



## GLOBAL MEDIA OUTREACH, INC.

Financial Statements  
With Independent Auditors' Report

August 31, 2024 and 2023

# GLOBAL MEDIA OUTREACH, INC.

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Global Media Outreach, Inc.  
Plano, Texas

### ***Opinion***

We have audited the accompanying financial statements of Global Media Outreach, Inc., which comprise the statements of financial position as of August 31, 2024 and 2023, 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 Media Outreach, Inc. as of August 31, 2024 and 2023, 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 Consolidated Financial Statements* section of our report. We are required to be independent of Global Media Outreach, 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 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 Media Outreach, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors  
Global Media Outreach, Inc.  
Plano, Texas

***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 Media Outreach, 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 Media Outreach, 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.

*Capin Crouse LLP*

Pleasanton, California  
October 21, 2024

# GLOBAL MEDIA OUTREACH, INC.

## Statements of Financial Position

	August 31,	
	<u>2024</u>	<u>2023</u>
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 1,976,477	\$ 2,101,042
Investments	394,736	1,007,424
Prepaid expenses and other assets	<u>209,709</u>	<u>417,592</u>
	2,580,922	3,526,058
Security deposits	-	15,328
Furniture and equipment-net	<u>1,680,330</u>	<u>1,843,630</u>
Total Assets	<u>\$ 4,261,252</u>	<u>\$ 5,385,016</u>
<b>LIABILITIES AND NET ASSETS:</b>		
Current liabilities:		
Accounts payable	\$ 77,895	\$ 107,357
Accrued expenses	<u>236,500</u>	<u>202,231</u>
Total liabilities	<u>314,395</u>	<u>309,588</u>
Net assets:		
Without donor restrictions	2,953,759	3,976,237
With donor restrictions	<u>993,098</u>	<u>1,099,191</u>
Total net assets	<u>3,946,857</u>	<u>5,075,428</u>
Total Liabilities and Net Assets	<u>\$ 4,261,252</u>	<u>\$ 5,385,016</u>

See notes to financial statements

# GLOBAL MEDIA OUTREACH, INC.

## Statements of Activities

	Year Ended August 31,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT, REVENUE, AND RECLASSIFICATIONS:</b>						
Contributions	\$ 6,439,407	\$ 4,508,103	\$ 10,947,510	\$ 6,010,434	\$ 4,013,512	\$ 10,023,946
Interest and other income	159,798	-	159,798	337,259	-	337,259
	<u>6,599,205</u>	<u>4,508,103</u>	<u>11,107,308</u>	<u>6,347,693</u>	<u>4,013,512</u>	<u>10,361,205</u>
Release of purpose restrictions	4,614,196	(4,614,196)	-	4,050,876	(4,050,876)	-
Total Support and Revenue	<u>11,213,401</u>	<u>(106,093)</u>	<u>11,107,308</u>	<u>10,398,569</u>	<u>(37,364)</u>	<u>10,361,205</u>
<b>EXPENSES:</b>						
Program services	9,962,761	-	9,962,761	9,371,060	-	9,371,060
Supporting activities:						
General and administrative	740,346	-	740,346	585,253	-	585,253
Fundraising	1,532,772	-	1,532,772	1,129,577	-	1,129,577
Total Expenses	<u>12,235,879</u>	<u>-</u>	<u>12,235,879</u>	<u>11,085,890</u>	<u>-</u>	<u>11,085,890</u>
Change in Net Assets	(1,022,478)	(106,093)	(1,128,571)	(687,321)	(37,364)	(724,685)
Net Assets, Beginning of Year	<u>3,976,237</u>	<u>1,099,191</u>	<u>5,075,428</u>	<u>4,663,558</u>	<u>1,136,555</u>	<u>5,800,113</u>
Net Assets, End of Year	<u>\$ 2,953,759</u>	<u>\$ 993,098</u>	<u>\$ 3,946,857</u>	<u>\$ 3,976,237</u>	<u>\$ 1,099,191</u>	<u>\$ 5,075,428</u>

See notes to financial statements

# GLOBAL MEDIA OUTREACH, INC.

## Statements of Cash Flows

	Year Ended August 31,	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (1,128,571)	\$ (724,685)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	343,310	279,864
Net change in:		
Prepaid expenses and other assets	223,211	(217,101)
Accounts payable	(29,462)	(104,002)
Accrued expenses	34,269	(60,040)
Net Cash Used by Operating Activities	(557,243)	(825,964)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of furniture and equipment	(180,010)	(1,012,495)
Purchases of investments	-	(1,007,424)
Proceeds from sale of investments	612,688	-
Net Cash Provided (Used) by Investing Activities	432,678	(2,019,919)
Change in Cash and Cash Equivalents	(124,565)	(2,845,883)
Cash and Cash Equivalents, Beginning of Year	2,101,042	4,946,925
Cash and Cash Equivalents, End of Year	\$ 1,976,477	\$ 2,101,042
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Disposal of fully depreciated equipment	\$ -	\$ 19,600

See notes to financial statements

# GLOBAL MEDIA OUTREACH, INC.

## Notes to Financial Statements

August 31, 2024 and 2023

1. NATURE OF ORGANIZATION:

Global Media Outreach, Inc. was formerly Internet Outreach 2100, Inc. In 2010, the name was changed to Global Media Outreach, Inc. and operations began. Global Media Outreach, Inc. is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, the organization is subject to federal income tax on any unrelated business taxable income. In addition, the organization is not classified as a private foundation within the meaning of Section 509(a) of the IRC. The primary source of support and revenue for Global Media Outreach, Inc. is contributions which are tax-deductible for income tax purposes.

Global Media Outreach, Inc. is a religious organization dedicated to the advancement of the gospel of Jesus Christ by the evangelism of unbelievers and the discipleship of believers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements for Global Media Outreach, Inc. have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. A summary of significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

### CASH AND CASH EQUIVALENTS

GMO considers all highly liquid instruments with maturities less than three months to be cash and cash equivalents. These cash and cash equivalent accounts may, at times, exceed federally insured limits. At August 31, 2024 and 2023, GMO's cash and cash equivalents exceeded federally insured limits by \$1,654,000 and \$1,839,000, respectively.

### INVESTMENTS

GMO's investments consist of certificates of deposit, which are stated at cost plus accrued interest. GMO's policy is to sell donated securities to convert them to cash as soon as they are transferred to GMO. Therefore, donated securities are recorded as contributions at the fair value on the date of conversion to cash. GMO had no securities held as of August 31, 2024 and 2023.

### FURNITURE AND EQUIPMENT-NET

Furniture and equipment is capitalized at cost on the date of purchase. Donated furniture and equipment is capitalized at its fair value on the date of the gift. GMO capitalizes long lived assets with a cost or fair value of \$3,000 or greater. Depreciation is computed on the straight-line method over the estimated useful lives of the assets ranging from three to seven years.



# GLOBAL MEDIA OUTREACH, INC.

## Notes to Financial Statements

August 31, 2024 and 2023

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### NET ASSETS

The net assets of GMO are reported according to class as follows:

*Net assets without donor restrictions* are those currently available for general purposes under the direction of the board.

*Net assets with donor restrictions* are those contributed with donor stipulations for specific operating purposes or time periods. Net assets with donor restrictions were purpose restricted by the donor for the evangelism of unbelievers and the discipleship of believers around the world through internet websites and mobile devices targeting geographic regions or specified time periods.

#### SUPPORT, REVENUE, AND EXPENSES

Contributions and unconditional promises to give are recorded when received. Contributions restricted by the donor for a specific purpose or time period are recorded as support in the net assets with donor restrictions class. Upon satisfaction of the restriction, 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 restrictions. Donated assets are recorded at their fair market value on the date of donation.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

#### CONTRIBUTED SERVICES AND NONCASH GIFTS

GMO receives noncash gifts, which are recorded as support and expense at the estimated fair market value on the date of the gift. GMO received internet distributions totaling approximately \$121,000 and \$28,000, during the years ended August 31, 2024 and 2023, respectively. The value of the donation was based upon market rates for the cost of similar services. The donation was used in operations of GMO.

#### USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# GLOBAL MEDIA OUTREACH, INC.

## Notes to Financial Statements

August 31, 2024 and 2023

3. FURNITURE AND EQUIPMENT:

Furniture and equipment consist of:

	August 31,	
	2024	2023
Software	\$ 2,464,230	\$ 2,284,220
Computer equipment	3,735	7,259
Furniture and equipment	-	3,978
Audio, visual, and television equipment	-	2,060
	<u>2,467,965</u>	<u>2,297,517</u>
Less accumulated depreciation	<u>(787,635)</u>	<u>(453,887)</u>
	<u>\$ 1,680,330</u>	<u>\$ 1,843,630</u>

4. NET ASSETS WITH DONOR RESTRICTION:

Net assets with donor restriction consist of:

	August 31,	
	2024	2023
Growth initiatives	\$ 371,606	\$ -
Digital ministry and other	205,373	204,554
Life's greatest questions	204,342	343,960
Explore God integration	-	677
International missions	11,776	550,000
Other	200,001	-
	<u>\$ 993,098</u>	<u>\$ 1,099,191</u>

5. COMMITMENTS AND CONTINGENCIES:

GMO leased office space under an agreement with an expiration date of August 2023. Rent expense for the lease and other month-to-month or cancelable leases and commitments for the years ended August 31, 2024 and 2023, totaled approximately \$7,000 and \$204,000, respectively.

During the year ended August 30, 2021 GMO entered into a sublease agreement, with an expiration date of August 2023, for the use of their office space. Rent income for the years ended August 31, 2024 and 2023 totaled approximately \$0 and \$313,000, respectively.

# GLOBAL MEDIA OUTREACH, INC.

## Notes to Financial Statements

August 31, 2024 and 2023

6. RELATED PARTY TRANSACTIONS:

During the years ended August 31, 2024 and 2023, GMO received contributions directly or indirectly from board members totaling approximately \$2,967,000 and \$1,765,000, respectively.

7. EMPLOYEE BENEFIT PLAN:

GMO sponsors a 403(b) plan (the Plan) covering employees who work more than 20 hours per week and who have been with the organization more than 30 days. Participants in the Plan vest immediately upon initial contribution. GMO contributed up to \$100 per month for every eligible employee until January 2023, at which time, the contribution was increased to \$200 per month. During the years ended August 31, 2024 and 2023, GMO's contributions to the Plan totaled approximately \$52,000 and \$42,000, respectively.

8. FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing the various program services and supporting activities have been summarized on a functional basis below. Accordingly, certain categories of expenses are attributable to one or more program or supporting functions of GMO. Those expenses include compensation, advertising, professional fees, supplies, and travel, which are allocated based on time and effort, as well as depreciation and facilities, which are allocated based on headcount.

The following table presents expenses by both their nature and function for the year ended August 31, 2024:

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Project expenses	\$ 4,185,041	\$ -	\$ -	\$ 4,185,041
Salaries and benefits	2,330,591	563,853	864,574	3,759,018
Professional fees	1,129,065	73,019	418,932	1,621,016
Office and supplies	805,169	79,125	74,343	958,637
Distribution costs	907,690	-	-	907,690
Depreciation and facilities	352,142	9,545	-	361,687
Other	163,876	10,323	54,909	229,108
Travel	89,187	4,481	120,014	213,682
	<u>\$ 9,962,761</u>	<u>\$ 740,346</u>	<u>\$ 1,532,772</u>	<u>\$ 12,235,879</u>

# GLOBAL MEDIA OUTREACH, INC.

## Notes to Financial Statements

August 31, 2024 and 2023

8. FUNCTIONAL ALLOCATION OF EXPENSES, continued:

The following table presents expenses by both their nature and function for the year ended August 31, 2023:

	Program Services	General and Administrative	Fundraising	Total
Project expenses	\$ 4,038,519	\$ 12,357	\$ -	\$ 4,050,876
Salaries and benefits	1,949,615	429,576	925,241	3,304,432
Professional fees	904,949	72,338	74,429	1,051,716
Office and supplies	652,805	61,027	19,504	733,336
Distribution costs	1,052,059	-	28,159	1,080,218
Depreciation and facilities	581,673	6,666	-	588,339
Other	50,707	1,126	3,136	54,969
Travel	140,733	2,163	79,108	222,004
	<u>\$ 9,371,060</u>	<u>\$ 585,253</u>	<u>\$ 1,129,577</u>	<u>\$ 11,085,890</u>

9. LIQUIDITY AND FUNDS AVAILABLE:

During the years ended August 31, 2024 and 2023, GMO has approximately \$2,370,000 and \$3,108,000, respectively, available within one year of the balance sheet date to meet general expenditures. Although approximately \$993,000 and \$1,099,000, during the years ended August 31, 2024 and 2023, respectively, is subject to donor restrictions, management expects all of the restricted net assets will be spent as part of GMO's ongoing monthly expenses. GMO has a goal to maintain a cash balance to meet 60 days of average monthly operating expenses.

10. SUBSEQUENT EVENTS:

Subsequent events were evaluated through October 21, 2024, which is the date the financial statements were available to be issued.