

GLOBAL DISCIPLES

**YEARS ENDED
JUNE 30, 2021 AND 2020**



CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

A Professional Corporation

GLOBAL DISCIPLES

YEARS ENDED JUNE 30, 2021 AND 2020

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Independent Auditor's Report

Board of Directors
Global Disciples
Lancaster, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of Global Disciples (a nonprofit Organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 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 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 June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Brown Schultz Steindam's Fritz

Lancaster, Pennsylvania
February 3, 2022

GLOBAL DISCIPLES

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets:		
Cash	\$ 2,897,701	\$ 1,037,204
Receivables:		
Contributions	280,198	77,231
Other	20,200	16,744
Employee advances	62,700	
Investments	801,197	490,547
Prepaid expenses	3,330	3,330
	<u>4,065,326</u>	<u>1,625,056</u>
Total current assets		
Equipment	283,212	88,112
Leasehold improvements	84,837	84,837
	<u>368,049</u>	<u>172,949</u>
Less accumulated depreciation	162,876	138,284
	<u>205,173</u>	<u>34,665</u>
Cash restricted for retirement of international employees	58,919	54,444
Security deposit	799	799
	<u>59,718</u>	<u>55,243</u>
Total assets	<u>\$ 4,330,217</u>	<u>\$ 1,714,964</u>

See notes to financial statements.

GLOBAL DISCIPLES

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

LIABILITIES AND NET ASSETS

	<u>2021</u>	<u>2020</u>
Liabilities:		
Accounts payable	\$ 43,740	\$ 30,681
Accrued expenses	<u>323,448</u>	<u>244,330</u>
Total liabilities	<u>367,188</u>	<u>275,011</u>
Net assets:		
Without donor restrictions:		
Board designated, Generosity Fund	45,305	43,611
Board designated, GDT Alliance Fund	214,017	
Undesignated	<u>3,401,289</u>	<u>1,054,357</u>
	3,660,611	1,097,968
With donor restrictions	<u>302,418</u>	<u>341,985</u>
Total net assets	<u>3,963,029</u>	<u>1,439,953</u>
Total liabilities and net assets	<u><u>\$ 4,330,217</u></u>	<u><u>\$ 1,714,964</u></u>

See notes to financial statements.

GLOBAL DISCIPLES

STATEMENTS OF ACTIVITIES YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Changes in net assets without donor restrictions:		
Revenue and other support:		
Contributions:		
Grants	\$ 50,000	\$ 398,400
Other	6,755,368	4,447,247
Special events		19,980
Multiplication fund	24,508	
Honorariums	900	4,698
Investment income	91,464	19,554
	<u>6,922,240</u>	<u>4,889,879</u>
Total revenue and other support		
	6,922,240	4,889,879
Net assets released from restrictions	449,530	665,165
	<u>449,530</u>	<u>665,165</u>
Total unrestricted revenue and other support	<u>7,371,770</u>	<u>5,555,044</u>
Expenses:		
Program expenses:		
Global disciple training	1,927,189	1,808,164
Leadership development	820,573	710,259
Small business development	586,520	693,234
Other	580,188	1,030,802
	<u>3,914,470</u>	<u>4,242,459</u>
Total program expenses		
	3,914,470	4,242,459
Supporting services:		
Management and general	448,525	486,285
Fundraising	446,132	465,105
	<u>894,657</u>	<u>951,390</u>
Total supporting expenses		
	894,657	951,390
Other expenses, loss on sale of assets		65,564
		<u>65,564</u>
Total expenses	<u>4,809,127</u>	<u>5,259,413</u>

(continued)

GLOBAL DISCIPLES

STATEMENTS OF ACTIVITIES (CONTINUED) YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Change in net assets without donor restrictions	\$ 2,562,643	\$ 295,631
Changes in net assets with donor restrictions:		
Contributions:		
GDT Alliance	66,347	133,183
Micro-Business development	57,661	29,251
Leadership development	15,000	59,372
Staff support	240,955	314,828
Legacy funds	30,000	53,500
Net assets released from restrictions	<u>(449,530)</u>	<u>(665,165)</u>
Change in net assets with donor restrictions	<u>(39,567)</u>	<u>(75,031)</u>
Change in net assets	2,523,076	220,600
Net assets:		
Beginning of year	<u>1,439,953</u>	<u>1,219,353</u>
End of year	<u><u>\$ 3,963,029</u></u>	<u><u>\$ 1,439,953</u></u>

See notes to financial statements.

GLOBAL DISCIPLES

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2021

	Programs				Total programs	Supporting services		Total expenses
	Global disciple training program	Leadership development program	Small business development program	Other program		Management and general	Fundraising	
Salaries	\$ 979,374	\$ 385,790	\$ 267,395	\$ 288,099	\$ 1,920,658	\$ 254,323	\$ 272,963	\$ 2,447,944
Benefits and taxes	241,801	95,249	66,018	71,130	474,198	102,395	82,843	659,436
Professional fees	28,592	11,263	7,806	8,411	56,072	13,535	8,827	78,434
Supplies and operating expenses	163,048	64,227	44,516	47,963	319,754	54,668	53,875	428,297
Occupancy	22,698	8,941	6,197	6,677	44,513	10,276	6,732	61,521
Travel	67,722	26,677	18,490	19,922	132,811	2,351	7,817	142,979
Meetings	181,889	84,119	87,398	40,596	394,002	7,639	11,215	412,856
Program seed funds	242,065	144,307	88,700		475,072			475,072
Insurance				7,353	7,353	2,728	1,779	11,860
Miscellaneous				90,037	90,037	610	81	90,728
	\$ 1,927,189	\$ 820,573	\$ 586,520	\$ 580,188	\$ 3,914,470	\$ 448,525	\$ 446,132	\$ 4,809,127

See notes to financial statements.

GLOBAL DISCIPLES

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2020

	Programs				Total programs	Supporting services		Total expenses
	Global disciple training program	Leadership development program	Small business development program	Other program		Management and general	Fundraising	
Salaries	\$ 901,015	\$ 371,823	\$ 237,596	\$ 266,547	\$ 1,776,981	\$ 257,670	\$ 256,716	\$ 2,291,367
Benefits and taxes	237,164	97,871	62,540	70,160	467,735	102,088	99,332	669,155
Professional fees	52,493	21,662	13,842	15,529	103,526	34,670	7,662	145,858
Supplies and operating expenses	85,177	35,150	22,461	43,841	186,629	27,927	35,565	250,121
Occupancy	25,361	10,466	6,688	7,503	50,018	13,691	7,092	70,801
Travel	71,957	29,695	18,975	21,287	141,914	1,036	16,089	159,039
Meetings	138,490	44,892	88,750	549,623	821,755	46,035	41,103	908,893
Program seed funds	296,507	98,700	242,382		637,589			637,589
Insurance				6,634	6,634	2,782	1,284	10,700
Miscellaneous				49,678	49,678	386	262	50,326
	\$ 1,808,164	\$ 710,259	\$ 693,234	\$ 1,030,802	\$ 4,242,459	\$ 486,285	\$ 465,105	\$ 5,193,849

See notes to financial statements.

GLOBAL DISCIPLES

STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 2,523,076	\$ 220,600
Adjustments:		
Depreciation	24,592	14,471
Donated asset		(322,000)
Loss on disposal of equipment		65,564
Unrealized gain on investments	(68,171)	(2,101)
Realized gain on investments	(9,067)	(5,603)
Change in:		
Receivables:		
Contributions	(202,967)	25,139
Other	(3,456)	(4,040)
Employee advances	(62,700)	
Accounts payable	13,059	(3,904)
Accrued expenses	79,118	42,699
Total adjustments	(229,592)	(189,775)
Net cash provided by operating activities	2,293,484	30,825
Cash flows from investing activities:		
Proceeds from sale of asset		260,000
Purchase of equipment	(195,100)	(23,147)
Proceeds from sale of investments	19,429	278,883
Purchase of investments	(252,841)	(130,476)
Net cash provided by (used in) investing activities	(428,512)	385,260
Net increase in cash	1,864,972	416,085
Cash:		
Beginning	1,091,648	675,563
Ending	\$ 2,956,620	\$ 1,091,648
Reconciliation to cash:		
Cash	\$ 2,897,701	\$ 1,037,204
Restricted cash	58,919	54,444
Total cash	\$ 2,956,620	\$ 1,091,648
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 6,678	\$ 813

See notes to financial statements.

GLOBAL DISCIPLES

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2021 AND 2020

1. Nature of activities and summary of significant accounting policies:

Description of the Organization:

Global Disciples (the Organization) is incorporated under the Pennsylvania Nonprofit Corporation Law. The Organization receives support primarily from individuals and other not-for-profit organizations with a similar focus (the Alliance).

The board approved merging the operations of Global Disciples Foundation (the Foundation), a related entity, with the Organization effective January 1, 2017. The Foundation remains a separate organization with its own governing body, but the Foundation's operations are inactive as a result of the merger, and all employees of the Foundation are now considered employees of the Organization.

Activities:

Training and education – The Organization links with other like-minded organizations to provide various formal and non-formal training and educational options, which equip individuals and groups with the understanding and skills necessary to relate and communicate cross-culturally, to study or work internationally or to live responsibly as global citizens.

The 10% Funds of Global Disciples (the 10% Funds) – The Organization has made a commitment, through these funds, to give at least 10% of all unrestricted general contributions received by the Organization to other organizations that have a similar focus to one of the three areas that the Organization has identified as priority globally: cross-cultural training, micro-business development in least advantaged areas and leadership development. The two funds discussed below receive a percentage of the 10% Funds:

The Alliance Fund is the vehicle for receiving and dispersing the 10% Funds from general contributions applied toward the cross-cultural training activities of the Organization. Through June 30, 2021, substantially all recipients of these Grant Funds related to the GDT Alliance. All member programs of the GDT Alliance contribute 2% or more of their program budget to this fund as well. The balance of the funding of this program comes from the general fund of the Organization and donor restricted contributions. The funds are used as seed funds to help launch new cross-cultural training programs, for micro-business development and for program leadership development, travel and mentoring.

The Generosity Fund receives a small portion of the 10% Funds which are made available for new initiatives, special projects or immediate urgent needs of organizations and individuals closely affiliated with the Alliance.

Basis of accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

GLOBAL DISCIPLES

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2021 AND 2020

1. Nature of activities and summary of significant accounting policies (continued):

Financial statement presentation:

Financial statement presentation follows the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Organization is required to present a statement of cash flows.

Cash and cash equivalents:

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments:

Investments are carried at fair value. Investments in mutual funds with readily determinable fair values are valued at their quoted market price. Unrealized gains and losses are included in the change in net assets without donor restrictions.

Equipment, leasehold improvements and depreciation:

These assets are stated at cost, or fair value at date of donation, and depreciated using straight-line and accelerated methods over the estimated useful lives of the assets, which for leasehold improvements includes the optional renewal periods. The Organization capitalizes equipment and leasehold improvement acquisitions in excess of \$5,000.

Revenue recognition:

The Organization generates revenue from contributions and grants.

The Organization determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with the customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, they satisfy a performance obligation

GLOBAL DISCIPLES

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2021 AND 2020

1. Nature of activities and summary of significant accounting policies (continued):

Revenue recognition:

Contributions:

The Organization receives contributions from various entities and individuals. Contributions are considered non-exchange transactions and are recognized as revenue when received or pledged, barring any conditions placed on the contributions. Contributions are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence of donor restrictions. Support that is restricted by the donor is reported as an increase in donor restricted net assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purposes restriction is accomplished, donor restricted net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restriction.

Grants:

The Organization evaluates grant funds when they are received to determine if they are an exchange transaction or non-exchange transaction. For grants that come with specific performance obligations, the Organization will recognize the revenue when those performance obligations are met. The Organization tracks the progress on each of these performance obligations so it knows when to recognize the revenue.

Functional classification of expenses:

Natural expenses attributable to more than one functional expense category are allocated using management's estimate of staff time spent on each program, management and general and fundraising service. Program costs were allocated based upon the anticipated program activity for each specific program.

Use of estimates:

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income tax status:

The Organization has been recognized as exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state statutes and files Form 990, *Return of Organization Exempt from Income Tax*, on an annual basis.

GLOBAL DISCIPLES

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2021 AND 2020

1. Nature of activities and summary of significant accounting policies (continued):

Recently issued accounting standards:

Leases:

FASB Accounting Standards Update (ASU) 2016-02, *Leases*, is effective for the Organization's 2023 year end and requires that all leases with terms of more than 12 months be recognized as assets and liabilities on the statement of financial position. Recognition of these lease assets and lease liabilities represents a change from previous GAAP, which did not require lease assets and lease liabilities to be recognized for operating leases. Qualitative disclosures along with specific quantitative disclosures will be required to provide enough information to supplement the amounts recorded in the financial statements so that users can understand more about the nature of an entity's leasing activities.

The Organization will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach, which includes a number of optional practical expedients that the Organization may elect to apply. At adoption, the Organization will recognize a right-of-use asset and a lease liability initially measured at the present value of its operating lease payments. The Organization is currently evaluating the impacts of adopting this guidance on its financial position, results of operations and cash flows.

2. Adoption of new accounting pronouncement:

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* Accounting Standard Codification (ASC-606), which amends previous guidance. The core principle of ASC-606 is that any entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additionally, the guidance requires improved disclosures to help users of financial statements better understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Effective July 1, 2020, the Organization adopted ASU 2014-09 using the full retrospective method applied to those contracts which were not completed as of June 30, 2020. There was no quantitative impact as a result of adopting ASU 2014-09.

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NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2021 AND 2020

3. Financial assets and liquidity resources:

As of June 30, 2021 and 2020, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, payments of liabilities and purchases of property and equipment were as follows:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash	\$ 2,897,701	\$ 1,037,204
Receivables:		
Contributions	280,198	77,231
Other	20,200	16,744
Investments	<u>801,197</u>	<u>490,547</u>
 Total financial assets	 3,999,296	 1,621,726
 Net assets with donor restrictions, time restricted for legacy fund	 (302,418)	 (341,985)
Board designations for Generosity Fund	(214,017)	
Board designations for GDT Alliance Fund	<u>(45,305)</u>	<u>(43,611)</u>
 Total financial assets available within one year	 <u><u>\$ 3,437,556</u></u>	 <u><u>\$ 1,236,130</u></u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due.

4. Line of credit:

The Organization has a \$150,000 line of credit which is renewable annually. It accrues interest at 3.25% and is secured by the assets of the Organization. There was no outstanding balance at June 30, 2021 and 2020.

5. Investments:

The Legacy Fund was opened during the fiscal year ended June 30, 2017. Global Disciples will withdraw 20% of the original year's contributions of \$155,936 plus any accrued interest, per year, for the next five years for the purpose of providing seed funds for the Organization to launch new training programs. Additional contributions to the funds will also be withdrawn at a rate of 20% per year plus any accrued interest. The fair value of the Legacy Fund at June 30, 2021 and 2020 was \$565,065 and \$334,288, respectively. During the year ended June 30, 2021 and 2020, contributions to the Legacy Fund were \$170,000 and \$30,000, and withdrawals were \$69,567 and \$125,000, respectively.

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NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2021 AND 2020

5. Investments (continued):

The following table represents the total investments held at June 30:

	2021		
	Cost	Fair value	Unrealized appreciation (depreciation)
Fixed income mutual funds	\$ 463,112	\$ 472,299	\$ 9,187
Equity mutual funds	199,147	263,430	64,283
Other	55,068	65,468	10,400
Total investments	\$ 717,327	\$ 801,197	\$ 83,870
	2020		
	Cost	Fair value	Unrealized appreciation (depreciation)
Fixed income mutual funds	\$ 275,424	\$ 288,683	\$ 13,259
Equity mutual funds	159,438	162,169	2,731
Other	39,986	39,695	(291)
Total investments	\$ 474,848	\$ 490,547	\$ 15,699

The following schedule summarizes the investment income in the accompanying statement of activities for the years ended June 30, 2021 and 2020:

	2021	2020
Interest and dividends, net of fees	13,995	\$ 11,850
Realized/unrealized gain	77,469	7,704
Investment income	\$ 91,464	\$ 19,554

The Organization records its investments at fair value. As such, unrealized gains referred to above are recognized in the accompanying statements of activities.

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NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2021 AND 2020

6. Fair value measurements:

The Organization follows FASB ASC 820, *Fair Value Measurement*, which defines fair value, establishes a framework for measuring fair value in GAAP and requires expanded disclosures about fair value measurements. FASB ASC 820 establishes a hierarchy that ranks the quality and reliability of inputs, or assumptions, used in the determination of fair value and requires financial assets carried at fair value to be classified and disclosed in one of the following three categories:

Level 1 – Quoted prices in active markets for identical assets.

Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.). The Organization does not hold any Level 2 investments.

Level 3 – Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments). The Organization does not hold any Level 3 investments.

All Organization investments are classified as Level 1 investments for the years ended June 30, 2021 and 2020.

See Note 1 for a description of the valuation methodologies used for assets carried at fair value.

7. Retirement plan:

The Organization has a retirement plan which covers all employees (U.S.-based and international) meeting certain age and service requirements. Contributions to the plan are based on 8% of eligible compensation. Contributions totaled \$173,747 and \$171,039 for the years ended June 30, 2021 and 2020, respectively.

Retirement contributions for U.S.-based employees are funded currently to a qualified defined contribution retirement plan. Retirement contributions for international employees are held as restricted cash. Interest earned on these restricted funds accrue for the benefit of the international employees until the staff member terminates employment with the Organization. At that time, the employee's allocated share will be forwarded to the staff member.

8. Office rent:

The Organization rented office space under a lease agreement which called for monthly payments of \$1,282, ending in September 2020. In September 2020, the Organization signed a five-year lease extension for the rented office space which calls for current monthly payments of \$1,314. The monthly rental increases by 2.5% in September of each year. In addition to the monthly lease, the Organization is responsible for paying the taxes, insurance and maintenance of the building.

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NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2021 AND 2020

8. Office rent (continued):

In August 2010, the Organization signed an agreement for additional office space. This agreement was a five-year lease, which called for monthly payments of \$866. The monthly rental increased by 3% in September of each year. This lease contained one five-year renewal option. In September 2015, the Organization exercised the option to renew the lease for five years. This lease ended in September 2020.

Rent expense totaled \$46,054 and \$48,616 for the years ended June 30, 2021 and 2020, respectively.

The future minimum lease payments under the lease agreements are as follows:

2022	\$ 16,102
2023	16,505
2024	16,918
2025	17,341
2026	<u>2,902</u>
Total	<u>\$ 69,768</u>

9. Net assets with donor restrictions:

Net assets with donor restrictions as of June 30, 2021 and 2020 are restricted for the following purposes:

	<u>2021</u>	<u>2020</u>
Time restriction for Legacy Fund	<u>\$ 302,418</u>	<u>\$ 341,985</u>

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NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2021 AND 2020

10. Net assets released from restrictions:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or as a result of the expiration of time restrictions.

	<u>2021</u>	<u>2020</u>
Staff support	\$ 240,955	\$ 314,828
Time restriction expired for Legacy Funds	69,567	128,531
Micro-Business development	57,661	29,251
Leadership development	15,000	59,372
GDT Alliance	<u>66,347</u>	<u>133,183</u>
	<u>\$ 449,530</u>	<u>\$ 665,165</u>

11. Related party transactions and balances:

At times, the Organization holds banquets at a facility that is owned by a board member. The total paid to the facility was \$14,706 in 2020. There were no banquets held at the facility in 2021.

In October 2020, the Organization made an advance to an employee for \$30,000 for the purpose of building an office. The Organization made an additional advance to the same employee for \$36,000 for rent. The repayments started in January 2021 and are being made by salary deduction over a ten-year period at the monthly rate of \$250 and \$300, respectively.

12. Concentrations:

As of June 30, 2021 and 2020, one and two contributors accounted for 48% and 69% of the Organization's total contributions receivable, respectively. These contributors were foundations that released donor-advised funds on behalf of multiple individual contributors.

For the year ended June 30, 2021, one contributor accounted for 16% of the Organization's total revenues. This contributor was a foundation that released donor-advised funds representing multiple individual contributors. For the year ended June 30, 2020, there were no concentrations.

The Organization maintains cash balances at three financial institutions where the balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2021 and 2020, cash balances exceeded the FDIC limit by \$2,725,386 and \$732,015, respectively.

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NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2021 AND 2020

13. Paycheck Protection Program:

The Paycheck Protection Program was established under the CARES Act on March 27, 2020, and was designed to provide cash-flow assistance to small businesses including certain not-for-profit organizations. This program provides relief as a result of the Coronavirus pandemic with loan funds to pay up to 24 weeks of payroll costs, including fringe benefits, rent and utilities commencing on the date of loan origination. The Paycheck Protection Program is a loan program that is guaranteed in its entirety through the Small Business Administration and offers a maturity of two years and an interest rate of one percent (1%). The principal amount of the loan may be partially or fully forgiven if the loan funds are utilized in a manner consistent with the allowable use of loan proceeds.

The Organization applied for and received loan proceeds totaling \$398,400 in April 2020. As of June 30, 2020, the full amount was recognized as grant income since the conditions upon which the loan proceeds were provided had been substantially met, including all of the qualified expenses being incurred prior to June 30, 2020. The loan was fully forgiven in January 2021.

14. Risks and uncertainties:

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in China. The World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern" and characterized COVID-19 as a pandemic. The U.S. government has also implemented enhanced screenings, quarantine requirements and travel restrictions in connection with the COVID-19 outbreak. The spread of this virus has caused business disruption to the Organization beginning in March 2020, due to state government-imposed shutdowns of businesses and other results of the illness. While the Organization expects this matter may negatively impact its results, the extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related travel advisories and restrictions and the impact of COVID-19 on overall demand for the Organization's services, all of which are highly uncertain and cannot be predicted.

15. Subsequent events:

The Organization has evaluated its June 30, 2021 financial statements for subsequent events through February 3, 2022, the date which the financial statements were available to be issued.