

THE GLOBAL VILLAGE PROJECT, INC.

AUDITED FINANCIAL STATEMENTS
Together with
INDEPENDENT AUDITOR'S REPORT

JULY 31, 2020 AND 2019

THE GLOBAL VILLAGE PROJECT, INC.

AUDIT REPORT

TABLE OF CONTENTS

JULY 31, 2020 AND 2019

<u>CONTENTS</u>	<u>Pages</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS:	
• Statements of Financial Position	3
• Statement of Activities - 2020	4
• Statement of Activities - 2019	5
• Statements of Functional Expenses	6
• Statements of Cash Flows	7
• Notes to Financial Statements	8-15
SUPPLEMENTAL INFORMATION	
• Independent Auditor's Report on Supplemental Information	16
• Schedule of State Contractual Assistance	17



January 6, 2021

INDEPENDENT AUDITOR'S REPORT

To the Management
and Board of Directors of
The Global Village Project, Inc.

We have audited the accompanying financial statements of The Global Village Project, Inc. (a nonprofit organization), which comprise the statements of financial position as of July 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows 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 audit to obtain reasonable assurance about whether the financial statements are free from 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Global Village Project, Inc. as of July 31, 2020 and 2019, 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.

The Global Village Project, Inc.
January 6, 2021

Adoption of New Accounting Pronouncements

As discussed in Note 1 to the financial statements, The Global Village Project, Inc., Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2014-09 - *Revenue from Contracts with Customers (Topic 606)*, as amended, and Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting for Contributions Received and Contributions Made*. Both ASUs were adopted as of and for the year ended July 31, 2020. The requirements of these ASUs have been retrospectively applied to all periods presented. Our opinion is not modified with respect to this matter.

Long & Company, P.C.
Certified Public Accountants

THE GLOBAL VILLAGE PROJECT, INC.

STATEMENTS OF FINANCIAL POSITION

JULY 31, 2020 AND 2019

ASSETS	2020	2019
Current Assets:		
Cash and cash equivalents	\$ 1,507,868	\$ 1,434,870
Contributions and grants receivable	240,418	104,130
Other receivable	-	1,217
Prepaid expenses	<u>16,725</u>	<u>5,867</u>
Total Current Assets	<u>1,765,011</u>	<u>1,546,084</u>
Property and equipment - net	<u>131,248</u>	<u>119,651</u>
Other Asset		
Contributions and grants receivable - less current portion	<u>10,000</u>	<u>20,000</u>
TOTAL ASSETS	<u>\$ 1,906,259</u>	<u>\$ 1,685,735</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 40,072	\$ 27,654
Refundable advance	<u>155,400</u>	<u>-</u>
Total Liabilities	<u>195,472</u>	<u>27,654</u>
Net Assets		
Without donor restrictions	1,329,416	1,148,081
With donor restrictions	<u>381,371</u>	<u>510,000</u>
Total Net Assets	<u>1,710,787</u>	<u>1,658,081</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,906,259</u>	<u>\$ 1,685,735</u>

See accompanying notes which are an integral part of these financial statements

THE GLOBAL VILLAGE PROJECT, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JULY 31, 2020

REVENUES, GAINS, AND SUPPORT	Without Donor Restrictions	With Donor Restrictions	Total
Contributions and grants	\$ 1,251,590	\$ 187,504	\$ 1,439,094
Special events (net of direct cost of benefit to donors of \$3,082)	68,367	-	68,367
Interest and dividends	7,647	-	7,647
Gain on sale of investment	14	-	14
Net assets released from restrictions	316,133	(316,133)	-
Total Revenue and Support	1,643,751	(128,629)	1,515,122
 <u>EXPENSES AND LOSSES</u>			
Program Services	1,012,179	-	1,012,179
Supporting Services			
Management and general	173,521	-	173,521
Fundraising	275,632	-	275,632
Total Expenses	1,461,332	-	1,461,332
Loss on disposal of property and equipment	1,084	-	1,084
Total Expenses and Losses	1,462,416	-	1,462,416
Change in Net Assets	181,335	(128,629)	52,706
NET ASSETS AT BEGINNING OF YEAR	1,148,081	510,000	1,658,081
NET ASSETS AT END OF YEAR	\$ 1,329,416	\$ 381,371	\$ 1,710,787

See accompanying notes which are an integral part of these financial statements

THE GLOBAL VILLAGE PROJECT, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JULY 31, 2019

REVENUES, GAINS, AND SUPPORT	Without Donor Restrictions	With Donor Restrictions	Total
Contributions and grants	\$ 953,981	\$ 167,000	\$ 1,120,981
Special events (net of direct cost of benefit to donors of \$22,029)	266,606	-	266,606
Interest and dividends	3,996	-	3,996
Net assets released from restrictions	<u>186,576</u>	<u>(186,576)</u>	<u>-</u>
Total Revenue and Support	<u>1,411,159</u>	<u>(19,576)</u>	<u>1,391,583</u>
EXPENSES AND LOSSES			
Program Services	873,614	-	873,614
Supporting Services			
Management and general	158,797	-	158,797
Fundraising	<u>262,420</u>	<u>-</u>	<u>262,420</u>
Total Expenses	<u>1,294,831</u>	<u>-</u>	<u>1,294,831</u>
Loss on disposal of property and equipment	<u>1,457</u>	<u>-</u>	<u>1,457</u>
Total expenses and Losses	<u>1,296,288</u>	<u>-</u>	<u>1,296,288</u>
Change in Net Assets	114,871	(19,576)	95,295
NET ASSETS AT BEGINNING OF YEAR	<u>1,033,210</u>	<u>529,576</u>	<u>1,562,786</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,148,081</u>	<u>\$ 510,000</u>	<u>\$ 1,658,081</u>

See accompanying notes which are an integral part of these financial statements

THE GLOBAL VILLAGE PROJECT, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JULY 31, 2020 AND 2019

	Program Services		Supporting Services				Total Expenses	
			Management and General		Fundraising			
	2020	2019	2020	2019	2020	2019	2020	2019
Salaries	\$ 556,604	\$ 456,662	\$ 34,537	\$ 59,021	\$ 182,162	\$ 107,405	\$ 773,303	623,088
Fringe Benefits	74,663	61,580	4,763	8,111	19,536	13,472	98,962	83,163
Total Salaries and Fringe Benefits	631,267	518,242	39,300	67,132	201,698	120,877	872,265	706,251
Bank & Credit Card Fees	-	-	1,803	8,961	-	-	1,803	8,961
Contracted Services	110,746	77,787	55,701	18,625	19,435	95,029	185,882	191,441
Depreciation	38,939	39,617	2,416	5,120	12,744	9,318	54,099	54,055
Dues and Subscriptions	3,050	1,099	1,966	4,405	1,464	1,310	6,480	6,814
Event Expenses	-	-	-	-	-	-	-	-
Insurance	6,853	5,026	-	248	-	-	6,853	5,274
Instructional Materials and resources	46,070	18,986	-	-	-	-	46,070	18,986
Marketing	-	-	-	-	-	-	-	-
Occupancy	91,163	89,702	5,657	11,594	29,835	21,098	126,655	122,394
Printing & Postage	3,096	4,605	1,274	730	1,403	2,612	5,773	7,947
Professional Fees	868	1,353	33,820	34,134	-	-	34,688	35,487
Staff Development	5,951	6,894	26,038	2,298	1,755	545	33,744	9,737
Student Meals	49,810	68,107	-	-	-	-	49,810	68,107
Student Field Trips	1,977	15,313	-	-	-	-	1,977	15,313
Student Transportation	13,900	16,028	-	-	-	-	13,900	16,028
Supplies	5,950	9,666	5,546	4,333	7,298	11,631	18,794	25,630
Telephone/Internet	2,539	1,189	-	1,217	-	-	2,539	2,406
TOTAL EXPENSES	\$ 1,012,179	\$ 873,614	\$ 173,521	\$ 158,797	\$ 275,632	\$ 262,420	\$ 1,461,332	\$ 1,294,831

See accompanying notes which are an integral part of these financial statements

THE GLOBAL VILLAGE PROJECT, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JULY 31, 2020 AND 2019

	2020	2019
Change in Net Assets	\$ 52,706	\$ 95,295
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	54,099	54,055
Donation of common stock	(2,616)	-
(Gain) loss on sales of donated stock	(14)	-
(Gain) loss on disposal of property and equipment	1,084	1,457
(Increase) decrease in operating assets:		
Contributions and grants receivable	(126,288)	186,012
Other receivable	1,217	(1,217)
Prepaid expenses	(10,858)	5,652
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	12,418	8,231
Refundable advance	155,400	-
Net Cash Provided by Operating Activities	<u>137,148</u>	<u>349,485</u>
Cash Flows from Investing Activities		
Proceeds from sale of donated stock	2,630	-
Purchases of property and equipment	<u>(66,780)</u>	<u>(20,962)</u>
Net Cash (Used) by Investing Activities	<u>(64,150)</u>	<u>(20,962)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	72,998	328,523
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,434,870</u>	<u>1,106,347</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,507,868</u>	<u>\$ 1,434,870</u>
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Donation of common stock	<u>\$ 2,616</u>	<u>\$ -</u>

See accompanying notes which are an integral part of these financial statements

THE GLOBAL VILLAGE PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2020 AND 2019

NATURE OF ACTIVITIES AND PROGRAM DESCRIPTIONS

Mission and Vision Statements

The Global Village Project, Inc. is an innovative special purpose school for refugee girls and young women with interrupted schooling. The Organization's mission is to develop a strong educational foundation for each student within a caring community using a strengths-based approach and intensive instruction in English language and literacy, academic subjects, and the arts.

The vision of The Global Village Project, Inc. is to ensure that all refugee girls and young women with interrupted schooling have access to the education necessary to pursue their dreams.

Program Description

The Global Village Project, Inc. ("GVP") was incorporated in 2009 and operates a special purpose middle school for refugee girls and young women aged 11-19. The school's innovative high school preparatory program is designed to equip recently arrived young women with the academic and social knowledge and skills needed for successful study in a high school. The school serves 40-50 students each year who pay no tuition. Lunch at Agnes Scott College and transportation are provided free of charge. Over a hundred volunteers support the academic program each week. Most students that complete the academic program enter public high schools in DeKalb County, Georgia. GVP serves additional students through its mentor program, designed to ensure that the gains made at GVP allow them to complete their education. GVP is supported by private contributions and a government grant.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The Organization prepares its financial statements using the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor-imposed restrictions. The Board, at its discretion, may designate a portion of the net assets without donor restrictions to be used for specific purposes.
- *Net Assets with Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by the actions of the Organization or the passage of time. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. 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 Statement of Activities as net assets released from restrictions. If a restriction is fulfilled during the same year in which the contribution is received, the Organization reports that support as an increase in net assets without donor restrictions.

THE GLOBAL VILLAGE PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2020 AND 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates in Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Revenue Recognition

Contributions and Grants and Promises to Give

The Organization recognizes contributions and grants when cash, securities or other assets or an unconditional promise to give 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. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

The Organization receives federal, state, and local government grants. Government grants are generally accounted for as conditional contributions until grant funds are spent in accordance with applicable grant requirements.

Conditional contributions and grants that are received prior to conditions being met are reported in the statement of financial position as refundable advances.

Donated Materials, Services, and Marketable Securities

Contributions of donated use of space, noncash materials, services, and assets are recorded at their fair market values in the period received. The Organization records such gifts as net assets without restrictions unless explicit donor stipulations specify how the donated assets must be used. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

THE GLOBAL VILLAGE PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2020 AND 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

All acquisitions of property and equipment in excess of \$750 are capitalized. Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair market value at the date of donation. Depreciation of property is computed on a straight-line basis over the estimated service lives of the assets. The following lives have been assigned to the capitalized assets:

Computer and Office Equipment	5 years
Furniture & Fixtures	5 -10 years
Books and Literary Readers	3-5 years
School Buses	5 years
Leasehold improvements	5 years

Donations of property and equipment are recorded as support at their estimated fair market value. Such donations are reported as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions regarding their use and contributions of cash that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations regarding how long the long-lived assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired long-lived assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Tax-Exempt Status

The Organization is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) as an organization described in IRC Section 501(c)(3), except to the extent it has unrelated business income. In addition, the Organization has been determined by the Internal Revenue Service (IRS) not to be a private foundation within the meaning of Section 509(a) of the IRC. The Organization did not have an unrelated business income tax liability as of July 31, 2020 and 2019. Accordingly, no tax provision or liability has been reported in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax return and recognition of a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Organization, and has concluded that as of July 31, 2020 and 2019, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include personnel costs, depreciation, professional services, office expenses, insurance, and occupancy, which are allocated on the basis of estimates of time and effort.

THE GLOBAL VILLAGE PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2020 AND 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal, or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used in the methodology to measure fair value:

- **Level 1** – quoted prices (unadjusted) in active markets that are accessible at the measurement date for the assets or liabilities;
- **Level 2** – observable prices that are based on inputs not quoted in active markets, but corroborated by market data; and
- **Level 3** – unobservable inputs are used when little or no market data is available

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

As of July 31, 2020, and 2019, cash and cash equivalents and contributions receivable carrying amounts approximate fair value based on their short-term availability.

Newly Adopted Accounting Pronouncement

Effective August 31, 2019, the Organization has adopted Accounting Standards Update (ASU) No. 2014-09 - Revenue from Contracts with Customers (Topic 606), as amended as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting for Contributions Received and Contributions Made*. This ASU provides a more robust framework to determine when a transaction should be accounted for as a contribution or as an exchange transaction and provides additional guidance about how to determine whether a contribution is conditional. The Organization adopted ASU 2018-08 in 2019 for the year ended July 31, 2020.

Analysis of various provisions of the adopted ASUs resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

THE GLOBAL VILLAGE PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2020 AND 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)," which replaces the existing guidance in ASC 840 - Leases. This ASU requires a dual approach for lessee accounting under which a lessee would account for leases as finance leases or operating leases. Both finance leases and operating leases will result in the lessee recognizing a right-of-use asset and a corresponding lease liability. For finance leases, the lessee would recognize interest expense and amortization of the right-of-use asset and for operating leases, the lessee would recognize a straight-line total lease expense. This ASU is effective for fiscal years beginning after December 15, 2021. The requirements of this standard include a significant increase in required disclosures. Management is currently evaluating the impact of this ASU on the financial statements.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events Date of Review

Management has evaluated subsequent events through January 6, 2021, which was the date the financial statements were available to be issued.

Note 2 - CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable represents unconditional promises to give by donors. Contributions receivable that are expected to be collected in more than one year have been discounted using a rate of .66% as of July 31, 2020, and 2.75% as of July 31, 2019, and are reported in the financial statements at their net present value. Contributions receivable consisted of the following as of July 31, 2020, and 2019:

	2020	2019
Without donor restrictions	\$ 58,061	15,025
With donor restrictions	192,478	110,000
Total	<u>\$ 250,539</u>	<u>\$ 125,025</u>
Receivable in less than one year	\$ 240,539	\$ 105,025
Receivable in one to five years	10,000	20,000
Total unconditional promises to give	250,539	125,025
Less discount to present value	(121)	(895)
Less allowance for uncollectible promises to give	-	-
Total Contributions Receivable	<u>\$ 250,418</u>	<u>\$ 124,130</u>
Classified on the Statement of financial position:		
Current	\$ 240,418	\$ 104,130
Noncurrent	10,000	20,000
Total	<u>\$ 250,418</u>	<u>\$ 124,130</u>

THE GLOBAL VILLAGE PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2020 AND 2019

Note 3 – CONDITIONAL PROMISES TO GIVE

GVP received government grant contracts that expire after the end of fiscal year. The unused portion of the grants that remained as of the end of the fiscal year are considered conditional promises to give and will be recognized as revenue when allowable expenses are incurred in the next fiscal year. Conditional promises to give related to government grant contracts totaled \$23,720 as of July 31, 2020, and \$12,397 as of July 31, 2019.

Note 4 -PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of July 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Computers and office equipment	\$ 112,300	\$ 54,325
Furniture and fixtures	82,019	75,362
Literary readers	9,184	9,184
School buses	112,935	112,935
Leasehold improvements	<u>23,230</u>	<u>23,230</u>
	339,668	275,036
Less Accumulated Depreciation	<u>(208,420)</u>	<u>(155,385)</u>
Total fixed assets - net	<u>\$ 131,248</u>	<u>\$ 119,651</u>
Depreciation Expense	<u>\$ 54,099</u>	<u>\$ 54,055</u>

Note 5 – REFUNDABLE ADVANCES

On May 6, 2020, GVP secured a loan of \$155,400 in connection with the US Government's Payroll Protection Program (PPP). The PPP was established by the Coronavirus Aid, Relief and Economic Security (CARES) Act and provides loans to qualifying businesses to keep their workers on payroll during the COVID-19 pandemic. The loan matures on May 6, 2022 and bears interest at a rate of 1%, with a deferral of payments for the first six months. The loan and accrued interest may be eligible for forgiveness if the funds are used for eligible payroll, benefit, and other qualified expenses during the 24- week covered period. The loan has been accounted for as a donor advance on a conditional grant from the US Government, and will be recognized as income when all conditions, including the approval of the application for forgiveness, are met.

Note 6 – NONCASH CONTRIBUTIONS

The Organization received donated use of facilities and donated student meals. The donated space was provided by a church to operate its program. The Organization recorded contribution revenue based on the estimated fair market value of the donations. The amounts recorded as contribution revenue for the years ended July 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Donated use of facilities	\$ 85,110	\$ 85,110
Donated student meals	<u>24,960</u>	<u>38,815</u>
	<u>\$ 110,070</u>	<u>\$ 123,925</u>

THE GLOBAL VILLAGE PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2020 AND 2019

Note 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were held for the following purposes time restrictions as of July 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
STEAM pogram	\$ 178,867	\$ 368,000
Time restricted	170,000	91,000
COVID-19 relief	4,982	-
Capital expenses	-	35,000
Americorp expenses	-	10,000
Music program	5,000	5,000
Student meals	-	1,000
Personnel costs	22,522	-
	<u>\$ 381,371</u>	<u>\$ 510,000</u>

Note 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>2020</u>	<u>2019</u>
Total financial assets at year-end:		
Cash and cash equivalents	\$ 1,507,868	\$ 1,434,870
Contributions and grants receivable	250,418	125,347
Total financial assets as of July 31	1,758,286	1,560,217
Less amounts with donor restrictions for periods of more than one year	<u>(10,000)</u>	<u>(191,500)</u>
Total financial assets available to meet cash needs for general expenses within one year	<u>\$ 1,748,286</u>	<u>\$ 1,368,717</u>

As part of its plan to manage liquid assets, the Organization maintains a long-term reserve of approximately six months of operations. In addition, the Organization's goal is to maintain short-term cash to fund 90 days of operations. The Organization invests excess cash conservatively in money market funds to attain the highest yield possible, while still preserving capital.

The Organization has certain donor-restricted net assets that are available for general expenditures within one year of July 31, 2020 and 2019, because the restrictions on the net assets are expected to be met by conducting the normal activities of the programs in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year.

THE GLOBAL VILLAGE PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2020 AND 2019

Note 9 – LEASE COMMITMENT

On December 31, 2019, the Organization entered into a lease agreement with a church for the use of space for its operations. The term of the lease is for twenty-nine (29) months with 2 one-year renewal options. The Organization is required to pay \$3,000 per month which includes rent and utilities. The rent payment is below market. The value of the donated use of the space is recorded as a noncash donation.

The Organization leases a copier under an operating lease. The lease commenced on December 4, 2019, with a term of thirty-nine (39) months. The monthly lease payment is \$400.

Future minimum lease payments under operating leases are as follows as of July 31, 2020:

<u>Fiscal Years Ending July 31:</u>	
2021	\$ 40,800
2022	40,800
2023	38,800
	<u>\$ 120,400</u>

Note 10 – CASH BALANCES IN EXCESS OF FDIC

The Organization maintains its cash balances at three financial institutions. Deposits are insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Bank balances may exceed insured limits from time-to-time. The Organization's deposits in excess of insured limits were \$414,832 as of July 31, 2020, and \$260,309 as of July 31, 2019.

Note 11 – UNCERTAINTY

On March 11, 2020, the World Health Organization declared COVID-19, a strain of coronavirus, a pandemic. The extent of COVID-19's effect on the Organization's operational and financial performance will depend on future developments, including the duration, spread, and intensity of the pandemic, all of which are uncertain and difficult considering the rapidly evolving landscape. Management is closely monitoring the impact of COVID-19 on the Organization's operations. The financial statements do not include adjustments relating to this pandemic.

THE GLOBAL VILLAGE PROJECT, INC.

SUPPLEMENTAL INFORMATION

JULY 31, 2020



January 6, 2021

INDEPENDENT AUDITOR'S
REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors of
The Global Village Project, Inc., Inc.

We have audited the financial statements of The Global Village Project, Inc., Inc. as of and for the year ended July 31, 2020, and have issued our report thereon dated January 6, 2021, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of state contractual assistance is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Long & Company, P.C.
Certified Public Accountants

THE GLOBAL VILLAGE PROJECT, INC.
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
FOR THE YEAR ENDED JULY 31, 2020

Grantor/Program Name	CFDA No.	Contract Period	Grant Amount	Revenue Recognized 7/31/2019	Revenue Recognized 7/31/2020	Amount Due from State	Amount Due to State
U.S. Department of Health and Human Services							
Passed through the Georgia Department of Human Services							
Refugee and Entrant Assistance - Discretionary Grants							
Contract #42700-040-0000071476	93.566	9/30/18-9/29/19	\$ 76,624	\$ 64,227	\$ 12,397	\$ -	\$ -
Contract #42700-040-0000083270	93.566	9/30/19-9/29/20	56,572	-	47,143	9,428	-
Contract #42700-040-0000082816	93.566	9/30/19-9/29/20	81,000	-	66,709	21,525	-
Total State Contractual Assistance				<u>\$ 64,227</u>	<u>\$ 126,249</u>	<u>\$ 30,953</u>	<u>\$ -</u>

See Independent Auditor's Report