
Audit Report Global Action U.S. Operations

Year Ended 9/30/2018

John J. Russo, CPA

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John J. Russo CPA
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To the Board of Directors Global Action, U.S. Operations

I have audited the accompanying financial statements of Global Action U.S. Operations, which comprise the Statement of Financial Position (Balance Sheet) as of September 30, 2018, and the Statement of Activities for the year then ended, and the related notes to the financial statements.

Management's Responsibility for Financial Statements

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

Auditors' Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. This audit was conducted in accordance with auditing standards generally accepted in the United States of America. Those standards require that the audit is planned and performed so as to obtain reasonable assurance about whether the financial statements do not contain 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for the following opinion.

Unqualified Opinion

In my opinion the financial statements referred to above present fairly, in all material respects, the financial position of Global Action U.S. Operations as of September 30, 2018, and the changes in net assets for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of the Global Action as of September 30, 2017, were audited by John J. Russo CPA whose report dated August 1, 2018 expressed an unqualified opinion on those statements. The Financial Statements for periods prior to Year End 9/30/17 were audited by other Auditors and those reports are available at Global Action's web-site no Opinion on those statements is expressed in this report.

A handwritten signature in black ink that reads "John J. Russo". The signature is written in a cursive style with a horizontal line through the middle of the letters.

John J. Russo, CPA
05/22/19

Global Action (U.S.)
Statement of Activities
Years Ended 09/30/2018 and 09/30/2017

	9/30/2018	9/30/2017
Income		
Contributions		
Contributions	\$ 410,588	\$ 417,682
Golf Donations	66,567	39,412
Donated Stock	-	95
Gifts In Kind	47,956	17,309
Short-Term Team Contribution	<u>71,750</u>	<u>13,081</u>
Total Contributions	\$ 596,861	\$ 487,587
Earned & Other Income		
Earned Income	\$ 2,933	\$ 20,727
Financial Income	44	56
Gain on Disposal of Asset	<u>408</u>	<u>-</u>
Total Earned & Other Income	<u>3,385</u>	<u>20,782</u>
Total Income	\$ 600,246	\$ 508,360
Expenses		
Personnel & Labor		
Taxable Compensation	\$ 122,008	\$ 125,410
Benefits	27,468	16,194
Employer's Taxes & Ins.	<u>8,762</u>	<u>12,930</u>
Total Personnel & Labor	\$ 158,238	\$ 154,534
Operations		
Program Expense	\$ 219,969	\$ 3,012
Professional Services	35,046	32,147
Donor Development	29,092	28,444
Staff development	1,657	467
Travel Expense	33,291	21,879
Occupancy Expense	7,996	10,227
Office Expense	4,022	8,076
Insurance	260	6,595
Financial Expense	8,470	5,887
Information Technology	11,135	4,034
Organizational Expenses	<u>9,582</u>	<u>4,177</u>
Total Operations Expenses	360,520	124,945
Total Expenses	\$ 518,758	\$ 279,479
Transfers for Program Expenses	-	166,100
Total Expenses and Transfers	\$ 518,758	\$ 445,579
Increase/Decrease in Net Assets	\$ 81,488	\$ 62,781
Net Assets Beginning of the Year	44,892	(17,889)
Net Assets End of the Year	\$ 126,380	\$ 44,892

Global Action (U.S.)
Statement of Financial Position
As of 09/30/2018 and 09/30/2017

	9/30/2018	9/30/2017
Assets		
Current Assets		
Cash & Cash Equivalents	\$ 93,877	\$ 120,898
Receivables	-	-
Other Current Assets	399	1,306
Total Current Assets	<u>\$ 94,276</u>	<u>\$ 122,204</u>
Long Term Assets		
Furniture & Fixtures (net)	\$ -	\$ -
Equipment (net)	-	-
Curriculum (net)	46,244	42,339
Total Assets	<u>\$ 140,520</u>	<u>\$ 164,543</u>
Liabilities		
Current Liabilities		
Accounts Payable	\$ 6,102	\$ 9,007
Accrued Payroll Liabilities	5,710	5,254
Loan from Prior Officer	-	6,000
Other Current Liabilities	\$ 2,328	\$ 3,577
Total Current Liabilities	<u>14,140</u>	<u>23,838</u>
Long-Term Liabilities		
Line of Credit	\$ -	\$ -
Loan from Prior Officer	-	95,813
Total Liabilities	<u>\$ 14,140</u>	<u>\$ 119,651</u>
Net Assets		
Unrestricted NA	\$ 79,969	\$ (24,528)
Temporarily Restricted NA	46,411	69,420
Total Net Assets	<u>\$ 126,380</u>	<u>\$ 44,892</u>
Total Liabilities & Net Assets	<u>\$ 140,520</u>	<u>\$ 164,543</u>

Basis of Presentation – The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, which represents the expendable resources that are available for operations at management’s discretion; temporarily restricted net assets, which represents resources restricted by the donors purpose or by the passage of time; and permanently restricted net assets, which represents resources whose use by the organization is limited by donor-imposed stipulations and that do not expire by passage of time. The Organization currently has no permanently restricted assets.

Revenue Recognition – Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions. Contributions are reported as restricted support if they are received with donor restrictions limiting their use for designated purposes. Contributions received with restrictions are regularly used for the purpose designated by the donor less a fee of 25 % (a decrease from 33%, prior to FY2017), for administrative and organizational expenses.

Although Global Actions’ Bylaws permit re-classification of Donor restrictions to assure that funds will be used to carry out the corporation's tax-exempt purposes (standard practice for Non-Profit Accounting), Global Action has not exercised those stated rights. Global Action has honored donors’ intent and in fact has used Unrestricted Net Assets to further Donors’ goals and intentions. During FY2018, a net of \$82,561 of unrestricted net assets was used to fund Program Expenses.

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

Cash and Cash Equivalents – The Organization considers all highly liquid investments with a maturity of three months or less at the purchase date to be cash and cash equivalents.

Property and Equipment – Property and equipment are recorded at cost or, if donated, at the fair value at the date of donation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which range from five to forty years for buildings and improvements and three to seven years for furnishings and equipment. All acquisitions of property and equipment in excess of \$1,000 and expenditures for repairs, maintenance, and improvements that materially extend the useful lives of assets are capitalized.

Use of Estimates – Preparation of the Organization’s financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Tax Status – The Organization is exempt from federal incomes taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction.

The Organization believes that it does not have any uncertain tax positions that are material to the consolidated financial statements. Tax years that remain subject to examination include 2015 through the current period.

Subsequent Events – The Organization has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors Report, which is the date of issuance of the financial statements.

2. INTERNATIONAL OPERATIONS

Global Action US reimburses its member organizations for expenses they incur in fulfillment of their Ministries. These expenses are paid through both unrestricted and temporary restricted donations. Members provide regular monthly accounting reports. In addition, periodically, Global Action requests documentation from its members for their expenses. A total of \$194,729 was spent by Global action this fiscal year to fund these expenses.

3. LONG TERM ASSETS

a. Property Plant and Equipment

A total of \$25,278 of fully depreciated Furniture and Equipment was in use during the period.

b. Curriculum

Global Action has developed a Copyrighted Curriculum for use in training pastors domestically and globally. The costs attributable to that Curriculum are \$46,244 with an estimated remaining useful life of nine years.

4. EMPLOYEE RETIREMENT PLAN

The Organization contributes to a 403(b) tax deferred retirement annuity plan. The plan covers all full-time and part-time employees. The Organization contributes 6% of employees' salary after one full year of employment. In addition, the Organization contributes an additional 2% for all employees who contribute 2% by their own salary reduction. Employer contributions to the plan totaled \$5,139 and \$16,094 for the years ended September 30, 2018 and 2017, respectively.

5. RELATED PARTY TRANSACTIONS

Due to lack of operating funds, a former president of Global Action, who resigned in 2012, elected to delay the collection of expense reimbursements that he had accrued during certain periods of his time with the organization. Previously, monthly payments were made by the Organization to repay this obligations. During the period ended 9/30/18, Global Action settled the full amount of the obligation by paying a lump sum of \$62,000 resulting in a \$0 balance of the Loan from Officer Liability Account.