GLOBAL FINANCIAL INTEGRITY
(a nonprofit corporation)

FINANCIAL STATEMENTS

Year Ended December 31, 2015
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</tr>
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INDEPENDENT AUDITORS’ REPORT

The Board of Directors
Global Financial Integrity
Washington, DC

We have audited the accompanying financial statements of Global Financial Integrity (the Organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Comparative Information

The financial statements of the Organization as of December 31, 2014, were audited by other auditors whose report, dated March 12, 2015, expressed an unmodified opinion on those financial statements. We were not engaged to audit, review, or apply procedures to the 2014 financial statements of the Organization and, accordingly, we do not express an opinion or any other form of assurance on the 2014 financial statements as a whole.

Renner and Company, CPA, P.C.
Alexandria, Virginia
March 29, 2016
GLOBAL FINANCIAL INTEGRITY

STATEMENTS OF FINANCIAL POSITION
As of December 31, 2015 and 2014

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$1,272,825</td>
<td>$123,943</td>
</tr>
<tr>
<td>Grants and accounts receivable</td>
<td>110,040</td>
<td>280,224</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>8,990</td>
<td>21,408</td>
</tr>
<tr>
<td>Security deposit</td>
<td>22,628</td>
<td>22,628</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>16,802</td>
<td>26,884</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$1,431,285</td>
<td>$475,087</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$31,734</td>
<td>$28,597</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>1,033,032</td>
<td>370,172</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>1,064,766</td>
<td>398,769</td>
</tr>
</tbody>
</table>

| UNRESTRICTED NET ASSETS                     | 366,519    | 76,318     |

| TOTAL LIABILITIES AND NET ASSETS            | $1,431,285 | $475,087   |

See Accompanying Notes to Financial Statements.
GLOBAL FINANCIAL INTEGRITY

STATEMENTS OF ACTIVITIES
Years ended December 31, 2015 and 2014

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>$1,675,328</td>
<td>$ 674,787</td>
</tr>
<tr>
<td>Contractual services</td>
<td>56,587</td>
<td>480,613</td>
</tr>
<tr>
<td>Advocacy</td>
<td>-</td>
<td>9,314</td>
</tr>
<tr>
<td>Donated services</td>
<td>42,000</td>
<td>35,000</td>
</tr>
<tr>
<td>Contributions and other</td>
<td>5,287</td>
<td>23,571</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>1,779,202</td>
<td>1,223,285</td>
</tr>
</tbody>
</table>

|                      |         |         |
| **EXPENSES**         |         |         |
| Program services:    |         |         |
| Advocacy             | 447,023 | 752,073 |
| Research             | 963,855 | 420,158 |
| Total program services | 1,410,878 | 1,172,231 |
| Supporting services: |         |         |
| Management and general | 73,662 | 80,703 |
| Fundraising           | 4,461   | 57,929  |
| Total supporting services | 78,123 | 138,632 |
| **TOTAL EXPENSES**   | 1,489,001 | 1,310,863 |

| **CHANGE IN NET ASSETS** |         |         |
| 2015                    | 290,201  | (87,578) |

| **NET ASSETS, beginning of year** |         |         |
| 2015                                | 76,318   | 163,896  |

| **NET ASSETS, end of year**         |         |         |
| 2015                                | $366,519 | $ 76,318 |

See Accompanying Notes to Financial Statements.
GLOBAL FINANCIAL INTEGRITY

STATEMENTS OF CASH FLOWS
Years ended December 31, 2015 and 2014

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</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>$290,201</td>
<td>$87,578</td>
</tr>
<tr>
<td><strong>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>10,082</td>
<td>3,360</td>
</tr>
<tr>
<td>Changes in Operating Assets and Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and accounts receivable</td>
<td>170,184</td>
<td>(202,189)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>12,418</td>
<td>(15,105)</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>3,137</td>
<td>2,290</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>662,860</td>
<td>(161,591)</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>858,681</td>
<td>(373,235)</td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY (USED IN) BY OPERATING ACTIVITIES</strong></td>
<td>1,148,882</td>
<td>(460,813)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>-</td>
<td>(30,244)</td>
</tr>
<tr>
<td><strong>NET CASH USED IN FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>(30,244)</td>
</tr>
<tr>
<td><strong>NET INCREASE (DECREASE) IN CASH</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,148,882</td>
<td>(491,057)</td>
</tr>
<tr>
<td><strong>CASH, beginning of year</strong></td>
<td>123,943</td>
<td>615,000</td>
</tr>
<tr>
<td><strong>CASH, end of year</strong></td>
<td>$1,272,825</td>
<td>$123,943</td>
</tr>
</tbody>
</table>

See Accompanying Notes to Financial Statements.
GLOBAL FINANCIAL INTEGRITY

NOTES TO FINANCIAL STATEMENTS
Years ended December 31, 2015 and 2014

1. ORGANIZATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements are presented in accordance with accounting principles generally accepted in the United States for not-for-profit organizations. Under those principles, GFI is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted Net Assets represent resources that are not subject to donor-imposed stipulations and are available for operations at management’s discretion.

Temporarily Restricted Net Assets represent resources restricted by donors as to purpose or by the passage of time.

Permanently Restricted Net Assets represent resources whose use by GFI is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by action of GFI. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations.

GFI had no temporarily or permanently restricted net assets at December 31, 2015 and 2014.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting. Consequently, revenues are recognized when earned and expenses when obligations are incurred.
GLOBAL FINANCIAL INTEGRITY

NOTES TO FINANCIAL STATEMENTS
Years ended December 31, 2015 and 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Presentation of Financial Statements

These financial statements reflect the financial results of GFI’s activities for the years ended December 31, 2015 and 2014.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses and their functional allocation during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For financial statement purposes, GFI considers highly liquid investments with an original maturity of three months or less as cash equivalents. Cash amounts are held by GFI in non-interest bearing checking accounts and a money market account used to fund operations and program activities. Certain grant monies totaling $1,045,672 at December 31, 2015 and $0 at December 31, 2014 were held in separate non-interest bearing checking accounts as required by the grant agreements.

Grants and Accounts Receivable

Receivables consist primarily of amounts billed to various governments and other organizations for services performed under contracts and grants, which are all due in less than one year and are stated at their net realizable value. Receivables considered delinquent, based on periodic reviews by management and determined to be uncollectible, will be reserved as a result of individual credit evaluation and specific circumstances. At December 31, 2015 and 2014, management estimates that all receivables are fully collectible. Therefore, no allowance for doubtful accounts has been recognized at December 31, 2015 and 2014.
GLOBAL FINANCIAL INTEGRITY

NOTES TO FINANCIAL STATEMENTS
Years ended December 31, 2015 and 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment acquisitions are recorded in the financial statements at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

- Computer equipment and software: 3 years
- Furniture and fixtures: 5 years
- Leasehold improvements: Life of Lease

GFI's policy is to capitalize major additions and improvements over $3,000. Repairs and maintenance which do not significantly add to the value of assets are expensed as incurred.

At December 31, 2015 and 2014 GFI held depreciable property and equipment consisting of computer software/website as follows:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property and equipment</td>
<td>$30,244</td>
<td>$30,244</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(13,442)</td>
<td>(3,360)</td>
</tr>
<tr>
<td></td>
<td>$16,802</td>
<td>$26,884</td>
</tr>
</tbody>
</table>

Income Taxes

GFI is exempt from federal and local income taxes under Section 501(c)(3) of the Internal Revenue Code on any net income derived from activities related to its exempt purpose. This code section enables GFI to accept donations that qualify as charitable contributions to the donor. GFI is subject to tax on net income from unrelated business activities. For the years ended December 31, 2015 and 2014, GFI did not recognize income tax expense in the accompanying financial statements as there was no unrelated business taxable income.

GFI is not aware of any activities that would jeopardize its tax-exempt status that would require recognition in the accompanying financial statements, pursuant to Accounting Standards Codification (ASC) for Income Taxes. Generally, tax returns are subject to examination by taxing authorities for up to three years from the date a completed return is filed. If there are material omissions of income, tax returns may be subject to examination for up to six years. It is GFI's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense. As of December 31, 2015 and 2014, GFI did not recognize a liability as there were no uncertain tax positions.
2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Grants and Contracts

Grants and contract revenues are reported as exchange transactions and recognized when the qualifying costs are incurred. Amounts received in advance of qualifying costs incurred are reported as deferred revenue.

Contributions and Other

Contributions are recognized as revenue when received or promised as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions. Revenue from all other sources is recognized in the period earned.

Donated Services

Donated services are recorded at fair value if the donated services create or enhance a nonfinancial asset or require specialized skills that the providers possess and that normally would have to be purchased. Donated services for the years ended December 31, 2015 and 2014 included executive services. These services were reflected in the accompanying statements of activities as donated services.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited.

Foreign Currency Transactions

Transactions denominated in foreign currency are converted into GFI's reporting currency, the U.S. dollar, on the date of the transaction. Transaction gains and losses are included in the statements of activities and were not significant for the years ended December 31, 2015 and 2014.
GLOBAL FINANCIAL INTEGRITY

NOTES TO FINANCIAL STATEMENTS
Years ended December 31, 2015 and 2014

3. CONCENTRATIONS OF CREDIT RISK

GFI maintains bank deposits with a commercial financial institution that, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) limits. At December 31, 2015 and 2014 deposits in excess of FDIC limits totaled $1,026,839 and $0, respectively. GFI monitors the creditworthiness of the institution and has not experienced any credit losses on its bank deposits, nor does it expect to experience any such losses.

4. DEFERRED REVENUE

Deferred revenue at December 31, 2015 and 2014 was comprised of the following:

<table>
<thead>
<tr>
<th>Source</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ford Foundation</td>
<td>$ -</td>
<td>$ 220,141</td>
</tr>
<tr>
<td>Norway Ministry of Foreign Affairs</td>
<td>940,084</td>
<td>-</td>
</tr>
<tr>
<td>Finland Ministry of Foreign Affairs</td>
<td>7,955</td>
<td>-</td>
</tr>
<tr>
<td>Financial Transparency Coalition</td>
<td>27,896</td>
<td>-</td>
</tr>
<tr>
<td>Government of Spain</td>
<td>55,191</td>
<td>150,031</td>
</tr>
<tr>
<td>Denmark Embassy of Ghana</td>
<td>1,906</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 1,033,032</strong></td>
<td><strong>$ 370,172</strong></td>
</tr>
</tbody>
</table>
5. **GRANTS AND CONTRACTS REVENUE**

Grants and contract revenues recognized for the years ended December 31, 2015 and 2014 were derived from the following sources:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grants</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Norway Ministry of Foreign Affairs</td>
<td>$745,808</td>
<td>$222,503</td>
</tr>
<tr>
<td>Finland Ministry of Foreign Affairs</td>
<td>285,820</td>
<td>-</td>
</tr>
<tr>
<td>Ford Foundation</td>
<td>220,141</td>
<td>177,123</td>
</tr>
<tr>
<td>Financial Transparency Coalition</td>
<td>154,002</td>
<td>-</td>
</tr>
<tr>
<td>DANIDA</td>
<td>-</td>
<td>87,141</td>
</tr>
<tr>
<td>Government of Spain</td>
<td>94,840</td>
<td>41,108</td>
</tr>
<tr>
<td>Denmark Embassy of Ghana</td>
<td>111,833</td>
<td>96,912</td>
</tr>
<tr>
<td>IBAHRI</td>
<td>32,884</td>
<td>-</td>
</tr>
<tr>
<td>FACT Coalition</td>
<td>30,000</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>Total Grants</strong></td>
<td>$1,675,328</td>
<td>$674,787</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contracts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research Council of Norway</td>
<td>$11,587</td>
<td>$95,838</td>
</tr>
<tr>
<td>InterAmerican Development Bank</td>
<td>-</td>
<td>67,926</td>
</tr>
<tr>
<td>United Nations Development Program</td>
<td>-</td>
<td>26,884</td>
</tr>
<tr>
<td>OXFAM</td>
<td>45,000</td>
<td>-</td>
</tr>
<tr>
<td>Nigeria Ministry of Finance</td>
<td>-</td>
<td>275,000</td>
</tr>
<tr>
<td>Ethical Research Institute</td>
<td>-</td>
<td>9,965</td>
</tr>
<tr>
<td>Core Labs</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total Contracts</strong></td>
<td>$56,587</td>
<td>$480,613</td>
</tr>
</tbody>
</table>

6. **DEFINED CONTRIBUTION PLAN**

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

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

Employer contributions totaled $18,562 and $19,500 for the years ended December 31, 2015 and 2014, respectively.
GLOBAL FINANCIAL INTEGRITY

NOTES TO FINANCIAL STATEMENTS
Years ended December 31, 2015 and 2014

7. COMMITMENTS

Operating Lease

GFI has a six-year lease for the office space where it resides. The lease expires December 31, 2019, and future minimum lease payments, exclusive of additional operating costs, are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$129,410</td>
</tr>
<tr>
<td>2017</td>
<td>132,645</td>
</tr>
<tr>
<td>2018</td>
<td>135,961</td>
</tr>
<tr>
<td>2019</td>
<td>139,360</td>
</tr>
<tr>
<td>Total</td>
<td>$537,376</td>
</tr>
</tbody>
</table>

Total rent expense incurred under operating leases was $134,596 and $136,409 for the years ended December 31, 2015 and 2014, respectively.

8. RELATED PARTY TRANSACTIONS

GFI paid a board member $4,800 for rendering program services unrelated to his board service during the year ended December 31, 2015.

9. SUBSEQUENT EVENTS

In preparing these financial statements, GFI has evaluated events and transactions for potential recognition or disclosure through March 29, 2016, the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, these financial statements.