Global Kids, Inc.

Financial Statements
and Supplementary Information
Years Ended June 30, 2021 and 2020

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Contents

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Independent Auditor's Report

The Board of Directors
Global Kids, Inc.
New York, NY

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Global Kids, Inc. ("the Organization") (a not-for-profit organization), which comprise the statements of financial position as of June 30, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issue

Auditor's 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 auditor's 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 GAAS and *Government 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 GAAS and *Government 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 the Organization'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 the Organization'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for 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. Such 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2022 on our consideration of Global Kids, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Global Kids, Inc.'s internal control over financial reporting and compliance.

BDO USA, LLP

New York, NY
May 5, 2022

Global Kids, Inc.

Statements of Financial Position

June 30,	**2021**	2020
Assets		
Cash and cash equivalents	$ 1,633,013	$ 1,421,712
Restricted cash	28,320	48,320
Grants and other receivables	2,402,635	2,190,274
Prepaid expenses and other assets	3,949	3,248
Security deposits	55,743	55,743
Property and equipment, net	17,917	16,817
Total Assets	**$4,141,577**	**$3,736,114**
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 788,417	$ 510,176
Paycheck Protection Program loan payable	892,735	900,572
Deferred rent	77,381	148,811
Total Liabilities	1,758,533	1,559,559
Commitments and Contingencies (Note 11)		
Net Assets		
Net assets - without donor restrictions	2,164,724	2,007,609
Net assets - with donor restrictions	218,320	168,946
Total Net Assets	2,383,044	2,176,555
Total Liabilities and Net Assets	**$4,141,577**	**$3,736,114**

See accompanying notes to financial statements.

Global Kids, Inc.

Statements of Activities

Year Ended June 30,	**2021**	2020
Changes in Net Assets Without Donor Restrictions		
Grants, contributions, and other income	**$5,756,844**	$ 6,221,530
Training and technical assistance fees	**77,675**	126,098
Special events, net of direct expenses of $0 and $404 in 2021 and 2020, respectively	**175,343**	40,914
Forgiveness of debt - Paycheck Protection Program	**900,572**	-
Interest and dividends	**457**	166
	6,910,891	6,388,708
Net Assets Released from Restriction		
Satisfaction of program restrictions	**322,075**	499,574
Total Revenue and Other Support Without Donor Restrictions	**7,232,966**	6,888,282
Expenses		
Program Services		
School Based Youth Development	**5,197,566**	4,432,235
School Based Workforce Innovation and Opportunity Act ("WIOA") - In School Youth	**132,320**	-
School Based Workforce Innovation and Opportunity Act ("WIOA") - Year 4	**50,064**	141,983
School Based Workforce Innovation and Opportunity Act ("WIOA") - Year 3	**4,286**	65,470
School Based Workforce Innovation and Opportunity Act ("WIOA") - Year 2	**-**	7,945
Leadership and Peer Education	**169,621**	357,278
Digital Learning and Leadership Program	**20,219**	283,861
Global DC	**493,272**	473,094
Other programs	**75,455**	42,389
	6,142,803	5,804,255
Supporting Services		
Management and administration	**569,988**	716,633
Fundraising	**363,060**	249,616
	933,048	966,249
Total Expenses	**7,075,851**	6,770,504
Change in Net Assets Without Donor Restrictions	**157,115**	117,778
Changes in Net Assets With Donor Restrictions		
Grants and contributions	**371,449**	461,700
Net assets released from restrictions	**(322,075)**	(499,574)
Change in Net Assets With Donor Restrictions	**49,374**	(37,874)
Change in Net Assets	**206,489**	79,904
Net Assets - Beginning of Year	**2,176,555**	2,096,651
Net Assets - End of Year	**$2,383,044**	$ 2,176,555

See accompanying notes to financial statements.

Global Kids, Inc.

Statement of Functional Expenses

June 30, 2021	Program Service									Supporting Service		
	School Based Youth Development	School Based WIOA-ISY	School Based WIOA Year 4	School Based WIOA Year 3	Leadership and Peer Education	Digital Learning and Leadership Program	Global DC	Other Programs	Total Program Services	Management and Administration (M&A)	Fundraising	Total
Salaries and benefits	$ 3,928,814	$ 131,970	$ 50,064	$ 4,286	$ 112,743	$ 17,897	$ 414,408	$ 28,770	$ 4,688,952	$ 375,138	$ 325,992	$ 5,390,082
Rent and occupancy	326,102	-	-	-	4,873	666	40,402	1,875	373,918	15,325	15,951	405,194
Printing	32,804	-	-	-	7,226	81	3,979	227	44,317	1,557	1,929	47,803
Travel	8,148	-	-	-	717	-	-	220	9,085	1,786	-	10,871
Postage	6,107	-	-	-	199	-	190	20	6,516	685	1,637	8,838
Food	50,329	-	-	-	35	-	-	-	50,364	312	-	50,676
Supplies	207,108	350	-	-	5,508	-	329	1,007	214,302	3,303	433	218,038
Consultants and professional fees	315,927	-	-	-	5,039	254	23,552	11,832	356,604	139,874	7,836	504,314
Repairs and maintenance	8,449	-	-	-	126	17	852	49	9,493	333	414	10,240
Telephone and utilities	17,959	-	-	-	726	38	1,857	106	20,686	727	900	22,313
Equipment purchase and leases	121,940	-	-	-	6,440	-	2,378	827	131,585	11,530	1,579	144,694
Student stipend and incentives	54,770	-	-	-	23,806	850	210	28,534	108,170	-	150	108,320
Insurance	23,059	-	-	-	345	47	2,327	133	25,911	910	1,127	27,948
Depreciation	3,749	-	-	-	56	8	378	22	4,213	148	183	4,544
Miscellaneous	92,301	-	-	-	1,782	361	2,410	1,833	98,687	18,360	4,929	121,976
Total expenses before M&A allocation	**5,197,566**	**132,320**	**50,064**	**4,286**	**169,621**	**20,219**	**493,272**	**75,455**	**6,142,803**	**569,988**	**363,060**	**7,075,851**
M&A allocation	500,455	13,232	5,106	429	14,726	-	25,175	10,865	569,988	(569,988)	-	-
Total Expenses	**$5,698,021**	**$ 145,552**	**$ 55,170**	**$ 4,715**	**$184,347**	**$ 20,219**	**$518,447**	**$86,320**	**$ 6,712,791**	**$ -**	**$363,060**	**$ 7,075,851**

See accompanying notes to financial statements.

Global Kids, Inc.

Statement of Functional Expenses

June 30, 2020	Program Service									Supporting Service		
	School Based Youth Development	School Based WIOA Year 4	School Based WIOA Year 3	School Based WIOA Year 2	Leadership and Peer Education	Digital Learning and Leadership Program	Global DC	Other Programs	Total Program Services	Management and Administration (M&A)	Fundraising	Total
Salaries and benefits	$ 3,569,062	$ 139,595	$ 63,725	$ 7,945	$ 146,912	$ 170,859	$ 397,895	$ 31,556	$ 4,527,549	$ 320,436	$ 239,916	$ 5,087,901
Rent and occupancy	83,382	-	-	-	117,334	36,657	12,060	-	249,433	193,654	-	443,087
Printing	53,456	-	-	-	969	1,050	689	-	56,164	12,961	1,484	70,609
Travel	57,669	675	279	-	6,340	84	25,922	80	91,049	458	-	91,507
Postage	3,526	-	-	-	185	-	50	80	3,841	1,200	574	5,615
Food	95,379	495	197	-	10,772	649	7,517	8,500	123,509	1,421	378	125,308
Supplies	83,886	777	1,269	-	2,065	-	2,021	713	90,731	4,846	2,887	98,464
Consultants and professional fees	322,391	-	-	-	28,840	68,765	17,584	-	437,580	124,916	50	562,546
Repairs and maintenance	3,000	-	-	-	-	-	-	-	3,000	12,584	-	15,584
Telephone and utilities	16,326	-	-	-	656	950	-	1,400	19,332	12,406	-	31,738
Equipment purchase and leases	55,785	441	-	-	7,415	1,579	280	-	65,500	9,123	569	75,192
Student stipend and incentives	31,138	-	-	-	31,749	600	-	-	63,487	-	-	63,487
Insurance	18,950	-	-	-	1,184	1,000	3,639	-	24,773	3,319	-	28,092
Depreciation	2,415	-	-	-	133	159	379	-	3,086	1,458	-	4,544
Miscellaneous	35,870	-	-	-	2,724	1,509	5,058	60	45,221	17,851	3,758	66,830
Total expenses before M&A	**4,432,235**	**141,983**	**65,470**	**7,945**	**357,278**	**283,861**	**473,094**	**42,389**	**5,804,255**	**716,633**	**249,616**	**6,770,504**
M&A allocation	461,997	14,002	6,499	795	115,368	42,393	70,527	5,052	716,633	(716,633)	-	-
Total Expenses	**$ 4,894,232**	**$ 155,985**	**$ 71,969**	**$ 8,740**	**$ 472,646**	**$ 326,254**	**$ 543,621**	**$ 47,441**	**$ 6,520,888**	**$ -**	**$ 249,616**	**$ 6,770,504**

See accompanying notes to financial statements.

Global Kids, Inc.

Statements of Cash Flows

Year Ended June 30,	**2021**	2020
Cash Flows From Operating Activities		
Change in net assets	**$ 206,489**	$ 79,904
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	**4,544**	4,544
Deferred rent	**(71,430)**	(71,429)
Forgiveness of Paycheck Protections Program loan	**(900,572)**	-
Changes in operating assets and liabilities:		
Receivables	**(212,361)**	(457,167)
Prepaid expenses and other assets	**(701)**	20,765
Accounts payable and accrued expenses	**278,241**	15,837
Net Cash Used in Operating Activities	**(695,790)**	(407,546)
Cash Flows From Investing Activities		
Purchase of property and equipment	**(5,644)**	(15,912)
Net Cash Used in Investing Activities	**(5,644)**	(15,912)
Cash Flows From Financing Activities		
Proceeds from Paycheck Protection Program loan	**892,735**	900,572
Net Cash Provided by Financing Activities	**892,735**	900,572
Net Increase in Cash and Cash Equivalents and Restricted Cash	**191,301**	477,114
Cash and Cash Equivalents and Restricted Cash, Beginning of Year	**1,470,032**	992,918
Cash and Cash Equivalents and Restricted Cash, End of Year	**$1,661,333**	$ 1,470,032
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	**$ 2,434**	$ -
Cash paid for unrelated business income taxes	**$ -**	$ 2,903
Cash and Cash Equivalents and Restricted Cash Consist of:		
Cash and cash equivalents	**$1,633,013**	$ 1,421,712
Restricted cash	**28,320**	48,320
Total	**$1,661,333**	$ 1,470,032

See accompanying notes to financial statements.

1. Organization

Global Kids, Inc. (the "Organization") is a New York City ("NYC")-based non-profit educational organization. Its mission is to educate, activate, and inspire youth from underserved communities to take action on critical issues facing our world. The Organization receives its support and income primarily from government grants, fees for service, and public contributions.

Through the use of global education, leadership development, civic engagement and digital media programs, the Organization empowers diverse youth from underserved areas and equips them with the knowledge and skills they need to achieve academic success, develop college and career readiness skills, and come into their own as global citizens and community leaders. Through involvement with the Organization, young people examine global issues, make local connections, and create change through peer education, social action, digital media, and service-learning, while receiving intensive support from organizational staff. The Organization is active in nineteen public schools in New York City and seven schools in Washington, D.C. where we reach over 3,500 students each week. Additionally, programming takes place five days a week and is free and open to all NYC youth during the school year and throughout the summer at the Organization's Manhattan headquarters as well as the headquarters in Washington, D.C.

The Organization has reached over 250,000 youth and educators through face-to-face programs, hosted over 10,000 participants in the Annual Youth Conference, and created games and media accessed by over 10 million people. The Organization sets students on the path to long-term success by ensuring they have the attention and resources needed to graduate high school and attend college. Since 2004, an average of 95% of enrollees have graduated from high school, 10% higher than the general NYC student population, with 91% matriculating to college. In 2019 and 2020, despite significant personal and social challenges, these rates were 100% and 85%, respectively. Further, the Organization's impact is demonstrated by alumni accomplishments; 25% of former participants have received a master's, PhD, J.D, M.D, or other higher degree, nearly double that of the national average; 84% saw their civic and community engagement increase due to the Organization's programming; 88% are registered to vote; 91% said the Organization helped them identify with the attitudes and values of a global citizen; and 93% agree that the Organization increased their leadership skills.

In the summer of 2005, the Organization launched the United States in the World initiative, a summer institute and peer education program developed and implemented in partnership with the Council on Foreign Relations, which has continued each summer. The Organization is currently the lead agency providing services at six NYC Department of Education Community Schools and six NYC Department of Community Development School's Out New York City (SONYC) middle school programs. In 2008, the Organization authored Teen Action, a widely hailed service-learning curriculum which is used at scores of after-school program sites across NYC. The Organization's Digital Learning and Leadership Program, now in its 20th year, equips youth with the skills necessary to use technology, digital media, and the internet as tools for social change and to promote civic engagement and global literacy through hands-on projects. The Organization's digital learning program participants include people from around the world; the media they produce reach hundreds of thousands of others through the Organization and scores of other digital platforms. In addition to the programs described above, the Organization provides special training for educators and youth workers. These focus on youth development, interactive experiential teaching methods, service learning, games and learning, digital media creation for educational purposes, and techniques for infusing international issues and world cultures into programming for young people. Special training for students emphasizes leadership and communications skills, bias and violence prevention, and critical issues in international and domestic affairs.

2. Summary of Significant Accounting Policies

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

This classification of the Organization's net assets and its support, revenues, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the two classes of net assets – with donor restrictions or without donor restrictions – be displayed in a statement of financial position and that the amount of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

> Net Assets with Donor Restrictions – consist of contributions and other inflows of assets whose use is subject to donor-imposed restrictions that are more specific than broad limits reflecting the nature of the not-for-profit entity, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws or comparable documents. Donor-imposed restrictions may be temporary in nature, such as stipulating that resources may be used only after a specified date or limited to specific programs or services. Certain donor-imposed restrictions are perpetual in nature.
>
> Net Assets without Donor Restrictions – consist of contributions and other inflows of assets whose use is not subject to donor-imposed restrictions. This net asset category includes both contributions not subject to donor restrictions and exchange transactions.

Revenue Recognition

Transfers of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions. Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions.

Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Organization fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets, but are less specific than donor-imposed conditions.

Unconditional contributions without donor restrictions are recognized as revenue or support in changes in net assets without donor restrictions when received or promised. Contributions subject to donor restrictions are recognized in changes in net assets with donor restrictions. When a purpose restriction is satisfied or when a time restriction expires, the contribution is reported as net assets released from restrictions and is recognized in changes in net assets without donor restrictions.

The Organization receives contributions and grants from the general public and governmental agencies. Government grants received are restricted for the specific purposes defined in each award. Contributions and grants are recorded when the Organization receives payment or acknowledgement of these revenues.

Fee for service revenue consists of contractual fees agreed upon by a customer and the Organization for a particular performance. Revenue is recognized upon receipt of payment from the customer following performed service.

The Organization records special events revenue in the period in which the event takes place.

The Organization adopted Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* ("Topic 606") on July 1, 2020 using the modified retrospective method applied to all contracts not completed as of the date of adoption. The modified retrospective adoption method requires the Organization to record a transition adjustment for the new revenue standard, if any, as a cumulative effect adjustment to beginning net assets as of the date of adoption. Therefore, any comparative information has not been adjusted. The cumulative effect of applying Topic 606 was not material and, accordingly, there was no adjustment made to the Organization's beginning net assets upon adoption of Topic 606.

The Organization applies Topic 606 to exchange transactions such as fees for service and special events revenue related to customer contracts. As of July 1, 2020, revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services. Revenue from exchange contracts is recorded at the transaction price, which is determined by the price prescribed in the contract. Special event and fees for service revenue are recognized at a point in time when the event and program, respectively, are held.

Because the Organization's performance obligations relate to contracts with a duration of less than one year, the Organization elected to apply the optional exemption provided under ASC 606. Therefore, it is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity date of three months or less at the time of purchase to be cash equivalents.

Restricted Cash

Restricted cash consists of the Foundation 17 Scholarship Fund that was provided for the purpose of funding scholarships to selected needy college-bound students in the amount of approximately $5,000 per student per year. This fund is held in a separate money market account and income generated thereof is to be used for the same intent as the fund. Restricted cash as of June 30, 2021 and 2020 was $28,320 and $48,320, respectively.

Grants and Other Receivables

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not included as support until the conditions are substantially met.

Grants and other receivables, which consist of fees for services, grants and contributions, have been adjusted for all known uncollectible accounts. Management reviews the accounts receivable to determine if an allowance is necessary. The allowance is based on historical experience and management's analysis of the current status of amounts receivable. As of June 30, 2021 and 2020, no allowance was necessary because the receivable balance was determined to be fully collectable. All grants and other receivables at June 30, 2021 and 2020 are due in less than one year.

Property and Equipment, Net

Property and equipment are stated at cost and are depreciated using the straight-line method over the estimated useful lives of the respective assets. It is the Organization's policy to capitalize property and equipment expenditures in excess of $5,000 on a per unit basis. Expenditures for repairs and maintenance are expensed as incurred.

The costs of furniture and equipment that are reimbursed by government funding agencies are not capitalized in accordance with the reversionary interest terms in their respective agreements. Title to such assets remains in the name of the reimbursing agency.

Impairment

The Organization reviews long-lived assets to determine whether there has been any permanent impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the assets, the Organization recognizes an impairment loss. No impairment loss was recognized for the years ended June 30, 2021 and 2020.

Deferred Rent

The Organization leases program and office space whereby the landlord provided periods of scheduled increases to the minimum amounts charged. Rent expense related to the minimum rentals is recognized on a straight-line basis over the term of the lease. Deferred rent represents the adjustment to future rents as a result of using the straight-line method. The accompanying statements of financial position reflect a deferred rent liability of $77,381 and $148,811 at June 30, 2021 and 2020, respectively.

Functional Allocation of Expenses

Expenses that can be directly identified with the program or supporting service to which they relate are charged accordingly. Other expenses that are attributable to one or more programs or supporting services of the Organization include depreciation, insurance, rent and utilities. Rent is allocated based on square footage. Depreciation, insurance, and utilities are allocated based on staff's time and efforts.

Management and administration expenses were allocated to the individual program services on the statements of functional expenses for the years ended June 30, 2021 and 2020.

Special Events

The Organization conducts an annual gala, which is a special event in which a portion of gross proceeds paid by the participants represents payments for direct costs of the benefits received by the participants at the event. Unless a verifiable, objective means exists to demonstrate the fair value, meals and entertainment provided at special events are measured at the actual cost to the Organization. All proceeds received in excess of the direct costs are recorded as special events support in the accompanying statements of activities. For the year ended June 30, 2020, the Organization was unable to hold the annual gala due to COVID-19, see Note 11, however the Organization was able to raise an amount of contributions without donor restrictions. For the years ended June 30, 2021 and 2020, the Organization reported special events support of $175,343 and $40,914, respectively net of direct expenses of $0 and $404 respectively. The benefit to the donors and contributors of the events is typically limited to recognition during the gala event, listing in the gala program and an opportunity to speak at the event. The costs associated with the benefits are nominal.

Income Taxes

The Organization, as determined by the Internal Revenue Service, was granted tax exempt status under Section 501(c)(3) of the Internal Revenue Code ("IRC") and has been held to be a publicly supported organization and not a private foundation under Section 509(a) of the IRC. Under the provision, the Organization is exempt from federal income taxes and is also exempt from New York State and New York City income taxes.

The Organization follows the accounting standard for uncertainty in income taxes. The standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. It also provides guidance for de-recognition, classification, interest and penalties, disclosure, and transition.

The Organization is subject to audit by tax authorities. In assessing the realizability of tax benefits, management considers whether it is more likely than not that some portion or all of any tax position will not be realized. Management believes that its tax-exempt status would be sustained upon examination. Management believes that it has appropriate support for the positions taken on its tax returns. Nonetheless, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year. If applicable, the Organization would classify interest and penalties on underpayments of income tax as miscellaneous expenses.

The Organization files income tax returns in the federal and New York State jurisdictions. With few exceptions, the Organization is no longer subject to federal or state income tax examinations for fiscal years ended before June 30, 2018.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adopted Accounting Pronouncement

Revenue from Contracts with Customers (Topic 606)

Effective as of July 1, 2020, the Organization adopted ASU 2014-09, *Revenue from Contracts with Customers* ("Topic 606"). The update outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current recognition guidance, including industry specific guidance. The core principle of the revenue recognition standard is that an entity recognizes revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of this update had no effect on the Organization's statement of financial position or net assets. See Revenue Recognition above.

Recent Accounting Pronouncements

Lease Accounting

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02, *Leases*, which will require lessees to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The standard is effective for non-public business entities for fiscal years beginning after December 15, 2021. The Organization is currently evaluating the impact of the adoption of ASU 2016-02.

3. Liquidity Management and Availability of Resources

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization maintains, on average, $250,000 in its checking account for general and recurring expenditures and obligations. The Organization also maintains a separate form of operational reserve with the objective of setting aside funds to be drawn upon in the event of a budget deficit or any financial distress. These reserved funds are held in lower-risk cash and money market funds. The current balance of this reserve is included in cash and cash equivalents on the statements of financial position.

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Year Ended June 30,	**2021**	2020
Cash and cash equivalents	**$1,633,013**	$ 1,421,712
Restricted cash	**28,320**	48,320
Grants and other receivables	**2,402,635**	2,190,274
Total financial assets available within one year	**4,063,968**	3,660,306
Less: amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	**218,320**	168,946
Cash restricted for scholarships	**28,320**	48,320
Total financial assets available to management for general expenditures within one year	**$3,817,328**	$ 3,443,040

In managing its liquidity needs, the Organization has a committed line of credit totaling $1,000,000 (see Note 9), which it could draw down upon, if necessary.

4. Receivables

Receivables are summarized as follows:

Year Ended June 30,	**2021**	2020
Grants and contributions	**$ 2,402,635**	$ 2,189,274
Fee income	**-**	1,000
	$ 2,402,635	$ 2,190,274

5. Property and Equipment, net

Property and equipment consist of the following:

Year Ended June 30,	**2021**	2020	Estimated Useful Life
Furniture and equipment	**$ 58,183**	$ 52,539	7 years
Less: accumulated depreciation	**(40,266)**	(35,722)	
	$ 17,917	$ 16,817	

Depreciation expense totaled $4,544 for the years ended June 30, 2021 and 2020.

6. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk include cash accounts at a major financial institution that, at times, exceeded the Federal Deposit Insurance Corporation insured limit of $250,000.

Approximately 92% of the Organization's receivables as of June 30, 2021 was derived from four grantors. Approximately 76% of the Organization's receivables as of June 30, 2020 was derived from three grantors.

Approximately 93% and 77% of the Organization's grants and contributions revenue for the years ended June 30, 2021 and 2020, respectively, was derived from four grantors.

Approximately 84% of the Organization's training and technical assistance fees revenue for the year ended June 30, 2021 was derived from two organizations. Approximately 66% of the Organization's training and technical assistance fees revenue for the year ended June 30, 2020 was derived from one organization.

One vendor constituted 29% of the Organization's payables at June 30, 2021. Three vendors constituted 46% of the Organization's payables at June 30, 2020.

7. Net Assets with Donor Restrictions

Net assets with donor restrictions are purpose restricted, and consist of the following balances at June 30, 2021 and 2020:

Year Ended June 30,	**2021**	2020
Purpose Restricted:		
School Based Youth Development	**$ 25,000**	$ -
Leadership and Peer Education	**193,320**	81,320
Global DC	**-**	4,360
COVID-19 Relief	**-**	83,266
Total Net Assets With Donor Restrictions	**$ 218,320**	$ 168,946

Net assets released from restrictions by satisfying the restricted purposes for the years ended June 30, 2021 and 2020, are as follows:

Year Ended June 30,	**2021**	2020
Purpose Restricted:		
School Based Youth Development	**$ 55,000**	$ 123,500
Leadership and Peer Education	**179,449**	151,700
Digital Learning and Leadership Program	**-**	135,000
Global DC	**4,360**	50,640
COVID-19 Relief	**83,266**	38,734
Total Released from Restrictions	**$ 322,075**	$ 499,574

8. Employees' Pension Plan

The Organization maintains a defined contribution 403(b) TDA plan for all employees. The Organization does not contribute to this plan. The participants can contribute up to the maximum annual limitation set forth in the IRC. There is no age or services requirement, all employees are eligible to contribute to this plan.

The Organization also maintains a defined contribution 403(b) DC plan for all eligible employees, as defined, which is funded entirely at the discretion of the Organization; participants are not allowed to contribute to the plan. All full-time employees aged 18 or older, with one year of service are eligible to participate in the plan. For the years ended June 30, 2021 and 2020, the Organization declared a discretionary contribution totaling $205,730 and $77,010, respectively.

9. Line of Credit

The Organization has a line of credit agreement with a financial institution to access a maximum of $1,000,000, with interest at the bank's note rate, as defined in the line of credit agreement, which would provide short-term working capital. The line of credit is secured by the Organization's assets. The line was renewed in May 2021 at the same note rate (3.98% and 3.56% as of June 30, 2021 and 2020, respectively), and expires in May 2022. The Organization did not borrow from the line during the years ended June 30, 2021 and 2020.

There was no outstanding balance on the line of credit at June 30, 2021 and 2020.

10. Paycheck Protection Program Loan Payable

On May 6, 2020, the Organization received loan proceeds in the amount of $900,572 (the "PPP Loan"), under the Paycheck Protection Program ("PPP"). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") which was enacted March 27, 2020. The PPP Loan was in the form of a promissory note, dated May 6, 2020, signed by the Organization, with an original maturity of May 6, 2022, and bore interest at a rate of 1.0% per annum.

On May 26, 2021, the Organization received notification from the Small Business Administration ("SBA") that the Organization's forgiveness application of their first PPP Loan and accrued interest was approved in full, and the Organization has no further obligations related to their first PPP Loan. Accordingly, the Organization recorded forgiveness of debt of the first PPP loan totaling $900,572 in the accompanying statements of activities for the year ended June 30, 2021.

On January 23, 2021, the Organization received additional loan proceeds in the amount of $892,735 (the "second PPP loan"), under the PPP. The second PPP Loan was in the form of a promissory note, dated January 23, 2021, signed by the Organization, with an original maturity of April 23, 2026, and bore interest at a rate of 1.0% per annum.

On December 7, 2021, the Organization received notification from the SBA that the Organization's forgiveness application of their second PPP Loan and accrued interest was approved in full, and the Organization has no further obligations related to their second PPP Loan.

The CARES Act and the PPP provide a mechanism for forgiveness of up to the full amount borrowed. The amount of the loan proceeds eligible for forgiveness is based on a formula that takes into account a number of factors, including the amount of loans proceeds used by the Organization during the 24-week period after the loan origination for certain eligible purposes including payroll costs, interest on certain mortgage obligations, rent payments on certain leases, and certain qualified utility payments, provided that at least 60% of the loan amount is used for eligible payroll costs; the employer maintaining or rehiring employees and maintaining salaries at certain levels; and other factors. Subject to other requirements and limitations on loan forgiveness, only loan proceeds spent on payroll and other eligible costs during a covered eight-week or twenty-four-week period qualify for forgiveness. Any forgiveness of the PPP loan is subject to approval by the SBA. At June 30, 2021 and 2020, the PPP Loans are included in total liabilities on the accompanying statements of financial position. Forgiveness is recorded in the year the loan is forgiven by the SBA.

11. Commitments and Contingencies

Lease Commitments

Effective May 1, 2017, the Organization renewed its then existing lease agreement, and entered into a 5 year non-cancelable lease for office space. The Organization is obligated through July 31, 2022 for monthly fixed rental payments of $41,667, with a free rent period through January 31, 2018. On February 15, 2021, the Organization received rent credits from November 2020 through February 2021 aggregating $33,333. The rent credits were not accounted for as a lease modification since they were provided to assist with the effects of the COVID-19 pandemic and they did not result in a substantial increase in the rights of the lessor or the obligations of the lessee, as permitted by FASB.

Future minimum rental payments under this new lease are as follows:

Year Ended June 30,		
2022	$	500,000
2023		41,667
	$	**541,667**

The Organization also leases space in Washington, D.C. on a month-to-month basis at $625 per month. The lease expired on December 31, 2020. The Organization renewed their Washington D.C. lease on January 1, 2021, extending the term to June 30, 2021 at $625 per month.

Rent expense was $405,194 and $443,087 for the years ended June 30, 2021 and 2020, respectively.

The Organization is obligated under a lease agreement for office equipment in NYC at $3,379 per month through August 23, 2024.

Future minimum rental payments under this equipment lease are as follows:

Year Ended June 30,		
2022	$	40,548
2023		40,548
2024		40,548
2025		6,758
	$	**128,402**

Contingencies

Pursuant to the Organization's contractual relationships with certain funding sources, outside agencies have the right to examine the Organization's books and records which pertain to transactions relating to these contracts. The financial statements do not include a provision for possible disallowances and reimbursements. Management believes that actual additional disallowances, if any, would be immaterial.

12. Subsequent Event

The Organization has evaluated events through May 5, 2022, which is the date the financial statements were available to be issued.

Supplementary Information

Global Kids, Inc.

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provide to Subrecipients	Federal Expenditures
U.S. Department of Education				
Pass-Through New York City Department of Education				
21st Century Community Learning Centers	84.287	9160315	$ -	$ 530,805
Pass-Through Office of the State Superintendent of Education				
21st Century Community Learning Centers	84.287	92287C	-	245,989
Total 21st Century Community Learning Centers ALN #84.287			-	776,794
Total U.S. Department of Education			-	**776,794**
U.S. Department of Labor				
WIOA Cluster				
Pass-Through Department of Youth and Community Development				
Workforce Innovation and Opportunity Act Youth Activities - Year 3	17.259	90335	-	4,715
Workforce Innovation and Opportunity Act Youth Activities - Year 4	17.259	90335	-	56,171
Workforce Innovation and Opportunity Act Youth Activities - ISY Learn and Earn	17.259	90335A	-	145,552
Total WIOA Cluster			-	206,438
Total U.S. Department of Labor			-	**206,438**
U.S. Department of Health and Human Resources				
477 Cluster				
Pass-Through Department of Youth and Community Development				
Community Services Block Grant	93.569	850107B	-	58,846
Total U.S. Department of Health and Human Resources			-	**58,846**
Total Expenditures of Federal Awards			**$ -**	**$ 1,042,078**

See accompanying notes to financial statements.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Global Kids, Inc. (a not-for-profit organization) (the "Organization") under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title *2 U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Costs

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

The Organization has elected to use the 11% indirect cost rate that is agreed to within the Organization's contract with the New York City Department of Education. The Organization has elected to use the 10% indirect cost rate allowed under the Uniform Guidance for the remaining portion of the remaining programs.

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors
Global Kids, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Global Kids, Inc. (the "Organization"), which comprise the Organization's statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 5, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

May 5, 2022

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Independent Auditor's Report on Compliance For The Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
Global Kids, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Global Kids, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2021. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization’s compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Organization’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Organization’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-01. Our opinion on the major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization’s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Organization is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Organization's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-01 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Organization is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Organization's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

May 5, 2022

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	____ Yes __X__ No
Significant deficiency(ies) identified?	____ Yes __X__ None reported
Noncompliance material to financial statements noted?	____ Yes __X__ No

Federal Awards

Type of auditor's report issued on compliance for major federal program:	Unmodified
Internal control over major federal program:	
Material weakness(es) identified?	____ Yes __X__ No
Significant deficiency(ies) identified?	__X__ Yes ____ None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	__X__ Yes ____ No

Identification of Major Federal Program

Assistance Listing Number	Name of Federal Program
84.287	21st Century Community Learning Centers

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee: ____ Yes __X__ No

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

#2021-001 – Submission of Reporting Package and Data Collection Form

Criteria: The auditee must submit the data collection form and reporting package to the Federal Audit Clearinghouse within the earlier of 30 days after the receipt of the auditor's reports or 9 months after the end of the audit period.

Condition: The June 30, 2020 data collection form and reporting package was submitted after the reporting requirement.

Cause: Management oversight due to lack of personnel caused by the COVID-19 pandemic.

Effect: The auditee did not qualify as a low-risk auditee for the June 30, 2021 Single Audit.

Recommendations: Management should implement an additional control to ensure Single Audits are submitted timely.

Views of Responsible Officials: Management agrees with this finding. Management's view and corrective action plan are included at the end of this report.

Global Kids®

Developing Youth Leaders for the Global Stage

April 4, 2022

The following is Management's Views and Corrective Action Plan regarding the Schedule of Findings and Questioned Costs for the year ended June 30, 2021.

Finding #2021-001 – Submission of Reporting Package and Data Collection Form

1. Management's View and Corrective Action Plan

   Management agrees with this audit finding #2021-001. Management will ensure the reporting package and data collection form is submitted within the 30 day period after the release of the auditor's report. The Director of Finance will begin uploading the relevant information on the Federal Audit Clearinghouse website within one business day of receiving the signed audit report and will finalize and certify the reporting package and data collection form within five business days.

   Responsible Person: Young Sook Na, Director of Finance is the responsible person for this corrective action plan and will ensure the controls and oversight are put into place immediately.

Young Sook Na, Director of Finance