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***GLOBAL SCHOLARS***  
***FINANCIAL STATEMENTS***  
***JUNE 30, 2022***

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## Independent Auditors' Report

Board of Directors  
Global Scholars  
Olathe, Kansas

### *Opinion*

We have audited the financial statements of Global Scholars, which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities 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 Global Scholars, as of June 30, 2022 and 2021, and the changes in its net assets and 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. We are required to be independent of Global Scholars 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.

### *Emphasis Of Matter*

As discussed in Note 2 to the financial statements, Global Scholars adopted Accounting Standards Update 2020-07: *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* in the year ending June 30, 2022. Our opinion is not modified with respect to this matter.

### ***Responsibilities Of Management 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, 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 Scholar's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditors' 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 auditors' 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 auditing standards generally accepted in the United States of America 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, 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 Scholar's 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 Scholar's 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.

*RubinBrown LLP*

October 5, 2022

# GLOBAL SCHOLARS

## STATEMENT OF FINANCIAL POSITION

	Assets	
	June 30,	
	2022	2021
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,410,268	\$ 1,170,699
Investments	187,365	48,748
Governmental program receivable	—	206,613
Prepaid expenses	30,396	27,217
<b>Total Current Assets</b>	<b>1,628,029</b>	<b>1,453,277</b>
<b>Noncurrent Assets</b>		
Furniture and equipment, net	5,043	1,507
Historical artifact	71,175	—
<b>Total Noncurrent Assets</b>	<b>76,218</b>	<b>1,507</b>
<b>Total Assets</b>	<b>\$ 1,704,247</b>	<b>\$ 1,454,784</b>
<b>Liabilities And Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 10,737	\$ 11,920
Accrued expenses	39,951	66,497
Current portion of PPP Loan	—	3,595
Deferred revenue	4,565	4,799
<b>Total Current Liabilities</b>	<b>55,253</b>	<b>86,811</b>
<b>Liability For College Allowance Fund</b>	<b>16,454</b>	<b>16,310</b>
<b>Paycheck Protection Program (PPP) Loan</b>	<b>—</b>	<b>157,605</b>
<b>Net Assets</b>		
With donor restrictions	79,407	36,122
Without donor restrictions:		
Net investment in equipment	5,043	1,507
Board designated	514,622	424,091
Undesignated	1,033,468	732,338
<b>Total Net Assets</b>	<b>1,632,540</b>	<b>1,194,058</b>
<b>Total Liabilities And Net Assets</b>	<b>\$ 1,704,247</b>	<b>\$ 1,454,784</b>

**GLOBAL SCHOLARS**  
**STATEMENT OF ACTIVITIES**  
**For The Years Ended June 30, 2022 And 2021**

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, Gains And Other Support</b>						
Contributions:						
Contributions and bequests	\$ 1,886,799	\$ 53,285	\$ 1,940,084	\$ 1,795,571	\$ 10,000	\$ 1,805,571
Contributed nonfinancial assets	2,142,491	—	2,142,491	2,265,460	—	2,265,460
Other in-kind contributions	22,774	—	22,774	—	—	—
Society of Christian Scholars	9,914	—	9,914	8,018	—	8,018
Special events	8,310	—	8,310	—	—	—
Investment return (loss)	(21,713)	—	(21,713)	18,701	—	18,701
Net assets released from restrictions	10,000	(10,000)	—	57,500	(57,500)	—
<b>Total Revenues, Gains And Other Support</b>	<b>4,058,575</b>	<b>43,285</b>	<b>4,101,860</b>	<b>4,145,250</b>	<b>(47,500)</b>	<b>4,097,750</b>
<b>Expenses</b>						
Program	3,344,773	—	3,344,773	3,645,634	—	3,645,634
Management and general	315,147	—	315,147	246,644	—	246,644
Fundraising	165,858	—	165,858	111,579	—	111,579
<b>Total Expenses</b>	<b>3,825,778</b>	<b>—</b>	<b>3,825,778</b>	<b>4,003,857</b>	<b>—</b>	<b>4,003,857</b>
<b>Change In Net Assets Before Revenue From Governmental Programs</b>	<b>232,797</b>	<b>43,285</b>	<b>276,082</b>	<b>141,393</b>	<b>(47,500)</b>	<b>93,893</b>
<b>Revenue From Governmental Programs</b>	<b>162,400</b>	<b>—</b>	<b>162,400</b>	<b>362,913</b>	<b>—</b>	<b>362,913</b>
<b>Change In Net Assets</b>	<b>395,197</b>	<b>43,285</b>	<b>438,482</b>	<b>504,306</b>	<b>(47,500)</b>	<b>456,806</b>
<b>Net Assets - Beginning Of Year</b>	<b>1,157,936</b>	<b>36,122</b>	<b>1,194,058</b>	<b>653,630</b>	<b>83,622</b>	<b>737,252</b>
<b>Net Assets - End Of Year</b>	<b>\$ 1,553,133</b>	<b>\$ 79,407</b>	<b>\$ 1,632,540</b>	<b>\$ 1,157,936</b>	<b>\$ 36,122</b>	<b>\$ 1,194,058</b>

**GLOBAL SCHOLARS**

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**STATEMENT OF CASH FLOWS**

	<b>For The Years Ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 438,482	\$ 456,806
Adjustments to reconcile the change in net assets to net cash from operating activities:		
Depreciation	1,139	1,803
Gain on extinguishment of PPP loan	(161,200)	(156,300)
In-kind contribution of historical artifact	(71,175)	—
Realized and unrealized losses and (gains) on investment	24,067	(16,749)
Changes in assets and liabilities:		
Governmental program receivable	206,613	(206,613)
Prepaid expenses	(3,179)	(9,643)
Accounts payable	(1,183)	2,759
Accrued expenses and college allowance fund	(26,402)	(8,132)
Deferred revenue	(234)	832
<b>Net Cash Provided By Operating Activities</b>	<b>406,928</b>	<b>64,763</b>
<b>Net Cash From Investing Activities</b>		
Purchase of property and equipment	(4,675)	—
Purchase of investments	(162,684)	(7,360)
Proceeds from sale of investments	—	9,616
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>(167,359)</b>	<b>2,256</b>
<b>Net Cash Provided By Financing Activities</b>		
Proceeds from PPP Loan	—	161,200
<b>Net Change In Cash And Cash Equivalents</b>	<b>239,569</b>	<b>228,219</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>1,170,699</b>	<b>942,480</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$ 1,410,268</b>	<b>\$ 1,170,699</b>



# GLOBAL SCHOLARS

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2022 And 2021

### 1. **Organization**

Global Scholars (the Organization) was formed in 1986 with a vision to start Departments of Christian Studies in public universities around the world. In subsequent years, the vision expanded as it became apparent that students in all academic disciplines need Christian professors who communicate the truth, goodness, and beauty of Christ. Global Scholars professors serve as teachers, researchers, and university administrators in a wide range of disciplines including math, ethics, engineering, management, business, natural sciences, law, education, and many other fields, all from a Christian perspective. As such, Global Scholars professors have many opportunities to have a redemptive influence among their students, colleagues, universities, and academic disciplines. Global Scholars is now in a new season of growth with the establishment of the Society of Christian Scholars, a global community of, by, and for missional Christian scholars. Global Scholars is committed to equipping Christian professors to serve Christ in secular universities worldwide through fifteen programs and services.

### 2. **Significant Accounting Policies**

#### **Basis Of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting.

#### **New Accounting Principle**

Effective July 1, 2021, the Organization adopted Accounting Standards Update 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities and provide additional disclosures about contributions of nonfinancial assets. See additional disclosures in Note 5.

#### **Basis Of Presentation**

Financial statement presentation follows the requirements of accounting principles generally accepted in the United States of America by presenting assets and liabilities within similar groups and classifying them in ways that provide relevant information about their interrelationships, liquidity and financial flexibility. As a result, the Organization is required to report its financial position and activities according to the following two net asset categories:

Net Assets Without Donor Restrictions: This category includes net assets that are not subject to donor-imposed stipulations, as well as net assets designated by the Board for specific purposes.

Net Assets With Donor Restrictions: This category includes net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time.

#### **Estimates And Assumptions**

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 amounts reported in the financial statements and accompanying notes. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

#### **Cash And Cash Equivalents**

The Organization considers all cash investments with original maturities less than three months from the date of purchase as cash equivalents. The Organization has money market funds included in cash equivalents that are reported at cost, which approximates fair value.

The Organization maintains its cash and cash equivalents in bank accounts that may, at times, exceed federally insured limits. The Organization has not experienced any losses in these accounts in the past, and management believes the Organization is not exposed to significant credit risks as they periodically evaluate the strength of the financial institutions in which it deposits funds.

#### **Investments And Investment Return**

Investments consist of exchange traded funds, common stocks and mutual funds which are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment return includes dividends, interest, realized and unrealized gains and losses on investments, net of related expenses.

## **GLOBAL SCHOLARS**

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### Notes To Financial Statements (*Continued*)

Investment return that is restricted by donor stipulation and for which the restrictions will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the statement of activities without donor restrictions or net assets with donor restrictions based upon the existence and nature of any donor or legally imposed restrictions. All of the investment return of the Organization is included in net assets without donor restrictions.

#### **Contributions And Support**

Contributions of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Contributions received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a 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 statements of activities as net assets released from restriction. Contributions having donor stipulation, which are satisfied in the period the gift is received, are reported as revenue and net assets without donor restrictions.

#### **Furniture And Equipment**

Furniture and equipment is recorded at cost or, if donated, at estimated fair value at the date of gift. Donations are reported as support without donor restrictions unless the donor has restricted the donated assets to a specific purpose. Expenditures for major renewals and betterments in excess of \$1,000 and that extend the useful life of assets are capitalized. Furniture and equipment are depreciated on the straight-line method over their estimated useful lives, ranging from three to seven years. Depreciation expense for the year ending June 30, 2022 and 2021 amounted to \$1,139 and \$1,803, respectively.

#### **Functional Expenses**

Expenses are charged to programs and support services on the basis of management's estimates. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expense classification. Salaries and wages are allocated to program expense and support services based on job descriptions and responsibilities. Other expenses which benefit several programs are allocated on a pro rata basis to the programs they benefit. Management and general expenses include those expenses that are not directly identifiable with a specific function and do not represent direct conduct or direct supervision of a program, but provide for the overall support and direction of the Organization.

#### **In-Kind Contributions**

The Organization receives significant in-kind contributions of donated services by professors. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the fair value at the time of the donation for the donated services. Donated assets, including ancient artifacts, are valued based on the appraised amounts from independent third party appraisers.

#### **Revenue From Governmental Programs**

*Employee Retention Credit:* On March 27, 2020, in response to the COVID-19 pandemic, the U.S. Congress enacted the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), which among other things, contains a provision for an employee retention credit which is a refundable payroll credit for wages and health benefits paid to employees during the COVID-19 pandemic. The Organization recognized the employee retention credit when the conditions for earning it were substantially met. Based on management’s analysis of the CARES Act, the Organization qualified for \$206,613 of employee retention credits for the year ended June 30, 2021. This was reported in governmental program receivable on the statement of financial position and in revenue from governmental programs on the statement of activities for the year ending June 30, 2021. There is no outstanding receivable related to the employee retention credit for the year ended June 30, 2022.

*Paycheck Protection Program:* The Organization received two loans that were part of the Paycheck Protection Program (PPP) established under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and administered by the U.S. Small Business Administration (SBA). In accordance with the requirements of the CARES Act, the Organization used the proceeds from the loans exclusively for qualified expenses under the PPP, including payroll costs and other qualified costs, as further detailed in the CARES Act and applicable guidance issued by the SBA. The Organization considered the PPP loans to be debt, subject to the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 470, *Debt*. The Organization did not impute additional interest at a market rate as transactions where interest rates are prescribed by governmental agencies are not subject to the accounting guidance on imputing interest.

## GLOBAL SCHOLARS

### Notes To Financial Statements (Continued)

The loans will remain recorded as a liability until either (1) the loan is, in part or wholly, forgiven and the debtor has been legally released or (2) the debtor pays off the loan to the creditor. Once the loan is, in part or wholly, forgiven and legal release is received, the Organization will reduce the liability by the amount forgiven and record a gain on extinguishment.

As noted in Note 12, the first PPP loan was forgiven in the year ending June 30, 2021 and the second PPP loan was forgiven in the year ending June 30, 2022.

#### Income Taxes

The Organization is an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) as not-for-profit religious and educational organizations.

The Organization's tax returns for tax years 2018 and later remain subject to examination by taxing authorities.

#### Subsequent Event

Management evaluates subsequent events through the date the financial statements are available for issue, which is the date of the Independent Auditors' Report.

### 3. Investments

Investments and unrealized appreciation or depreciation are as follows at June 30:

	2022		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Exchange Traded Funds	\$ 8,521	\$ 16,860	\$ 8,339
Common stocks	20,764	31,752	10,988
Mutual funds	157,672	138,753	(18,919)
	<u>\$ 186,957</u>	<u>\$ 187,365</u>	<u>\$ 408</u>

  

	2021		
	Cost	Fair Value	Unrealized Appreciation
Common stocks	\$ 10,283	\$ 22,517	\$ 12,234
Mutual funds	13,990	26,231	12,241
	<u>\$ 24,273</u>	<u>\$ 48,748</u>	<u>\$ 24,475</u>

Investment return consisted of the following for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Interest and dividend income	\$ 2,354	\$ 1,952
Realized gain	—	5,936
Unrealized gain (loss)	<b>(24,067)</b>	10,813
<b>Total investment income (loss)</b>	<b>\$ (21,713)</b>	<b>\$ 18,701</b>

#### 4. Fair Value Measurements

The Organization follows an established framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under these rules are described below:

- Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2      Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

## GLOBAL SCHOLARS

### Notes To Financial Statements (Continued)

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

#### Common Stocks and Exchange Traded Funds (ETFs)

Valued at the daily closing price reported on the active market on which the individual securities are traded.

#### Mutual Funds

Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

There have been no changes in the methodologies used at June 30, 2022 and 2021.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2022 and 2021:

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Exchange Traded Funds	\$ 16,860	\$ —	\$ —	\$ 16,860
Common stocks	31,752	—	—	31,752
Mutual funds	138,753	—	—	138,753
<b>Total Assets At Fair Value</b>	<b>\$ 187,365</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 187,365</b>

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
Common stocks	\$ 22,517	\$ —	\$ —	\$ 22,517
Mutual funds	26,231	—	—	26,231
<b>Total Assets At Fair Value</b>	<b>\$ 48,748</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 48,748</b>

## GLOBAL SCHOLARS

### Notes To Financial Statements (Continued)

#### 5. Contributed Nonfinancial Assets

The Organization received the following contributions of nonfinancial assets for the year ending June 30:

	<u>2022</u>	<u>2021</u>
Services	\$ 2,071,316	\$ 2,265,460
Ancient torah	71,175	—
	<u>\$ 2,142,491</u>	<u>\$ 2,265,460</u>

During the year ending June 30, 2022, the Organization received a contributed ancient torah which is reflected in the ancient artifact asset and is included in in-kind contribution revenue. The torah was valued by an independent third party appraiser with experience valuing similar ancient artifacts.

Contributed services relate to professors that contribute their time and are reported at current rates for similar professor positions based on the most recent American Association of University Professors Faculty Compensation Survey.

All donated services and assets were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets.

#### 6. Net Assets With Donor Restrictions

Net assets with donor restrictions subject to time and purpose restrictions are available for the following purposes at June 30:

	<u>2022</u>	<u>2021</u>
AIDS projects	\$ 2,067	\$ 2,067
Christian Religious Knowledge	24,055	24,055
African Scholars Conference	—	10,000
Digital Library Resources	50,000	—
Scholar Activities in Africa	3,285	—
	<u>\$ 79,407</u>	<u>\$ 36,122</u>



## GLOBAL SCHOLARS

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### Notes To Financial Statements (Continued)

#### 7. Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes and are categorized as follows:

	<u>2022</u>	<u>2021</u>
African Scholars Conference	\$ 10,000	\$ —
Society of Christian Scholars	—	57,500
	<hr/>	<hr/>
Total net assets released from restrictions	\$ 10,000	\$ 57,500

#### 8. Board Designated Net Assets

Board designated net assets are available for the following purposes at June 30:

	<u>2022</u>	<u>2021</u>
SubSahara Africa	\$ 132,811	\$ 115,093
Southeast Asia and related professors	37,416	19,942
Central Asia and related professors	3,060	9,332
China and related professors	37,881	39,783
Europe and related professors	289,713	233,076
Mideast	2,617	13
Mexico, South & Central America	4,966	6,852
Appointees/Special Projects	6,158	—
	<hr/>	<hr/>
Total board designated net assets	\$ 514,622	\$ 424,091

#### 9. Employee Benefits

The Organization has a retirement plan under IRC Section 403(b). The Plan covers all employees who meet certain service requirements. Annually the Organization will match employee contributions up to 5% of compensation, subject to IRC limitations. For the years ended June 30, 2022 and 2021, the Organization contributed \$38,084 and \$37,913, respectively, to the retirement plan.

The Organization has established a College Allowance Fund to assist in the education of children of overseas personnel. Eligible overseas personnel can contribute a portion of their salary, and the Organization will match up to 2% of compensation. For the years ended June 30, 2022 and 2021, the Organization contributed \$613 and \$540, respectively, to this College Allowance Fund. At June 30, 2022 and 2021, the fund had a balance of \$16,454 and \$16,310, respectively. The cash held in this fund is reserved for use in satisfying the offsetting liability for the fund.

#### **10. Liquidity And Availability Of Resources**

The Organization has a goal to maintain financial assets, which may consist of cash and short term investments, on hand to meet 90 days of budgeted operating expenses. The Organization will structure its financial assets to be available when needed for its general expenditures, payroll and tax liabilities and other obligations. The financial assets available to meet general expenditures over the next 12 months are \$987,150 as of June 30, 2022, as compared to current liabilities of \$55,253. As of June 30, 2021, the financial assets were \$742,924, as compared to current liabilities of \$86,811. Financial assets consist of cash, cash equivalents and investments.

## GLOBAL SCHOLARS

### Notes To Financial Statements (Continued)

#### 11. Expenses Presented According To Functional Classifications

Expenses for the year ended June 30, 2022 are presented in the following table according to both functional and natural classifications:

	<b>Program</b>	<b>Management And General</b>	<b>Fundraising</b>	<b>Total Expenses</b>
Fellow services	\$ 2,071,316	\$ —	\$ —	\$ 2,071,316
Salaries, payroll taxes and benefits	905,219	258,086	141,520	1,304,825
Services	137,254	28,497	1,888	167,639
Grants	82,582	86	—	82,668
Insurance	53	7,279	—	7,332
Occupancy	27,428	5,600	3,261	36,289
Office expenses	18,350	2,382	5,947	26,679
Depreciation and amortization	1,139	—	—	1,139
Fundraising events	—	295	3,970	4,265
Information technology	11,080	3,263	3,312	17,655
Training and professional resources	39,117	2,478	57	41,652
Travel	51,235	7,181	5,903	64,319
<b>Total expenses</b>	<b>\$ 3,344,773</b>	<b>\$ 315,147</b>	<b>\$ 165,858</b>	<b>\$ 3,825,778</b>

Expenses for the year ended June 30, 2021 are presented in the following table according to both functional and natural classifications:

	<b>Program</b>	<b>Management And General</b>	<b>Fundraising</b>	<b>Total Expenses</b>
Fellow services	\$ 2,265,460	\$ —	\$ —	\$ 2,265,460
Salaries, payroll taxes and benefits	1,054,667	193,697	92,443	1,340,807
Services	102,050	25,588	3,064	130,702
Grants	107,782	456	—	108,238
Insurance	—	7,014	—	7,014
Occupancy	29,007	10,084	3,829	42,920
Office expenses	16,226	3,459	4,863	24,548
Depreciation and amortization	753	1,050	—	1,803
Fundraising events	87	—	—	87
Information technology	12,617	2,693	2,478	17,788
Training and professional resources	28,991	1,906	41	30,938
Travel	27,994	697	4,861	33,552
<b>Total expenses</b>	<b>\$ 3,645,634</b>	<b>\$ 246,644</b>	<b>\$ 111,579</b>	<b>\$ 4,003,857</b>

## **12. Paycheck Protection Program Loans**

On April 17, 2020, the Organization received proceeds of \$156,300 under the PPP. The loan bore interest at 1.0%, with principal and interest payments deferred for the first six months following the measurement period. After that period, the loan and interest would be paid back over 18 months, if the loan was not forgiven under the terms of the PPP. On January 26, 2021, the Organization received a second PPP loan in the amount of \$161,200. The loan bore interest at 1.0% with a five-year term.

On February 28, 2021, the Organization received full forgiveness of the first PPP loan from the SBA. The PPP loan was reported as a gain on extinguishment and included in revenue from governmental programs in the statement of activities for the year ending June 30, 2021. On October 22, 2021, the Organization received full forgiveness on the second PPP loan from the SBA. The PPP loan and related accrued interest was reported as a gain on extinguishment and included in revenue from governmental programs in the statement of activities for the year ending June 30, 2022.