

**GLOBAL RESPONSE MANAGEMENT, INC.**

**YEAR ENDED DECEMBER 31, 2020**

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Independent Auditors' Report

Board of Directors and Management  
Global Response Management, Inc.  
Yulee, Florida

We have audited the accompanying financial statements of Global Response Management, Inc., which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditors' 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 Organization'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 Organization'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 Global Response Management, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

*Beach Fleishman PC*

Tucson, Arizona  
September 9, 2021

**GLOBAL RESPONSE MANAGEMENT, INC.**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2020**

**ASSETS**

Current assets:	
Cash and cash equivalents	\$ 1,392,101
Prepaid insurance	<u>50,313</u>
Total current assets	1,442,414
Property and equipment, net	<u>307,106</u>
Total assets	<u>\$ 1,749,520</u>

**LIABILITIES AND NET ASSETS**

Current liabilities:	
Accounts payable	\$ <u>1,338</u>
Total current liabilities	<u>1,338</u>
Net assets:	
Without donor restrictions:	
Undesignated	1,583,923
With donor restrictions	<u>164,259</u>
Total net assets	<u>1,748,182</u>
Total liabilities and net assets	<u>\$ 1,749,520</u>

See notes to financial statements.

**GLOBAL RESPONSE MANAGEMENT, INC.**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2020**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenues and support:			
Contributions	\$ 1,490,317	\$ 264,338	\$ 1,754,655
Grants	432,500	540,000	972,500
In-kind contributions	549,505	-	549,505
Interest income	18	-	18
Net assets released from restrictions	<u>640,079</u>	<u>(640,079)</u>	<u>-</u>
	<u>3,112,419</u>	<u>164,259</u>	<u>3,276,678</u>
Expenses:			
Program services	1,657,633	-	1,657,633
Supporting services	<u>134,693</u>	<u>-</u>	<u>134,693</u>
	<u>1,792,326</u>	<u>-</u>	<u>1,792,326</u>
Change in net assets	1,320,093	164,259	1,484,352
Net assets, beginning	<u>263,830</u>	<u>-</u>	<u>263,830</u>
Net assets, ending	<u>\$ 1,583,923</u>	<u>\$ 164,259</u>	<u>\$ 1,748,182</u>

See notes to financial statements.

**GLOBAL RESPONSE MANAGEMENT, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2020**

		Supporting services			
	Program services	Management and general	Fundraising/ marketing	Total supporting services	Total expenses
Salaries	\$ 296,949	\$ 45,021	\$ 19,385	\$ 64,406	\$ 361,355
Payroll taxes	<u>21,380</u>	<u>14,945</u>	<u>6,435</u>	<u>21,380</u>	<u>42,760</u>
	318,329	59,966	25,820	85,786	404,115
Advertising	-	-	30,054	30,054	30,054
Bank charges	-	510	-	510	510
Depreciation	47,895	-	-	-	47,895
Donated services	549,505	-	-	-	549,505
Education	2,270	-	-	-	2,270
Fuel	483	-	-	-	483
General insurance	32,776	-	-	-	32,776
Grants made to others	153,269	-	-	-	153,269
Medical expense	169,350	-	-	-	169,350
Miscellaneous	1,265	-	-	-	1,265
Office	-	2,703	-	2,703	2,703
Professional fees	54,154	15,640	-	15,640	69,794
Project costs	184,251	-	-	-	184,251
Rent	3,473	-	-	-	3,473
Repairs and maintenance	761	-	-	-	761
Security	230	-	-	-	230
Shipping and delivery	3,558	-	-	-	3,558
Supplies	45,677	-	-	-	45,677
Taxes and licenses	1,605	-	-	-	1,605
Travel and meals	83,654	-	-	-	83,654
Uniforms	<u>5,128</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,128</u>
	<u>\$ 1,657,633</u>	<u>\$ 78,819</u>	<u>\$ 55,874</u>	<u>\$ 134,693</u>	<u>\$ 1,792,326</u>

See notes to financial statements.

GLOBAL RESPONSE MANAGEMENT, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2020

Cash flows from operating activities:	
Change in net assets	\$ 1,484,352
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	47,895
Changes in operating assets and liabilities:	
Prepaid insurance	(50,314)
Net adjustments	<u>(2,419)</u>
Net cash provided by operating activities	<u>1,481,933</u>
Cash flows from investing activities:	
Purchases of property and equipment	<u>(302,102)</u>
Net cash used in investing activities	<u>(302,102)</u>
Net increase in cash, cash equivalents	1,179,831
Cash and cash equivalents beginning	<u>212,270</u>
Cash and cash equivalents ending	<u>\$ 1,392,101</u>

See notes to financial statements.



**GLOBAL RESPONSE MANAGEMENT, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2020**

1. Description of organization and summary of significant accounting policies:

Organization:

Global Response Management, Inc. (GRM or Organization) is a nonprofit organization committed to deliver emergency medical care and humanitarian relief to vulnerable populations affected by conflict, war, or disaster. In pursuit of this mission, the Organization offers a multitude of programs and services. The Organization has programs and services in place in Mexico, Iraq, Bangladesh, Yemen, Syria, and the Bahamas.

The Organization uses a variety of methods to fund its programs. Sources of revenue include contributions from family foundations, grants, and contributions from individuals.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 reported amounts of revenues, support and gains and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Net assets:

Net assets, support, gains, and losses are classified based on the existence or absence of donor or grantor 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 restrictions.
- *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 by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions restricted by donors as increases in net assets without donor restrictions if restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

**GLOBAL RESPONSE MANAGEMENT, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2020**

1. Description of organization and summary of significant accounting policies (continued):

Revenues and support:

Grants:

The Organization receives grants from foundations and nonprofit organizations and private companies for various programs and projects. All grants are nonexchange transactions. Support derived from grants, which are conditioned upon certain performance requirements or other barrier, is recognized when the conditions on which they depend have been substantially met in compliance with specific grant provisions. Amounts received prior to meeting the conditions are reported as deferred support in the statement of financial position. At December 31, 2020, there were no conditional grants for which amounts had been received in advance.

Support:

Contributions are considered nonexchange transactions and are recognized in the appropriate category of net assets in the period received. Contributions of assets other than cash are recorded at their estimated fair value at the date of gift. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Support arising from donated goods and services is recognized in the financial statements at its fair value. Donated services are recognized when the services received meet one of the following criteria:

- (a) create or enhance nonfinancial assets
- (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Although the Organization utilizes the services of outside volunteers to perform a variety of tasks that assist the Organization, the fair value of all these services may not be reflected in the financial statements because the above criteria are not met.

Cash and cash equivalents:

All highly liquid debt instruments purchased with a maturity of three months or less are considered to be cash equivalents.

All cash and cash equivalents are placed with various credit institutions. At times, such amounts may be in excess of the FDIC insurance limits; however, management does not believe they are exposed to any significant credit risk on cash and cash equivalents.

**GLOBAL RESPONSE MANAGEMENT, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2020**

1. Description of organization and summary of significant accounting policies (continued):

Property, equipment, and depreciation:

Property and equipment are stated at cost except for donated equipment, which is recorded at its fair market value at the date of gift. Property and equipment with a value of greater than or equal to \$500 and a useful life of more than one year is capitalized. Depreciation is calculated using the straight-line method over the following estimated useful lives of the assets:

Equipment	5 years
Vehicles	5 years

Impairment of long-lived assets:

The Organization reviews long-lived assets to be held and used for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If the sum of the undiscounted expected future cash flows over the remaining useful life of the long-lived assets is less than the carrying amount, the asset is considered impaired. Impairment losses would be measured as the amount by which the carrying amount exceeds the fair value of the asset. There was no impairment of long-lived assets recognized for 2020.

Fiscal sponsorship:

The Organization acted as a fiscal sponsor to the Asylum Seeker Network of Support (ASNS) on a temporary arrangement until ASNS obtained their own 501(c)(3) designation. Under this arrangement, the Organization received contributions and incurred expenses on behalf of ASNS. The Organization had variance power over the contributions received and recorded them as restricted contributions which were included in net assets with donor restrictions. As expenditures were incurred, the corresponding net assets were released from restriction. In September 2020, the Organization transferred approximately \$153,000 of funds to ASNS, all of which is included in grants made to others. The Sponsorship was mutually terminated September 2020.

Functional expense allocations:

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. The expenses that are allocated include salaries and payroll taxes, which are allocated based on estimated on the basis of estimates of time and effort.

Tax exempt status:

The Organization is exempt from income taxes under both federal (Internal Revenue Code Section 501(c)(3)) and Florida income tax laws, and is classified as other than private foundation under Internal Revenue Code Section 509(a)(1). Income from certain activities not directly related to the Organization's tax-exempt purpose, however, may be subject to taxation as unrelated business taxable income (UBTI).

GLOBAL RESPONSE MANAGEMENT, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2020

1. Description of organization and summary of significant accounting policies (continued):

Tax exempt status: (continued):

From time to time, the Organization may be subject to penalties and interest assessed by various taxing authorities, which are classified as management and general expenses, if they occur.

Subsequent events:

The Organization's management has evaluated the events that have occurred subsequent to December 31, 2020 through September 9, 2021, the date that the financial statements were available to be issued. Management has no responsibility to update these financial statements for events and circumstances occurring after this date.

2. Liquidity and availability of financial assets:

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

Financial assets:

Cash and cash equivalents	\$ 1,392,101
Less donor restrictions	<u>(164,259)</u>

Financial assets available to meet cash needs for general expenditures within one year \$ 1,227,842

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

3. Property and equipment:

Equipment	\$ 289,578
Vehicles	<u>67,018</u>
	356,596
Less accumulated depreciation	<u>49,490</u>
	<u>\$ 307,106</u>

4. Net assets with donor restrictions:

Subject to expenditure for specified purpose:

COVID-19 Prevention and Response	\$ 132,602
Mexico and Central America	<u>31,657</u>
	<u>\$ 164,259</u>

**GLOBAL RESPONSE MANAGEMENT, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2020**

5. Donated services:

Donated services for the year ended December 31, 2020 included professional services in the medical field totaling \$549,505 and are valued at market value.

6. Retirement plan:

GRM has a 401(k) retirement plan for its eligible employees. Eligible employees may make contributions to the 401(k) plan not to exceed specified annual ceiling amounts. The Plan makes employer matching contributions to an amount that does not exceed 1% of compensation, plus 50% of elective deferrals that exceeds 1% of compensation but does not exceed 6% of compensation. The Organization's matching contribution expense was \$3,799 for 2020.