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**GLOBAL POVERTY PROJECT, INC.**

## Independent Auditor's Report
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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors
Global Poverty Project, Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Global Poverty Project, Inc. (the “Organization”) and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2013, 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 and Global Poverty Project Limited, wholly-owned subsidiaries, whose statements reflect total assets constituting 15 percent of consolidated total assets at December 31, 2013 and total revenues constituting 14 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) and Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board, 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 and Global Poverty Project Limited, 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 and Global Poverty Project Limited, 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. and its subsidiaries as of December 31, 2013, 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, 2012 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 March 2, 2015. 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 7 percent of consolidated total assets at December 31, 2012 and total revenues constituting 13 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 hereon as of and for the year ended December 31, 2012, is consistent in all material aspects, with the audited financial statements from which it has been derived.
GLOBAL POVERTY PROJECT, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR DECEMBER 31, 2012)

The accompanying notes are an integral part of the consolidated financial statements.
GLOBAL POVERTY PROJECT, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR DECEMBER 31, 2012)

The accompanying notes are an integral part of the consolidated financial statements.
### GLOBAL POVERTY PROJECT, INC.

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR DECEMBER 31, 2012)

The accompanying notes are an integral part of the consolidated financial statements.
GLOBAL POVERTY PROJECT, INC.  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2013  
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR DECEMBER 31, 2012)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>(942,730)</td>
<td>693,531</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash used in operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>9,371</td>
<td>7,279</td>
</tr>
<tr>
<td>Loss on disposal of property and equipment</td>
<td>23,300</td>
<td>-</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>1,078,598</td>
<td>(1,940,986)</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>165,255</td>
<td>(73,886)</td>
</tr>
<tr>
<td>Security deposit</td>
<td>(263,595)</td>
<td>-</td>
</tr>
<tr>
<td>Deferred sublease income</td>
<td>-</td>
<td>(4,000)</td>
</tr>
<tr>
<td>Other assets</td>
<td>(94,784)</td>
<td>72,869</td>
</tr>
<tr>
<td><strong>NET CASH USED IN OPERATING ACTIVITIES</strong></td>
<td>(24,585)</td>
<td>(1,245,193)</td>
</tr>
</tbody>
</table>

| **CASH FLOWS FROM INVESTING ACTIVITIES** |            |            |
| Purchases of property and equipment | (1,793)    | (35,433)   |
| **NET CASH USED IN INVESTING ACTIVITIES** | (1,793)    | (35,433)   |

| **CASH FLOWS FROM FINANCING ACTIVITIES** |            |            |
| Proceeds from loans payable | -          | 530,233    |
| **NET CASH PROVIDED BY FINANCING ACTIVITIES** | -          | 530,233    |

| **NET DECREASE IN CASH** | (26,378)   | (750,393)  |

| **CASH - BEGINNING OF YEAR** | 751,558    | 1,501,951  |
| **CASH - END OF YEAR**       | 725,180    | 751,558    |

The accompanying notes are an integral part of the consolidated financial statements.
1. **NATURE OF ORGANIZATION**

Global Poverty Project, Inc. (“GPP”) was incorporated June 30, 2010. GPP 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. GPP 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, GPP 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 GPP as its sole member. The consolidated financial statements include the accounts of GPP and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

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

**Live Below the Line** – An experimental and fundraising campaign, the challenge is to spend 5 days living on the local equivalent of the extreme poverty line of $1.50 per day for all food and drink. The campaign provides participants with an insight into the lack of choices and opportunity faced by those living in extreme poverty, and the way that broken systems can trap hard working people. In 2013, over 12,100 people participated in Live Below the Line worldwide, raising over $2.4 million for 72 charity partners.

**Polio** – We are a proud partner of the Global Polio Eradication Initiative (“GPEI”), the international partnership that is tasked with ending Polio forever. GPP supports GPEI's efforts through high level advocacy, public communications, grassroots advocacy, and media engagements. In 2013, we supported international campaigning efforts in the lead up to the April 2013 vaccine summit in Abu Dhabi, which successfully raised $4.5 billion out of a total $5.5 billion needed for polio to be eradicated by 2018. We led or made major contributions to campaigning and public engagement in the UK, Canada, and Australia, which resulted in securing over $800 million from donor governments - to be distributed by the donor governments directly to the GPEI.

**Global Citizen Festival** – An advocacy event held in Central Park, New York. The 2013 Global Citizen Festival was a free ticketed event that featured performances from Stevie Wonder, Kings of Leon, Alicia Keys, John Mayer and others; as well as addresses from United Nations secretary general Ban Ki-Moon and World Bank president Jim Kong Kim. The festival is Global Poverty Project's pillar event where NGO's, corporations, and multilaterals can effectively come together and make announcements supporting the world's poor.

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 GPP’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.
2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

These three classes are defined as follows:

- **Permanently Restricted** – Net assets resulting from contributions and other inflows of assets whose use by GPP is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of GPP.

- **Temporarily Restricted** – Net assets resulting from contributions and other inflows of assets whose use by GPP is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of GPP 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.

- **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, 2013 and 2012, GPP had contributions receivable of $1,124,388 and $2,202,986, respectively. GPP has determined that no allowance for uncollectible contributions receivable is necessary as of December 31, 2013 and 2012. Such estimate is based on GPP’s assessment of the creditworthiness of its donors, the aged basis of its receivables, as well as current economic conditions and historical information.

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.

**Advertising**
GPP expenses advertising costs as incurred. Advertising expense incurred for the years ended December 31, 2013 and 2012 was $296 and $18,280, respectively.

**Revenue Recognition**
GPP’s revenue is derived primarily from private contributions, sponsorship and license fees, and contract fees.

- **Private contributions** - GPP 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** – GPP records sponsorships in the period in which the Global Festival that takes place.

- **Contract fees** - This represents the amounts charged to the Bill and Melinda Gates Foundation to provide The End of Polio Campaign services. Such fees are recognized as income when earned, which is when the respective service is complete.

- **Restricted contributions** – Contributions promised over a period of time. Contributions are recognized when the promise is made.
2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Goods and Services
GPP 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 $124,381 and $332,938 for the years ended December 31, 2013 and 2012, respectively, and are reflected as contributions in-kind income in the accompanying consolidated financial statements. Included in this amount are $124,381 of donated legal services for the year ended December 31, 2013, and donated legal services and donated equipment of $311,438 and $21,500, respectively, for the year ended December 31, 2012.

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.

Security Deposit
Security deposit consists of deposits with New York City Department of Parks and Recreation for use of the Great Lawn in Central Park for the Global Citizen Festival held every September and for space subleased during the year.

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
GPP has evaluated events through May 04, 2015, 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 the Organization’s financial statements for the year ended December 31, 2012, from which the summarized information was derived.

Income Taxes
GPP 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.

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

GPP is subject to audit by tax authorities. GPP 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.
2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (continued)
GPP files federal and New York State informational returns. With few exceptions, GPP is no longer subject to federal, state, or local income tax examinations for fiscal years before 2011.

Reclassifications
Certain accounts in the prior-year consolidated financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year consolidated financial statements. The reclassification amounts had no effect on previously reported changes in net assets.

3. CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following as of December 31:

<table>
<thead>
<tr>
<th>Amounts due in:</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>$1,124,388</td>
<td>$1,290,765</td>
</tr>
<tr>
<td>More than one year</td>
<td>0</td>
<td>912,221</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,124,388</strong></td>
<td><strong>$2,202,986</strong></td>
</tr>
</tbody>
</table>

4. COMMITMENTS

During 2013, GPP moved into a new space located at 594 Broadway, New York, New York and subleased space from an existing tenant. The sublease agreement requires rental payments of $10,000 per month. Rent expense for GPP was $121,363 and $53,600 for the years ended December 31, 2013 and 2012, respectively. Subsequent to year end, the lease was assigned to GPP and is set to terminate on June 30, 2015. Future minimum lease payments are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$256,552</td>
</tr>
<tr>
<td>2015</td>
<td>196,552</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$453,105</strong></td>
</tr>
</tbody>
</table>

5. LOANS PAYABLE

In 2012, loans were made to GPP totaling $530,233. The loans covered production costs of the 2012 Global Citizen Festival. The loans matured on February 28, 2013, at which point the lenders had the option to discharge the outstanding principal if the aggregate amount 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, GPP decided to inform the lenders that they would prefer to repay the loans and kept them as loans payable. Subsequent to year end, in December 2014, one lender converted his loan to a contribution to GPP in the amount of $300,000.
6. CONCENTRATIONS

A. Financial instruments that potentially subject GPP 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. GPP places its cash with high credit quality financial institutions. At times, cash deposits may be in excess of the FDIC limits.

B. For the year ended December 31, 2013, four donors contributed approximately 49% of GPP’s total contributions. For the year ended December 31, 2012, two donors contributed approximately 54% of GPP’s total contributions.

C. At December 31, 2013 and 2012, one receivable from a contributor to GPP amounted to approximately 81% and 95% of GPP’s total receivables, respectively.

7. NET ASSETS

Temporarily restricted net assets are time restricted and consist of a grant from the Bill and Melinda Gates Foundation for $912,221.

8. LITIGATION

In 2012, GPP commenced proceedings in the English High Court of Justice (in the United Kingdom) against Live Music Entertainment Ltd. regarding certain outstanding fees owed to GPP. GPP will not record any support and revenue on this until the matter is fully settled.