

**GLOBAL ACTION**  
**FINANCIAL STATEMENTS**  
**AS OF SEPTEMBER 30, 2021 AND 2020**  
**TOGETHER WITH AUDITOR'S REPORT**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Global Action:

We have audited the accompanying financial statements of Global Action (the Organization) (a non-profit organization) which comprise the statement of financial position as of September 30, 2021 and 2020, and the related statements of activities, cash flows, and functional expenses 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

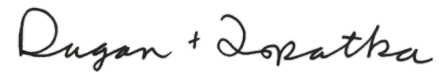
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

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

To the Board of Directors of  
Global Action  
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*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Global Action as of September 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.

A handwritten signature in cursive script that reads "Dugan + Lopatka".

DUGAN & LOPATKA

Warrenville, Illinois  
April 4, 2022

GLOBAL ACTION  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2021 AND 2020

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 144,855	\$ 148,330
Other assets	4,037	-
Prepaid expenses	5,098	5,230
	<u>153,990</u>	<u>153,560</u>
<b>PROPERTY AND EQUIPMENT, net</b>	<u>41,188</u>	<u>48,262</u>
	<u>\$ 195,178</u>	<u>\$ 201,822</u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES:</b>		
Note payable, current maturities	\$ -	\$ 10,317
Accounts payable	8,434	8,740
Accrued expenses	15,119	11,495
	<u>23,553</u>	<u>30,552</u>
<b>LONG-TERM LIABILITIES:</b>		
Note payable, net of current maturities	<u>-</u>	<u>38,341</u>
<b>NET ASSETS:</b>		
Without donor restrictions	163,032	124,336
With donor restrictions	8,593	8,593
	<u>171,625</u>	<u>132,929</u>
	<u>\$ 195,178</u>	<u>\$ 201,822</u>

The accompanying notes are an integral part of this statement.

GLOBAL ACTION  
STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE:</b>						
Contributions	\$ 727,640	\$ -	\$ 727,640	\$ 581,248	\$ 98,830	\$ 680,078
Donated services	-	-	-	2,880	-	2,880
Forgiveness of debt	48,658	-	48,658	-	-	-
Interest income	144	-	144	224	-	224
Miscellaneous income	-	-	-	140	-	140
Net assets released from restrictions	-	-	-	112,830	(112,830)	-
<b>Total support and revenue</b>	<b>776,442</b>	<b>-</b>	<b>776,442</b>	<b>697,322</b>	<b>(14,000)</b>	<b>683,322</b>
<b>EXPENSES:</b>						
Program	516,618	-	516,618	398,940	-	398,940
Management and general	122,534	-	122,534	183,852	-	183,852
Fundraising	98,594	-	98,594	72,794	-	72,794
<b>Total expenses</b>	<b>737,746</b>	<b>-</b>	<b>737,746</b>	<b>655,586</b>	<b>-</b>	<b>655,586</b>
<b>Change in net assets</b>	<b>38,696</b>	<b>-</b>	<b>38,696</b>	<b>41,736</b>	<b>(14,000)</b>	<b>27,736</b>
<b>NET ASSETS, beginning of year</b>	<b>124,336</b>	<b>8,593</b>	<b>132,929</b>	<b>82,600</b>	<b>22,593</b>	<b>105,193</b>
<b>NET ASSETS, end of year</b>	<b>\$ 163,032</b>	<b>\$ 8,593</b>	<b>\$ 171,625</b>	<b>\$ 124,336</b>	<b>\$ 8,593</b>	<b>\$ 132,929</b>

The accompanying notes are an integral part of this statement.

GLOBAL ACTION  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 38,696	\$ 27,736
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	7,074	7,408
Forgiveness of debt	(48,658)	-
(Increase) in other assets	(4,037)	-
Decrease in prepaid expenses	132	2,273
(Decrease) in accounts payable	(306)	(962)
Increase (decrease) in accrued liabilities	3,624	(1,490)
	<u>(3,475)</u>	<u>34,965</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	<u>-</u>	<u>(7,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings on notes payable	<u>-</u>	<u>48,658</u>
	<u>-</u>	<u>48,658</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,475)	76,623
CASH AND CASH EQUIVALENTS, beginning of year	<u>148,330</u>	<u>71,707</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 144,855</u>	<u>\$ 148,330</u>

The accompanying notes are an integral part of this statement.

GLOBAL ACTION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries and wages	\$ 273,787	\$ 37,395	\$ 37,870	\$ 349,052
Payroll taxes	7,922	706	1,216	9,844
Total salaries and payroll taxes	281,709	38,101	39,086	358,896
Consulting services	-	2,135	24,892	27,027
Accounting	-	53,516	-	53,516
Charitable registration fees	-	-	4,094	4,094
Marketing and Promotion	-	-	3,229	3,229
Office expenses	-	7,526	12,286	19,812
Computer expenses	-	3,604	-	3,604
Travel	28,119	4,957	2,460	35,536
Conferences and conventions	-	7,395	7,358	14,753
Insurance	-	4,524	-	4,524
Ministry expenses	199,716	-	-	199,716
Staff development	-	776	5,189	5,965
Depreciation	7,074	-	-	7,074
Total functional expenses	<u>\$ 516,618</u>	<u>\$ 122,534</u>	<u>\$ 98,594</u>	<u>\$ 737,746</u>

The accompanying notes are an integral part of this statement.

GLOBAL ACTION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries and wages	\$ 124,138	\$ 53,455	\$ 40,354	\$ 217,947
Payroll taxes	24,185	10,661	8,047	42,893
Total salaries and payroll taxes	148,323	64,116	48,401	260,840
Consulting services	-	26,553	11,218	37,771
Legal	-	3,685	-	3,685
Accounting	-	40,093	-	40,093
Charitable registration fees	-	-	1,615	1,615
Marketing and Promotion	-	-	6,089	6,089
Office expenses	-	9,618	-	9,618
Computer expenses	-	3,455	-	3,455
Travel	14,102	22,020	329	36,451
Conferences and conventions	-	264	5,142	5,406
Interest expense	-	1,653	-	1,653
Insurance	-	2,891	-	2,891
Grants	224,757	-	-	224,757
Ministry expenses	11,758	-	-	11,758
Staff development	-	2,096	-	2,096
Depreciation	-	7,408	-	7,408
Total functional expenses	<u>\$ 398,940</u>	<u>\$ 183,852</u>	<u>\$ 72,794</u>	<u>\$ 655,586</u>

The accompanying notes are an integral part of this statement.



GLOBAL ACTION  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Global Action (the Organization) is an organization that its main mission is to see the great commission fulfilled by training pastors, making disciples, and changing the world.

The financial statements were available to be issued on April 4, 2022, with subsequent events being evaluated through this date.

The following summarizes the significant accounting policies and practices reflected in the accompanying financial statements:

Basis of Accounting -

The Organization maintains its financial statements on the accrual basis of accounting which recognizes the support and revenue as it is earned and expenses as they are incurred.

Financial Statement Presentation -

The financial statements of the Organization have been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). Under GAAP, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

*Without donor restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.

*With donor restrictions* - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Property and Equipment -

Property and equipment are stated at cost. Donated assets are recorded at their fair market value on the date of donation. The Organization capitalizes all expenditures for fixed assets over \$1,000. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the respective assets when placed in service. Upon sale or retirement, the cost and related accumulated depreciation and amortization are eliminated from the respective account and the resulting gain or loss is included in the statement of activities. Repairs and maintenance charges are expensed as incurred. Depreciation expenses for the year ended September 30, 2021 and 2020 were \$7,074 and \$7,408, respectively.

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:  
(Continued)

Contribution -

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets, or if they are designated as support for future periods. When a donor restriction expires; that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-imposed contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

Income Taxes -

The Organization has been determined by the Internal Revenue Service to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal income taxes, except for taxes on unrelated business income generated from unrelated trade or business activities. The Organization did not have unrelated business income for the year ended September 30, 2021. Accordingly, no provision for income tax has been established.

The Organization files income tax returns in the U.S. federal jurisdiction and various states. With few exceptions, the Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2018. The Organization does not expect a material net change in unrecognized tax benefits in the next twelve months.

Functional Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to a program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, which are allocated on the basis of estimates of time and effort.

Use of Estimates -

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results may vary from those estimates.

(2) CONCENTRATION OF CREDIT RISK:

The Organization places its cash and deposits with high quality financial institutions; however, deposits may exceed the federally insured limits from time to time.

(3) PROPERTY AND EQUIPMENT:

A summary of the fixed assets on September 30, as follows:

	<u>2021</u>	<u>2020</u>
Website development	\$ 10,000	\$ 10,000
Curriculum development	50,744	50,744
Vehicles & equipment	<u>2,200</u>	<u>2,200</u>
Curriculum development	62,944	62,944
Vehicles & equipment	<u>(21,756)</u>	<u>(14,682)</u>
Property and equipment, net	<u>\$ 41,188</u>	<u>\$ 48,262</u>

(4) NOTE PAYABLE:

Note payable on September 30, as follows:

	<u>2021</u>	<u>2020</u>
Payroll Protection Program (PPP) loan payable to a bank as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, interest at 1% With the amount to be repaid in equal installments of principal and interest, beginning at the earlier of the date the SBA remits the loan forgiveness amount or 10 months after the end of the forgivable covered period, with the final payment due April 2022. As part of the loan agreement, a portion can be forgiven. The Center intends to maximize the forgivable portion of this loan. The Center has adopted ASC 470 to account for the PPP loan and will record a gain from the forgiven portion of the loan when it is forgiven.	\$ -	\$ 48,658
Less-current portion	<u>-</u>	<u>10,317</u>
Long-term portion	<u>\$ -</u>	<u>\$ 38,341</u>

In April 2021, the organization received notice from the Small Business Administration that the loan had been forgiven in full.

(5) NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are available on September 30, for the following program:

	<u>2021</u>	<u>2020</u>
Compassion project	<u>\$ 8,593</u>	<u>\$ 8,593</u>

(6) INTERNATIONAL OPERATIONS:

The Organization reimburses its member organizations for the expenses they incur in fulfillment of their ministries. These expenses are paid through both unrestricted and donor restricted funds. Members provide regular monthly accounting reports for reimbursement of expenses. In addition, periodically, the Organization requests documentation from its members for their expenses. Total reimbursed grant and ministry expenses for the year ended September 30, 2021 and 2020, \$199,716 were \$236,515, respectively.

(7) 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 the employee's salary after one full year of employment. In addition, the Organization contributes an additional 2% for employees who contribute 2% with their own salary. Employer contributed expenses for the year ended September 30, 2021 and 2020, were \$9,997 and \$6,453 respectively.

(8) LIQUIDITY AND AVAILABILITY:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year, as follows:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 144,855	\$ 148,330
Less: Donor imposed restrictions	<u>(8,593)</u>	<u>(8,593)</u>
Financial assets available to meet cash needs for general expenditures that is without donor or other restrictions limiting their use within one year.	<u>\$ 136,262</u>	<u>\$ 139,737</u>

(9) MANAGEMENT'S RESPONSE TO COVID-19 PANDEMIC:

As reported in the previous fiscal-year audit, the Organization had applied for and received the Small Business Administration's Payroll Protection Program forgivable loan during 2020. This loan was, in-fact, forgiven by the U.S. Small Business Administration in April, 2021.

(9) MANAGEMENT'S RESPONSE TO COVID-19 PANDEMIC: (Continued)

In response to the ongoing COVID-19 pandemic, the Organization continued to monitor for changes in its expected income throughout 2021, but experienced no concerning variances. The executive team also received regular reporting from its regions, regarding status of Covid severity and lockdowns that might impact the organization's training efforts. While it was necessary to temporarily "pause" training in some regions, there was no significant disruption to the organization's overall mission.