

**GLOBAL DISCIPLES**

**YEARS ENDED  
JUNE 30, 2024 AND 2023**



**Brown Plus**

ACCOUNTANTS + ADVISORS

# **GLOBAL DISCIPLES**

YEARS ENDED JUNE 30, 2024 AND 2023

## TABLE OF CONTENTS

	Page
Independent auditor's report	1-2
Financial statements:	
Statements of financial position	3-4
Statements of activities	5-6
Statements of functional expenses	7-8
Statements of cash flows	9
Notes to financial statements	10-17

## 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, 2024 and 2023 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, 2024 and 2023, 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 Plus*

Lancaster, Pennsylvania  
January 21, 2025

## GLOBAL DISCIPLES

### STATEMENTS OF FINANCIAL POSITION JUNE 30, 2024 AND 2023

#### ASSETS

	<u>2024</u>	<u>2023</u>
<b>Current assets:</b>		
Cash	\$ 2,557,276	\$ 1,597,384
Receivables:		
Contributions	284,474	370,054
Other	18,620	25,450
Employee advances	47,630	49,500
Investments	1,239,977	1,156,742
Prepaid expenses	<u>22,683</u>	<u>17,502</u>
<b>Total current assets</b>	<b><u>4,170,660</u></b>	<b><u>3,216,632</u></b>
Equipment	512,532	516,172
Leasehold improvements	<u>100,833</u>	<u>100,833</u>
	613,365	617,005
Less accumulated depreciation	<u>483,080</u>	<u>342,932</u>
	<u>130,285</u>	<u>274,073</u>
Cash restricted for retirement of international employees	5,015	64,968
Security deposit	799	799
Right-of-use asset, operating, net of accumulated amortization	<u>32,523</u>	<u>58,983</u>
	<u>38,337</u>	<u>124,750</u>
<b>Total assets</b>	<b><u><u>\$ 4,339,282</u></u></b>	<b><u><u>\$ 3,615,455</u></u></b>

See notes to financial statements.

## GLOBAL DISCIPLES

### STATEMENTS OF FINANCIAL POSITION JUNE 30, 2024 AND 2023

#### LIABILITIES AND NET ASSETS

	<u>2024</u>	<u>2023</u>
<b>Current Liabilities:</b>		
Accounts payable	\$ 215,657	\$ 176,759
Accrued expenses	472,252	388,717
Current portion of operating lease liability	<u>28,481</u>	<u>26,406</u>
<b>Total current liabilities</b>	<b>716,390</b>	<b>591,882</b>
Long-term portion of operating lease liability	<u>4,902</u>	<u>33,382</u>
<b>Total liabilities</b>	<b><u>721,292</u></b>	<b><u>625,264</u></b>
<b>Net assets:</b>		
Without donor restrictions:		
Board designated, Generosity Fund	51,972	64,818
Board designated, GDT Alliance Fund	137,494	183,074
Undesignated	<u>3,349,275</u>	<u>2,592,435</u>
	3,538,741	2,840,327
With donor restrictions	<u>79,249</u>	<u>149,864</u>
<b>Total net assets</b>	<b><u>3,617,990</u></b>	<b><u>2,990,191</u></b>
<b>Total liabilities and net assets</b>	<b><u><u>\$ 4,339,282</u></u></b>	<b><u><u>\$ 3,615,455</u></u></b>

See notes to financial statements.

## GLOBAL DISCIPLES

### STATEMENTS OF ACTIVITIES YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<b>Changes in net assets without donor restrictions:</b>		
Revenue and other support:		
Contributions	\$ 8,001,121	\$ 6,487,234
Multiplication fund	56,006	45,055
Honorariums	5,211	7,680
Investment income	119,734	50,715
Gain on disposal of equipment		<u>11,831</u>
Total revenue and other support	8,182,072	6,602,515
Net assets released from restrictions	<u>426,300</u>	<u>426,327</u>
<b>Total unrestricted revenue and other support</b>	<b><u>8,608,372</u></b>	<b><u>7,028,842</u></b>
<b>Expenses:</b>		
Program expenses:		
Global disciple training	3,465,930	3,649,772
Leadership development	1,073,042	1,173,926
Small business development	1,136,560	1,199,947
Other	<u>863,489</u>	<u>840,410</u>
Total program expenses	<u>6,539,021</u>	<u>6,864,055</u>
Supporting services:		
Management and general	746,898	646,557
Fundraising	<u>624,039</u>	<u>567,342</u>
Total supporting expenses	<u>1,370,937</u>	<u>1,213,899</u>
<b>Total expenses</b>	<b><u>7,909,958</u></b>	<b><u>8,077,954</u></b>
<b>Change in net assets without donor restrictions</b>	<b><u>698,414</u></b>	<b><u>(1,049,112)</u></b>

(continued)

## GLOBAL DISCIPLES

### STATEMENTS OF ACTIVITIES (CONTINUED) YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<b>Changes in net assets with donor restrictions:</b>		
Contributions:		
GDT Alliance	\$ 92,827	\$ 64,669
Micro-Business development	14,921	37,799
Leadership development	28,660	34,381
Staff support	219,277	228,420
Net assets released from restrictions	<u>(426,300)</u>	<u>(426,327)</u>
<b>Change in net assets with donor restrictions</b>	<b><u>(70,615)</u></b>	<b><u>(61,058)</u></b>
<b>Change in net assets</b>	<b>627,799</b>	<b>(1,110,170)</b>
<b>Net assets:</b>		
Beginning of year	<u>2,990,191</u>	<u>4,100,361</u>
<b>End of year</b>	<b><u>\$ 3,617,990</u></b>	<b><u>\$ 2,990,191</u></b>

See notes to financial statements.

## **GLOBAL DISCIPLES**

### STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2024

	<u>Programs</u>				Total programs	<u>Supporting services</u>		Total expenses
	Global disciple training program	Leadership development program	Small business development program	Other programs		Management and general	Fundraising	
Salaries	\$ 1,317,233	\$ 514,811	\$ 495,111	\$ 410,674	\$ 2,737,829	\$ 406,919	\$ 313,172	\$ 3,457,920
Benefits and taxes	345,576	135,043	129,875	107,726	718,220	138,602	101,199	958,021
Professional fees	82,818	32,367	31,129	25,820	172,134	46,184	20,866	239,184
Supplies and operating expenses	292,045	112,398	112,963	87,624	605,030	137,928	112,934	855,892
Occupancy	22,010	8,602	8,273	6,862	45,747	8,389	7,732	61,868
Travel	317,801	132,259	130,747	80,294	661,101	832	18,415	680,348
Meetings	376,162	136,628	150,991	89,425	753,206	3,821	46,229	803,256
Program seed funds	712,285	934	77,471	1,633	792,323			792,323
Insurance				7,145	7,145	2,268	1,928	11,341
Miscellaneous				46,286	46,286	1,955	1,564	49,805
	<b><u>\$ 3,465,930</u></b>	<b><u>\$ 1,073,042</u></b>	<b><u>\$ 1,136,560</u></b>	<b><u>\$ 863,489</u></b>	<b><u>\$ 6,539,021</u></b>	<b><u>\$ 746,898</u></b>	<b><u>\$ 624,039</u></b>	<b><u>\$ 7,909,958</u></b>

See notes to financial statements.

## **GLOBAL DISCIPLES**

### STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2023

	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	\$ 1,192,728	\$ 489,513	\$ 417,318	\$ 370,287	\$ 2,469,846	\$ 362,969	\$ 285,626	\$ 3,118,441
Benefits and taxes	289,888	118,936	101,119	89,942	599,885	119,503	88,432	807,820
Professional fees	75,688	31,064	27,715	23,498	157,965	25,245	21,257	204,467
Supplies and operating expenses	304,871	122,930	111,584	87,303	626,688	125,114	101,011	852,813
Occupancy	20,933	8,591	7,302	6,499	43,325	9,506	7,425	60,256
Travel	501,039	189,578	198,685	118,059	1,007,361	827	19,460	1,027,648
Meetings	469,355	166,375	209,791	88,401	933,922	1,340	42,386	977,648
Program seed funds	795,270	46,939	126,433	2,081	970,723			970,723
Insurance				6,468	6,468	2,053	1,745	10,266
Miscellaneous				47,872	47,872			47,872
	<b>\$ 3,649,772</b>	<b>\$ 1,173,926</b>	<b>\$ 1,199,947</b>	<b>\$ 840,410</b>	<b>\$ 6,864,055</b>	<b>\$ 646,557</b>	<b>\$ 567,342</b>	<b>\$ 8,077,954</b>

See notes to financial statements.

## GLOBAL DISCIPLES

### STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
<b>Cash flows from operating activities:</b>		
Change in net assets	<u>\$ 627,799</u>	<u>\$(1,110,170)</u>
Adjustments:		
Depreciation	143,788	146,712
Gain on sale of equipment		(11,831)
Amortization of right-of-use asset	26,460	25,254
Unrealized gain on investments	(106,769)	(28,403)
Realized loss on investments	42,460	14,322
Change in:		
Receivables:		
Contributions	85,580	(162,112)
Other	6,830	
Employee advances	1,870	6,600
Prepaid expenses	(5,181)	(14,172)
Accounts payable	38,898	124,240
Accrued expenses	83,535	60,163
Operating lease liability, principal	<u>(26,405)</u>	<u>(24,448)</u>
Total adjustments	<u>291,066</u>	<u>136,325</u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>918,865</u></b>	<b><u>(973,845)</u></b>
<b>Cash flows from investing activities:</b>		
Purchase of equipment		(119,340)
Insurance proceeds on stolen equipment		25,902
Proceeds from sale of investments	530,748	261,011
Purchase of investments	<u>(549,674)</u>	<u>(216,357)</u>
<b>Net cash used in investing activities</b>	<b><u>(18,926)</u></b>	<b><u>(48,784)</u></b>
<b>Net increase (decrease) in cash</b>	<b>899,939</b>	<b>(1,022,629)</b>
<b>Cash:</b>		
Beginning	<u>1,662,352</u>	<u>2,684,981</u>
Ending	<b><u>\$ 2,562,291</u></b>	<b><u>\$ 1,662,352</u></b>
<b>Reconciliation to financial statements:</b>		
Cash	\$ 2,557,276	\$ 1,597,384
Cash restricted for retirement of international employees	<u>5,015</u>	<u>64,968</u>
<b>Total cash</b>	<b><u>\$ 2,562,291</u></b>	<b><u>\$ 1,662,352</u></b>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 35,626	\$ 28,279

See notes to financial statements.

# **GLOBAL DISCIPLES**

## **NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2024 AND 2023**

### **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, 2024, 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 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 statements of cash flows.

# GLOBAL DISCIPLES

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2024 AND 2023

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

#### *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.

#### *Accounts receivable:*

The Organization carries accounts receivable at the outstanding balance reduced by estimated credit losses. The Organization periodically reviews the accounts receivable and charges off balances that are deemed to be uncollectible. Utilizing the loss-rate method, the allowance for doubtful accounts is calculated based on historical experience and management's evaluation of outstanding accounts receivable at the end of each year. Any amounts charged off are first applied to the reserve and then any additional, if applicable, expense is recorded. Management has determined that no allowance for doubtful accounts was deemed necessary as of June 30, 2024 and 2023.

#### *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.

#### 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 statements 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.

## **GLOBAL DISCIPLES**

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2024 AND 2023

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

##### *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.

##### *Leases:*

The Organization combines and accounts for lease and nonlease components as a single lease component for leases of office space. The discount rate related to the Organization's lease liability for office space is based on the Organization's incremental borrowing rate. The Organization has elected the short-term lease exception to not recognize leases with a lease term of 12 months or less on the statements of financial position.

##### *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.

#### **2. Adoption of new accounting pronouncement:**

On July 1, 2023, the Organization adopted Accounting Standards Update (ASU) 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASC 326). This standard replaced the incurred loss methodology that is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions and reasonable and supportable forecasts, and generally applies to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses.

The Organization adopted ASC 326 and all related subsequent amendments thereto effective July 1, 2023 using the modified retrospective approach for all financial assets measured at amortized cost and off-balance sheet credit exposures. The change resulted in improved disclosures.

## **GLOBAL DISCIPLES**

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2024 AND 2023

#### **3. Financial assets and liquidity resources:**

As of June 30, 2024 and 2023, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, payments of liabilities and purchases of property and equipment, were as follows:

	2024	2023
Financial assets:		
Cash	\$ 2,557,276	\$ 1,597,384
Receivables:		
Contributions	284,474	370,054
Other	18,620	25,450
Investments	1,239,977	1,156,742
 Total financial assets	 4,100,347	 3,149,630
 Net assets with donor restrictions, time restricted for legacy fund	 (79,249)	 (149,864)
Board designations for:		
GDT Alliance Fund	(137,494)	(183,074)
Generosity Fund	(51,972)	(64,818)
 Total financial assets available within one year	 \$ 3,831,632	 \$ 2,751,874

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 8.25% and is secured by the assets of the Organization. There was no outstanding balance at June 30, 2024 and 2023.

#### **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, 2024 and 2023 was \$328,567 and \$371,179, respectively. During the year ended June 30, 2023, there were no contributions to the Legacy Fund and withdrawals were \$61,058. During the year ended June 30, 2024, there were no contributions to the Legacy Fund and withdrawals were \$68,532.

## GLOBAL DISCIPLES

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2024 AND 2023

#### 5. Investments (continued):

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

	2024		
	Cost	Fair value	Unrealized appreciation (depreciation)
Fixed income mutual funds	\$ 543,568	\$ 507,683	\$ (35,885)
Equity mutual funds	559,710	611,671	51,961
Other	122,451	120,624	(1,827)
Total investments	<u>\$ 1,225,729</u>	<u>\$ 1,239,978</u>	<u>\$ 14,249</u>
	2023		
	Cost	Fair value	Unrealized appreciation (depreciation)
Fixed income mutual funds	\$ 743,075	\$ 661,418	\$ (81,657)
Equity mutual funds	388,387	385,396	(2,991)
Other	117,800	109,928	(7,872)
Total investments	<u>\$ 1,249,262</u>	<u>\$ 1,156,742</u>	<u>\$ (92,520)</u>

The following schedule summarizes the investment income in the accompanying statements of activities for the years ended June 30, 2024 and 2023:

	2024	2023
Interest and dividends, net of fees	\$ 55,425	\$ 36,634
Realized loss	(42,460)	(14,322)
Unrealized gain	106,769	28,403
Investment income	<u>\$ 119,734</u>	<u>\$ 50,715</u>

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

## GLOBAL DISCIPLES

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2024 AND 2023

#### 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, 2024 and 2023.

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

#### 7. Leases:

The Organization leases office space. The resulting obligation arising from these contracts is generated by the office space lease, which is classified as an operating lease. The Organization recognizes lease expense on a straight-line basis over the term of the lease, taking into account, when applicable, lessor incentives for tenant improvements, periods where no rent payment is required and escalations in rent payments over the term of the lease. The remaining term for the office space lease is 14 months. The Organization's lease agreement does not contain any material residual value guarantees, material restrictive covenants or renewal options. As of June 30, 2024, the lease liability and corresponding right-of-use asset, net of amortization, reflected on the statement of financial position were \$33,383 and \$32,523, respectively.

The weighted-average discount rate and lease term assumptions used in determining the liability are 4.75% and 1.09 years, respectively. The primary assumption used to determine the discount rate was the Organization's incremental borrowing rate at January 1, 2022, when the Organization adopted ASU 2016-02.

The following table shows the right-of-use assets and lease liabilities, and the associated financial statement line items, as of June 30, 2024:

Lease-related assets and liabilities	Financial statement line items	2024
Right-of-use assets:		
Operating leases	Right-of-use asset, operating, net of accumulated amortization	<u>\$ 32,523</u>
Lease liabilities:		
Operating leases	Operating lease liability, current portion	\$ 28,481
	Operating lease liability, net of current portion	<u>4,902</u>
Total lease liabilities		<u>\$ 33,383</u>

Amortization and interest expense on the lease totaled \$28,619 during the year ended June 30, 2024.

## GLOBAL DISCIPLES

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2024 AND 2023

#### 7. Leases (continued):

Future minimum payments under the operating lease are as follows:

<u>Year ended June 30,</u>	<u>Amount</u>
2025	\$ 29,338
2026	<u>4,911</u>
Total future undiscounted lease payments	34,249
Present value discount	<u>(866)</u>
Lease liability	<u><u>\$ 33,383</u></u>

#### 8. Retirement plan:

The Organization has a retirement plan which covers all employees (U.S.-based and international) meeting certain service requirements. Contributions to the plan are based on 8% of eligible compensation. Contributions totaled \$220,088 and \$206,669 for the years ended June 30, 2024 and 2023, 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.

#### 9. Net assets with donor restrictions:

Net assets with donor restrictions as of June 30, 2024 and 2023 are restricted for the following purposes:

	<u>2024</u>	<u>2023</u>
Time restriction for Legacy Fund	<u>\$ 79,249</u>	<u>\$ 149,864</u>

## GLOBAL DISCIPLES

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2024 AND 2023

#### 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>2024</u>	<u>2023</u>
Staff support	\$ 219,277	\$ 228,420
Time restriction expired for Legacy Funds	70,615	61,058
Micro-Business development	14,921	37,799
Leadership development	28,660	34,381
GDT Alliance	<u>92,827</u>	<u>64,669</u>
	<u>\$ 426,300</u>	<u>\$ 426,327</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 during the years ended June 30, 2024 and 2023 was \$14,911 and \$23,550, respectively.

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, 2024 and 2023, four and three contributors accounted for 46% and 56% of the Organization's total contributions receivable, respectively. For 2024 and 2023, one contributor was a foundation that released donor-advised funds on behalf of multiple individual contributors.

For the year ended June 30, 2024 and 2023, one contributor accounted for 10% and 12%, respectively, of the Organization's total revenues. In 2024, the contributor was an individual. In 2023, the contributor was a foundation that released donor-advised funds representing multiple individual contributors.

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, 2024 and 2023, cash balances exceeded the FDIC limit by \$2,128,333 and \$1,151,163, respectively.

#### 13. Subsequent events:

The Organization has evaluated its June 30, 2024 financial statements for subsequent events through January 21, 2025, the date which the financial statements were available to be issued.