

GLOBAL DISCIPLES

YEARS ENDED
JUNE 30, 2022 AND 2021



CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

A Professional Corporation

GLOBAL DISCIPLES

YEARS ENDED JUNE 30, 2022 AND 2021

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Independent Auditor's Report

Board of Directors
Global Disciples
Lancaster, Pennsylvania

Opinion

We have audited the accompanying financial statements of Global Disciples (a nonprofit Organization), which comprise the statements of financial position as of June 30, 2022 and 2021 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Global Disciples and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance; and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Global Disciples' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Global Disciples' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Brown Schultz Steindler & Fritz

Lancaster, Pennsylvania
January 11, 2023

GLOBAL DISCIPLES

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets:		
Cash	\$ 2,641,862	\$ 2,897,701
Receivables:		
Contributions	207,942	280,198
Other	25,450	20,200
Employee advances	56,100	62,700
Investments	1,187,315	801,197
Prepaid expenses	3,330	3,330
	<u>4,121,999</u>	<u>4,065,326</u>
Total current assets		
Equipment	470,791	283,212
Leasehold improvements	84,837	84,837
	<u>555,628</u>	<u>368,049</u>
Less accumulated depreciation	240,111	162,876
	<u>315,517</u>	<u>205,173</u>
Cash restricted for retirement of international employees	43,119	58,919
Security deposit	799	799
	<u>43,918</u>	<u>59,718</u>
Total assets	<u><u>\$ 4,481,434</u></u>	<u><u>\$ 4,330,217</u></u>

See notes to financial statements.

GLOBAL DISCIPLES

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

LIABILITIES AND NET ASSETS

	<u>2022</u>	<u>2021</u>
Liabilities:		
Accounts payable	\$ 52,519	\$ 43,740
Accrued expenses	<u>328,554</u>	<u>323,448</u>
Total liabilities	<u>381,073</u>	<u>367,188</u>
Net assets:		
Without donor restrictions:		
Board designated, Generosity Fund	52,464	45,305
Board designated, GDT Alliance Fund	478,507	214,017
Undesignated	<u>3,358,468</u>	<u>3,401,289</u>
	3,889,439	3,660,611
With donor restrictions	<u>210,922</u>	<u>302,418</u>
Total net assets	<u>4,100,361</u>	<u>3,963,029</u>
Total liabilities and net assets	<u><u>\$ 4,481,434</u></u>	<u><u>\$ 4,330,217</u></u>

See notes to financial statements.

GLOBAL DISCIPLES

STATEMENTS OF ACTIVITIES YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Changes in net assets without donor restrictions:		
Revenue and other support:		
Contributions:		
Grants		\$ 50,000
Other	\$ 5,972,881	6,755,368
Multiplication fund	31,911	24,508
Honorariums	4,052	900
Investment income (loss)	<u>(165,980)</u>	<u>91,464</u>
Total revenue and other support	5,842,864	6,922,240
Net assets released from restrictions	<u>467,348</u>	<u>449,530</u>
Total unrestricted revenue and other support	<u>6,310,212</u>	<u>7,371,770</u>
Expenses:		
Program expenses:		
Global disciple training	2,460,247	1,927,189
Leadership development	1,034,842	820,573
Small business development	839,276	586,520
Other	<u>701,927</u>	<u>580,188</u>
Total program expenses	<u>5,036,292</u>	<u>3,914,470</u>
Supporting services:		
Management and general	528,546	448,525
Fundraising	<u>516,546</u>	<u>446,132</u>
Total supporting expenses	<u>1,045,092</u>	<u>894,657</u>
Total expenses	<u>6,081,384</u>	<u>4,809,127</u>
Change in net assets without donor restrictions	<u>228,828</u>	<u>2,562,643</u>

(continued)

GLOBAL DISCIPLES

STATEMENTS OF ACTIVITIES (CONTINUED)
YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Changes in net assets with donor restrictions:		
Contributions:		
GDT Alliance	\$ 49,440	\$ 66,347
Micro-Business development	30,088	57,661
Leadership development	5,747	15,000
Staff support	257,200	240,955
Salesforce project	23,377	
Legacy funds	10,000	30,000
Net assets released from restrictions	<u>(467,348)</u>	<u>(449,530)</u>
Change in net assets with donor restrictions	<u>(91,496)</u>	<u>(39,567)</u>
Change in net assets	137,332	2,523,076
Net assets:		
Beginning of year	<u>3,963,029</u>	<u>1,439,953</u>
End of year	<u><u>\$ 4,100,361</u></u>	<u><u>\$ 3,963,029</u></u>

See notes to financial statements.

GLOBAL DISCIPLES

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Programs				Supporting services			Total expenses
	Global disciple training program	Leadership development program	Small business development program	Other programs	Total programs	Management and general	Fundraising	
Salaries	\$ 1,078,879	\$ 458,388	\$ 318,777	\$ 327,537	\$ 2,183,581	\$ 288,307	\$ 271,419	\$ 2,743,307
Benefits and taxes	271,260	115,252	80,150	82,352	549,014	107,248	90,247	746,509
Professional fees	36,252	15,403	10,712	11,006	73,373	14,051	9,172	96,596
Supplies and operating expenses	209,709	95,434	69,453	61,896	436,492	92,578	77,831	606,901
Occupancy	28,421	12,075	8,397	8,628	57,521	17,941	10,623	86,085
Travel	308,619	165,970	133,778	81,269	689,636	1,957	19,631	711,224
Meetings	255,278	131,970	135,970	59,671	582,889	3,862	35,782	622,533
Program seed funds	271,829	40,350	82,039		394,218			394,218
Insurance				7,420	7,420	2,508	1,797	11,725
Miscellaneous				62,148	62,148	94	44	62,286
	<u>\$ 2,460,247</u>	<u>\$ 1,034,842</u>	<u>\$ 839,276</u>	<u>\$ 701,927</u>	<u>\$ 5,036,292</u>	<u>\$ 528,546</u>	<u>\$ 516,546</u>	<u>\$ 6,081,384</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 programs		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
	<u>\$ 1,927,189</u>	<u>\$ 820,573</u>	<u>\$ 586,520</u>	<u>\$ 580,188</u>	<u>\$ 3,914,470</u>	<u>\$ 448,525</u>	<u>\$ 446,132</u>	<u>\$ 4,809,127</u>

See notes to financial statements.

GLOBAL DISCIPLES

STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 137,332	\$ 2,523,076
Adjustments:		
Depreciation	77,235	24,592
Unrealized (gain) loss on investments	204,793	(68,171)
Realized gain on investments	(11,298)	(9,067)
Change in:		
Receivables:		
Contributions	72,256	(202,967)
Other	(5,250)	(3,456)
Employee advances	6,600	(62,700)
Accounts payable	8,779	13,059
Accrued expenses	5,106	79,118
	358,221	(229,592)
Net cash provided by operating activities	495,553	2,293,484
Cash flows from investing activities:		
Purchase of equipment	(187,579)	(195,100)
Proceeds from sale of investments	157,161	19,429
Purchase of investments	(736,774)	(252,841)
	(767,192)	(428,512)
Net cash used in investing activities	(767,192)	(428,512)
Net increase (decrease) in cash	(271,639)	1,864,972
Cash:		
Beginning	2,956,620	1,091,648
Ending	\$ 2,684,981	\$ 2,956,620
Reconciliation to financial statements:		
Cash	\$ 2,641,862	\$ 2,897,701
Cash restricted for retirement of international employees	43,119	58,919
Total cash	\$ 2,684,981	\$ 2,956,620
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 14,371	\$ 6,678

See notes to financial statements.

GLOBAL DISCIPLES

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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, 2022, 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.

GLOBAL DISCIPLES

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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

Basis of accounting:

The financial statements have been prepared on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized in the account period in which the liability is incurred.

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.

GLOBAL DISCIPLES

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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

Revenue recognition:

The Organization generates revenue from contributions and grants.

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, 2022 AND 2021

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 evaluating the impacts of adopting this guidance on its financial position and results of operations.

2. Adoption of new accounting pronouncement:

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures for Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard will require contributed nonfinancial assets to be a separate line item in the statement of activities and enhanced disclosures. The required disclosures include a disaggregation of the amount of contributed nonfinancial assets recognized in the statement of activities by category that depicts the type of contributed nonfinancial assets and for each category of contributed nonfinancial assets: 1) qualitative information regarding utilization or monetization of the contributed nonfinancial assets, 2) the programs or activities the contributed nonfinancial assets were utilized for, 3) the entity's policy for monetizing rather than utilizing contributed nonfinancial assets (if applicable), 4) a description of any donor-imposed restrictions on the nonfinancial assets, 5) a description of the valuation techniques and inputs used to arrive at the fair market value assigned to the contributed nonfinancial assets and 6) the principal market used to arrive at a fair value measure if it is a market in which the recipient not-for-profit is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial asset.

Effective July 1, 2021, Global Disciples adopted ASU 2020-07 using the full retrospective method. There was no quantitative impact as a result of adopting ASU 2020-07.

GLOBAL DISCIPLES

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

3. Financial assets and liquidity resources:

As of June 30, 2022 and 2021, 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>2022</u>	<u>2021</u>
Financial assets:		
Cash	\$ 2,641,862	\$ 2,897,701
Receivables:		
Contributions	207,942	280,198
Other	25,450	20,200
Investments	<u>1,187,315</u>	<u>801,197</u>
Total financial assets	4,062,569	3,999,296
Net assets with donor restrictions, time restricted for legacy fund	(210,922)	(302,418)
Board designations for:		
GDT Alliance Fund	(478,507)	(214,017)
Generosity Fund	<u>(52,464)</u>	<u>(45,305)</u>
Total financial assets available within one year	<u>\$ 3,320,676</u>	<u>\$ 3,437,556</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 4.00% and is secured by the assets of the Organization. There was no outstanding balance at June 30, 2022 and 2021.

GLOBAL DISCIPLES

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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, 2022 and 2021 was \$434,457 and \$565,065, respectively. During the year ended June 30, 2022 and 2021, contributions to the Legacy Fund were \$10,000 and \$30,000, and withdrawals were \$101,496 and \$69,567, respectively.

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

	2022		
	Cost	Fair value	Unrealized appreciation (depreciation)
Fixed income mutual funds	\$ 750,001	\$ 679,615	\$ (70,386)
Equity mutual funds	428,453	388,417	(40,036)
Other	129,784	119,283	(10,501)
	\$ 1,308,238	\$ 1,187,315	\$ (120,923)
	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
	\$ 717,327	\$ 801,197	\$ 83,870

GLOBAL DISCIPLES

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

5. Investments (continued):

The following schedule summarizes the investment income in the accompanying statement of activities for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Interest and dividends, net of fees	\$ 27,515	\$ 13,995
Realized gain	11,298	9,067
Unrealized gain (loss)	<u>(204,793)</u>	<u>68,402</u>
Investment income	<u><u>\$ (165,980)</u></u>	<u><u>\$ 91,464</u></u>

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

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, 2022 and 2021.

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

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NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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 \$175,354 and \$173,747 for the years ended June 30, 2022 and 2021, 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.

In September 2021, the Organization signed an agreement for additional office space. This agreement was a four-year lease, which called for monthly payments of \$919. The monthly rental increases by 3% in September of each year.

Total office rent expense totaled \$63,235 and \$46,054 for the years ended June 30, 2022 and 2021, respectively.

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

2023	\$ 27,814
2024	28,566
2025	29,338
2026	<u>4,911</u>
Total	<u>\$ 90,629</u>

GLOBAL DISCIPLES

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

9. Net assets with donor restrictions:

Net assets with donor restrictions as of June 30, 2022 and 2021 are restricted for the following purposes:

	<u>2022</u>	<u>2021</u>
Time restriction for Legacy Fund	<u>\$ 210,922</u>	<u>\$ 302,418</u>

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>2022</u>	<u>2021</u>
Staff support	\$ 257,200	\$ 240,955
Time restriction expired for Legacy Funds	101,496	69,567
Micro-Business development	30,088	57,661
Leadership development	5,747	15,000
GDT Alliance	49,440	66,347
Salesforce project	23,377	
	<u>\$ 467,348</u>	<u>\$ 449,530</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 \$5,152 in 2022. 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, 2022 and 2021, two and one contributors accounted for 39% and 48% of the Organization's total contributions receivable, respectively. For 2021, the contributor was a foundation that released donor-advised funds on behalf of multiple individual contributors.

GLOBAL DISCIPLES

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

12. Concentrations (continued):

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, 2022, 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, 2022 and 2021, cash balances exceeded the FDIC limit by \$2,313,673 and \$2,725,386, respectively.

13. Subsequent events:

The Organization has evaluated its June 30, 2022 financial statements for subsequent events through January 11, 2023, the date which the financial statements were available to be issued.