,387)</u>	<u>(957,223)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans payable	-	(80,233)
NET (DECREASE) INCREASE IN CASH	(2,913,994)	4,149,293
CASH - BEGINNING OF YEAR	4,843,089	693,796
CASH - END OF YEAR	<u>\$ 1,929,095</u>	<u>\$ 4,843,089</u>

The accompanying notes are an integral part of the consolidated financial statements.

GLOBAL POVERTY PROJECT, INC. D/B/A GLOBAL CITIZEN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

1. NATURE OF 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. The consolidated financial statements include the accounts of GC and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

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

Global Citizen Festival – An advocacy event held in Central Park, New York. The Global Citizen Festival is a free ticketed event that in 2016 featured performances from Rihanna, Kendrick Lamar, Metallica, Demi Lovato and Major Lazer. The annual festival acts as GC's cornerstone event where NGO's, corporations, and multi-laterals come together and make announcements and commitments in support of the world's poor mapped to the United Nations Global Goals for Sustainable Development. In the lead up to the 2016 Festival, Global Citizens took more than 1.3 million actions over a three month period to secure 14 new commitments and 15 announcements to help achieve the Global Goals. Together, these commitments and announcements are worth \$1.9 billion and are set to reach over 199 million people. 2016 also saw the expansion of the Festival to both Canada and India to support campaigns centered around Global Health and Water and Sanitation. At the September 2016 GC event in Montreal headlined by Usher and The Roots, actions taken supported the Canadian Government's efforts in partnership with the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria, raising \$12.9 billion which will positively affect 8 million lives. In the lead-in to the 2016 GC Festival in Mumbai which mixed a lineup of international and Indian superstars, 500,000 Global Citizens across India took actions resulting in \$5.93 billion committed to affect 503 million lives by 2030 in the areas of WASH, gender equality and education.

GlobalCitizen.org – By placing an emphasis on original written and video content, and working with key partners including Chime for Change and Johnson & Johnson, the site now provides a 365-day-a-year destination to take actions to help the world's poor and communicate with like-minded individuals to collectively solve the world's greatest challenges. Approximately 20 million users engage with content generated from the site on a monthly basis.

2. SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The classification of GC's net assets and its support, revenues, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the three classes of net assets – permanently restricted, temporarily restricted, and unrestricted – 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.

GLOBAL POVERTY PROJECT, INC. D/B/A GLOBAL CITIZEN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (continued)

These three classes are defined as follows:

- Permanently Restricted - Net assets resulting from contributions and other inflows of assets whose use by GC is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of GC.
- Temporarily Restricted - Net assets resulting from contributions and other inflows of assets whose use by GC is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of GC pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities. However, if a restriction is fulfilled in the same time period in which the contribution is received, GC reports the support as unrestricted.
- Unrestricted - The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

Contributions Receivable

Contributions receivable represent unconditional promises to give by donors. For the years ended December 31, 2016 and 2015, GC had contributions receivable of \$2,301,992 and \$882,432, respectively. GC has determined that no allowance for uncollectible contributions receivable is necessary as of December 31, 2016. 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. GC recognized bad debt expense of \$200,000 for the year ended December 31, 2015. There was no bad debt expense for the year ended December 31, 2016.

The carrying value of contributions receivable approximates net realizable value.

Property and Equipment

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

Website

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.

Advertising

GC expenses advertising costs as incurred. Advertising expense incurred for the years ended December 31, 2016 and 2015 was \$7,063,612 (including donated services of \$6,776,940) and \$4,611,664 (including donated services of \$4,333,521), respectively, and is included in professional fees in the statement of functional expenses.

Revenue Recognition

GC's revenue is derived primarily from private contributions, sponsorship and license fees, and contract fees.

- 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.
- Sponsorships - GC records sponsorships in the period in which the event or campaign takes place.

GLOBAL POVERTY PROJECT, INC. D/B/A GLOBAL CITIZEN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

- Contract fees - Fees are recognized as income when earned, which is when the respective service is complete.
- Restricted contributions - Contributions promised over a period of time, which are recognized when the promise is made.

Donated Goods and Services

GC receives contributed goods and services that are an integral part of its operations. Such goods and services are only recorded as in-kind contributions at their fair value, provided they meet the criteria for recognition. Such criteria includes contributions of services that (i) create or enhance non-financial assets or those that require specialized skills, (ii) are provided by individuals possessing those skills, and (iii) would typically need to be purchased if not provided by donation, and are recorded at their fair value in the period received. Donated goods and services received are estimated at \$7,250,009 and \$4,610,127 for the years ended December 31, 2016 and 2015, respectively, and are reflected as contributions in-kind income in the accompanying consolidated statement of activities. Included in this amount is \$6,776,940 and \$4,333,521 donated ad space for the years ended December 31, 2016 and 2015, respectively.

Deferred Rent

In accordance with U.S. GAAP, rent expense is recognized on a straight-line basis over the life of the lease, including future escalations of rent, rather than in accordance with lease payments. Deferred rent represents the adjustment to future rents as a result of using the straight-line method.

Functional Allocation of Expenses

Expenses that can be directly identified with the program or supporting service to which they relate are charged accordingly. Other expenses have been allocated among program and supporting services benefited utilizing salaries as the principal basis.

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.

Subsequent Events

GC has evaluated events through May 30, 2017, which is the date the consolidated financial statements were available to be issued.

Comparative Information

The 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 U.S. GAAP. Accordingly, such information should be read in conjunction with GC's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

Income Taxes

GC follows the accounting standard for uncertainty in income taxes. The standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the consolidated financial statements. It also provides guidance for derecognition, classification, interest and penalties, disclosure, and transition.

GLOBAL POVERTY PROJECT, INC. D/B/A GLOBAL CITIZEN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (continued)

Should there be interest on underpayments of income tax, GC would classify it as "Interest Expense." GC would classify penalties in connection with underpayments of tax as "Other Expense."

GC is subject to audit by tax authorities. GC believes that it has appropriate support for the positions taken on its tax returns. Nonetheless, were such an audit to occur, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities could differ materially from the amounts filed. Management believes that its nonprofit status would be sustained upon examination.

GC files federal and New York State informational returns. With few exceptions, GC is no longer subject to federal, state, or local income tax examinations for fiscal years before 2013.

Reclassification

Certain accounts in the December 31, 2015 financial statements have been reclassified to conform to the December 31, 2016 presentation.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued an accounting standards update which affects the revenue recognition of entities that enter into either (1) certain contracts to transfer goods or services to customers or (2) certain contracts for the transfer of nonfinancial assets. The update indicates an entity should recognize revenue in an amount that reflects the consideration the entity expects to be entitled to in exchange for the goods or services transferred by the entity. The update is to be applied to the beginning of the year of implementation or retrospectively and is effective for annual periods beginning after December 15, 2018 and in interim periods in annual periods beginning after December 15, 2019. Early application is permitted but no earlier than annual reporting periods beginning after December 31, 2016. GC is currently evaluating the effect the update will have on its financial statements.

In February 2015, the FASB issued an accounting standards update that amends existing requirements applicable to reporting entities that are required to evaluate whether certain legal entities should be consolidated. The update is effective on a modified or full retrospective basis for fiscal years beginning after December 15, 2016, and for interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted including for an interim period. GC is currently evaluating the effect the update will have on its financial statements.

In February 2016, the FASB issued an accounting standards update which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance sheet under current U.S. GAAP. Accounting by lessors remains largely unchanged from current U.S. GAAP. The update is effective using a modified retrospective approach for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020, with early application permitted. GC is currently evaluating the effect the update will have on its financial statements.

In August 2016, the FASB issued an accounting standards update which aims to improve information provided to creditors, donors, grantors, and others while also reducing complexity and costs. The update is the first phase of a project regarding not-for-profits which aims to improve and simplify net asset classification requirements and improve the information presented and disclosed in financial statements about liquidity, cash flows, and financial performance. The update is effective retrospectively for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018, with earlier application permitted. GC is currently evaluating the effect the update will have on its financial statements.

GLOBAL POVERTY PROJECT, INC. D/B/A GLOBAL CITIZEN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

3. PROPERTY AND EQUIPMENT AND WEBSITE

Property and equipment consist of the following as of December 31,:

	2016	2015	Estimated Useful Lives
Website	\$ 1,690,314	\$ 954,275	3 years
Furniture & equipment	13,540	4,484	3 years
Application software	106,435	-	3 years
	1,810,289	958,759	
Less: Accumulated depreciation and amortization	(590,935)	(123,037)	
	\$ 1,219,354	\$ 835,722	

Depreciation and amortization expense for the years ended December 31, 2016 and 2015 was \$469,755 and \$124,825, respectively.

4. COMMITMENTS

During 2013, GC moved into a new space located at 594 Broadway, New York. In conjunction with this lease, GC provided a security deposit of \$114,164. On July 1, 2015, the lease was amended and extended to June 30, 2017. On April 10, 2017, the lease was amended and extended to June 30, 2019. Rent expense for GC was \$530,727 and \$270,540 for the years ended December 31, 2016 and 2015, respectively. Future minimum lease payments are as follows:

2017	\$ 577,793
2018	595,127
2019	301,961
Total	\$ 1,474,881

5. LOANS PAYABLE

In 2012, loans were made to GC totaling \$530,233. The loans covered production costs of the 2012 Global Citizen Festival. The non-interest bearing loans matured on February 28, 2013, at which point the lenders had the option to discharge the outstanding principal if the aggregate amount of costs of the 2012 Global Citizen Festival exceeded the sum of the sponsorship and contributions. Even though costs of the 2012 Global Citizen Festival exceeded contributions and sponsorships, GC decided to inform the lenders that they would prefer to repay the loans and kept them as loans payable. In December 2014, one lender converted his loan to a contribution to GC in the amount of \$300,000. In 2015, another lender converted his loan to a contribution to GC in the amount of \$100,000 and GC repaid two other lenders a total of \$80,233. The remaining \$50,000 was forgiven in 2016.

GLOBAL POVERTY PROJECT, INC. D/B/A GLOBAL CITIZEN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at December 31,:

	2016	2015
Time restricted	\$ -	\$ 3,604,782
Purpose restricted - Economic Empowerment Program	186,802	-
Purpose restricted - Education Program	161,181	-
	<u>\$ 347,983</u>	<u>\$ 3,604,782</u>

Net assets of \$3,604,782 were released from restrictions by the passage of time, thus satisfying their restricted purposes during the year ended December 31, 2016.

7. CONCENTRATIONS

- A. 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.
- B. For the years ended December 31, 2016 and 2015, one donor contributed approximately 23% and one donor contributed approximately 32% of GC's total contributions, respectively.
- C. At December 31, 2016 and 2015, receivables from three donors amounted to approximately 76% and four donors amounted to approximately 88% of GC's total receivables, respectively.