

**GLOBAL RESPONSE MANAGEMENT, INC.**

**YEARS ENDED DECEMBER 31, 2021 AND 2020**

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## Independent Auditors' Report

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

### **Opinion**

We have audited the accompanying financial statements of Global Response Management, Inc., which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, 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 Response Management, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **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 Response Management, Inc. 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.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 Response Management, Inc.'s ability to continue as a going concern within 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Response Management, Inc.'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 Response Management, Inc.'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.

*BeachFleischman PLLC*

Tucson, Arizona  
December 1, 2022

GLOBAL RESPONSE MANAGEMENT, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$ 1,152,039	\$ 1,392,101
Accounts receivable	101,537	-
Prepaid insurance	<u>60,435</u>	<u>50,313</u>
Total current assets	1,314,011	1,442,414
Property and equipment, net	<u>261,835</u>	<u>307,106</u>
Total assets	<u>\$ 1,575,846</u>	<u>\$ 1,749,520</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 128,896	\$ 1,338
Accrued expenses	<u>22,499</u>	<u>-</u>
Total current liabilities	<u>151,395</u>	<u>1,338</u>
Total liabilities	<u>151,395</u>	<u>1,338</u>
Net assets:		
Without donor restrictions:		
Undesignated	1,031,376	1,583,923
With donor restrictions	<u>393,075</u>	<u>164,259</u>
Total net assets	<u>1,424,451</u>	<u>1,748,182</u>
Total liabilities and net assets	<u>\$ 1,575,846</u>	<u>\$ 1,749,520</u>

See notes to financial statements.

GLOBAL RESPONSE MANAGEMENT, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

	Without donor restrictions	With donor restrictions	Total
Revenues and support:			
Contributions	\$ 601,742	\$ 1,260,234	\$ 1,861,976
Grants	452,000	351,537	803,537
In-kind contributions	1,329,882	-	1,329,882
Other income	21,341	-	21,341
Interest income	38	-	38
Net assets released from restrictions	<u>1,382,955</u>	<u>(1,382,955)</u>	<u>-</u>
	<u>3,787,958</u>	<u>228,816</u>	<u>4,016,774</u>
Expenses:			
Program services	3,829,586	-	3,829,586
Supporting services	<u>510,919</u>	<u>-</u>	<u>510,919</u>
	<u>4,340,505</u>	<u>-</u>	<u>4,340,505</u>
Change in net assets	(552,547)	228,816	(323,731)
Net assets, beginning	<u>1,583,923</u>	<u>164,259</u>	<u>1,748,182</u>
Net assets, ending	<u>\$ 1,031,376</u>	<u>\$ 393,075</u>	<u>\$ 1,424,451</u>

See notes to financial statements.

GLOBAL RESPONSE MANAGEMENT, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

	Without donor restrictions	With donor restrictions	Total
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, 2021**

		Supporting services			
	Program services	Management and general	Fundraising/ marketing	Total supporting services	Total expenses
Salaries	\$ 349,402	\$ 106,240	\$ 54,220	\$ 160,460	\$ 509,862
Payroll taxes and benefits	<u>59,738</u>	<u>23,733</u>	<u>12,112</u>	<u>35,845</u>	<u>95,583</u>
	409,140	129,973	66,332	196,305	605,445
Advertising	-	-	38,681	38,681	38,681
Bank charges	3,760	817	-	817	4,577
Contributions	2,700	-	-	-	2,700
Depreciation	73,700	-	-	-	73,700
Donated services	1,329,882	-	-	-	1,329,882
Dues and subscriptions	659	1,095	2,273	3,368	4,027
Education	19,864	328	-	328	20,192
General insurance	63,532	11,899	-	11,899	75,431
Grants made to others	25,580	-	-	-	25,580
Meals	7,492	168	-	168	7,660
Medical	241,953	-	-	-	241,953
Office	1,807	583	150	733	2,540
Office supplies	1,846	1,110	-	1,110	2,956
Postage	2,107	-	2,107	2,107	4,214
Professional fees	365,962	220,544	17,000	237,544	603,506
Project costs	921,347	-	-	-	921,347
Rent	19,265	-	-	-	19,265
Security	14,143	-	-	-	14,143
Supplies	36,539	-	-	-	36,539
Taxes and licenses	147	549	-	549	696
Telephone	2,744	-	-	-	2,744
Travel and meals	254,111	17,310	-	17,310	271,421
Uniforms	9,507	-	-	-	9,507
Utilities	9,715	-	-	-	9,715
Vehicle	<u>12,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,084</u>
	<u>\$ 3,829,586</u>	<u>\$ 384,376</u>	<u>\$ 126,543</u>	<u>\$ 510,919</u>	<u>\$ 4,340,505</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 and benefits	<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
General insurance	32,776	-	-	-	32,776
Grants made to others	153,269	-	-	-	153,269
Medical	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
Travels and meals	84,137	-	-	-	84,137
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.**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ (323,731)	\$ 1,484,352
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	73,700	47,895
Changes in operating assets and liabilities:		
Accounts receivable	(101,537)	-
Prepaid insurance	(10,122)	(50,314)
Accounts payable	127,558	-
Accrued expenses	22,499	-
Net adjustments	<u>112,098</u>	<u>(2,419)</u>
Net cash provided by (used in) operating activities	<u>(211,633)</u>	<u>1,481,933</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(28,429)</u>	<u>(302,102)</u>
Net cash used in investing activities	<u>(28,429)</u>	<u>(302,102)</u>
Net increase (decrease) in cash and cash equivalents	(240,062)	1,179,831
Cash and cash equivalents beginning	<u>1,392,101</u>	<u>212,270</u>
Cash and cash equivalents ending	<u>\$ 1,152,039</u>	<u>\$ 1,392,101</u>

See notes to financial statements.

**GLOBAL RESPONSE MANAGEMENT, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2021 AND 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 Afghanistan, 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. Management evaluates its estimates and assumptions on an ongoing basis. 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)**

**YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

Revenues and support:

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.

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, 2021 and 2020, there were no conditional grants for which amounts had been received in advance.

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.

Accounts receivable:

Accounts receivable consists of principally uncollateralized amounts due from third-party donors. The Organization considers amounts over 30 days to be past due. Receivable balances are considered fully collectible by management; therefore, no allowance for doubtful accounts has been provided. There was no balance in accounts receivable at January 1, 2020.

**GLOBAL RESPONSE MANAGEMENT, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEARS ENDED DECEMBER 31, 2021 AND 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 2021 and 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, payroll taxes and insurance, which are allocated based on the basis of estimates of time and effort.

Advertising:

Advertising costs are expensed as incurred.

GLOBAL RESPONSE MANAGEMENT, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2021 AND 2020

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

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).

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, 2021 through December 1, 2022, 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.

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 1,152,039	\$ 1,392,101
Less donor restrictions	<u>(393,075)</u>	<u>(164,259)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 860,501</u>	<u>\$ 1,227,842</u>

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.

**GLOBAL RESPONSE MANAGEMENT, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEARS ENDED DECEMBER 31, 2021 AND 2020**

3. Property and equipment:

	2021	2020
Equipment	\$ 292,012	\$ 289,578
Vehicles	93,014	67,018
	385,026	356,596
Less accumulated depreciation	123,191	49,490
	\$ 261,835	\$ 307,106

4. Net assets with donor restrictions:

	2021	2020
Subject to expenditure for specified purpose:		
COVID-19 Prevention and Response	\$ 141,538	\$ 132,602
Mexico and Central America	150,000	31,657
Sierra Leone	101,537	-
	\$ 393,075	\$ 164,259

5. Contingencies:

Legal:

From time to time, the Organization may be party to certain pending or threatened lawsuits arising out of or incident to the ordinary course of business for which it carries general liability and other insurance coverages. In the opinion of management and based upon consultation with legal counsel, resolution of any pending or threatened lawsuits will not have a material adverse effects on the Organization's financial statements.

6. Donated services:

Donated services for the year ended December 31, 2021 and 2020 included professional services in the medical field totaling \$1,329,882 and \$549,505 and are valued at market value.

**GLOBAL RESPONSE MANAGEMENT, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEARS ENDED DECEMBER 31, 2021 AND 2020**

7. 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 \$8,647 and \$3,799 for 2021 and 2020.

8. Concentrations:

For 2021, one donor comprised 25% of total revenues and support. There is one grant that was included in accounts receivable at December 31, 2021.