

Audit Report Global Action U.S. Operations

Year Ended 9/30/2019

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, 2019, 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, 2019, 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, and 2018 were audited by John J. Russo CPA whose reports 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 dark ink, reading "John J. Russo". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

John J. Russo, CPA

7/10/20

Global Action (U.S.)
Statement of Activities
Years Ended 09/30/2019 and 09/30/2018

	9/30/2019	9/30/2018
Income		
Contributions		
Contributions	\$ 640,913	\$ 410,588
Golf Donations	50,148	66,567
Donated Services	29,280	-
Gifts In Kind	588	47,956
Short-Term Team Contribution	-	71,750
Total Contributions	\$ 720,929	\$ 596,861
Earned & Other Income		
Golf Revenue	\$ 25,800	\$ 2,933
Financial Income	(64)	44
Gain on Disposal of Asset	100	408
Total Earned & Other Income	25,836	3,385
Total Income	\$ 746,765	\$ 600,246
Expenses		
Personnel & Labor		
Taxable Compensation	\$ 183,312	\$ 122,008
Benefits	30,293	27,468
Employer's Taxes & Ins.	8,172	8,762
CEOS' Services (donated)	29,280	
Contract Labor	11,181	
Total Personnel & Labor	\$ 262,238	\$ 158,238
Operations		
Program Expense	\$ 353,221	\$ 219,969
Professional Services	40,811	35,046
Donor Development	24,152	29,092
Staff development	1,416	1,657
Travel Expense	48,551	33,291
Occupancy Expense	1,720	7,996
Office Expense	6,455	4,022
Insurance	2,970	260
Financial Expense	7,602	8,470
Information Technology	7,210	11,135
Amortization Expense	5,074	-
Organizational Expenses	6,532	9,582
Total Operations Expenses	505,714	360,520
Total Expenses	\$ 767,952	\$ 518,758
Increase/Decrease in Net Assets	\$ (21,187)	\$ 81,488
Net Assets Beginning of the Year	126,380	44,892
Net Assets End of the Year	\$ 105,193	\$ 126,380

Global Action (U.S.)
Statement of Financial Position
As of 09/30/2019 and 09/30/2018

	9/30/2019	9/30/2018
Assets		
Current Assets		
Cash & Cash Equivalents	\$ 71,411	\$ 93,877
Tax reimbursement	296	-
Pre Paid Assets	7,502	399
Total Current Assets	<u>\$ 79,209</u>	<u>\$ 94,276</u>
Long Term Assets		
Furniture & Fixtures (net)	\$ -	\$ -
Website (net)	3,000	
Equipment (net)	-	-
Curriculum (net)	45,670	46,244
Total Long Term Assets	<u>48,670</u>	<u> </u>
Total Assets	<u><u>\$ 127,879</u></u>	<u><u>\$ 140,520</u></u>
Liabilities		
Current Liabilities		
Accounts Payable	\$ 9,702	\$ 6,102
Accrued Payroll Liabilities	3,260	5,710
Other Current Liabilities	\$ 9,725	\$ 2,328
Total Current Liabilities	<u>22,687</u>	<u>14,140</u>
Long-Term Liabilities		
Line of Credit	\$ -	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>
Net Assets		
Unrestricted NA	\$ 82,600	\$ 79,969
Temporarily Restricted NA	22,593	46,411
Total Net Assets	<u>\$ 105,193</u>	<u>\$ 126,380</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 %, 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 FY2019, a net of \$207,045 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 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 \$353,219 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 \$50,744 with an estimated remaining useful life of eight years.

c. Website

Global Action is in the process of re-developing it's website. The costs attributable to that website are being accumulated and amortization over its useful life will begin when deployed next Fiscal Year.

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 \$5,432 and \$5,139 for the years ended September 30, 2019 and 2018, respectively.

5. RELATED PARTY TRANSACTIONS

Global Action's Chief of Operations donated his services for FY 2019. The value of his services was based on his prior service in a similar capacity and was pro-rated base on time spent on Global Action Activities. Since that time his duties have been revised and the amount of time dedicated to Global Action has been reduced. In light of these conditions treatment and classification of his efforts will be re-visited in the next Fiscal Year.