SERGE GLOBAL, INC.

FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2024

(See Independent Auditors' Report)

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Bee Bergvall & Co.
Certified Public Accountants
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Independent Auditors' Report

Board of Directors
Serge Global, Inc.
Jenkintown, Pennsylvania

Opinion

We have audited the accompanying financial statements of Serge Global, Inc. (a nonprofit organization), which comprise the statement of financial position as of May 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year 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 Serge Global, Inc. as of May 31, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Serge Global, Inc. and to meet our other ethical responsibilities in accordance with the 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 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 Serge Global, 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 Serge Global, 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 Serge Global, 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.

Report on Summarized Comparative Information

We have previously audited Serge Global Inc’s 2023 financial statements and expressed an unmodified opinion on those audited financial statements in our report dated August 24, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bee, Bergvall & Co.

Bee, Bergvall & Co., P.C.
Certified Public Accountants

Warrington, PA
October 8, 2024

SERGE GLOBAL, INC.

Statements of Financial Position

May 31, 2024 and 2023

ASSETS

	2024	2023
Cash and Cash Equivalents	$ 4,034,554	$ 2,648,361
Accounts Receivable	51,351	14,626
Prepaid Expenses	244,212	263,783
Pledges Receivable	35,944	51,000
Advances to Missionaries	63,813	81,195
Investments	10,383,572	9,279,601
Security Deposits	163,329	161,298
Other Assets	422,686	422,686
Property and Equipment - Net of Accumulated Depreciation	341,882	140,695
Right to Use Asset - Net of Accumulated Amortization	1,195,333	1,409,423
Total Assets	$ 16,936,676	$ 14,472,668

LIABILITIES AND NET ASSETS

	2024	2023
Accounts Payable	$ 683,282	$ 593,034
Deferred Revenue	40,495	48,654
Operating Lease Liability	1,493,405	1,702,230
Total Liabilities	2,217,182	2,343,918
Without Donor Restrictions		
Board Designated for Missionaries and Projects	11,808,478	10,902,671
Undesignated	2,352,392	973,028
Total Without Donor Restrictions	14,160,870	11,875,699
With Donor Restrictions	558,624	253,051
Total Net Assets	14,719,494	12,128,750
Total Liabilities and Net Assets	$ 16,936,676	$ 14,472,668

See accompanying notes to the financial statements

SERGE GLOBAL, INC.

Statements of Activities

For the Year Ended May 31, 2024
(With Summarized Comparative Totals for the Year Ended May 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Totals	2023 Totals
Support and Revenue				
Contributions and Grants	$ 27,450,781	$ 1,031,129	$ 28,481,910	$ 26,203,999
Government Grants	1,020,205	-	1,020,205	-
Discipling Tuition	150,204	-	150,204	130,473
Investment Income (loss)	1,338,883	-	1,338,883	(191,529)
Other Income	183,404	-	183,404	168,525
Total Support and Revenue	30,143,477	1,031,129	31,174,606	26,311,468
Net Assets Released from Program Restrictions	725,556	(725,556)	-	-
Total Support, Revenue, and Reclassifications	30,869,033	305,573	31,174,606	26,311,468
Expenses				
Field Operations	22,871,070	-	22,871,070	22,633,074
Home Office	4,755,993	-	4,755,993	3,861,906
Fundraising	956,799	-	956,799	728,776
Total Expenses	28,583,862	-	28,583,862	27,223,756
Increase (Decrease) in Net Assets	2,285,171	305,573	2,590,744	(912,288)
Net Assets, Beginning of Year, as reported	11,875,699	253,051	12,128,750	13,198,357
Implementation of ASU 842	-	-	-	(157,319)
Net Assets, End of Year	$ 14,160,870	$ 558,624	$ 14,719,494	$ 12,128,750

See accompanying notes to the financial statements

SERGE GLOBAL, INC.

Statements of Functional Expense

For the Year Ended May 31, 2024
(With Summarized Comparative Totals for the Year Ended May 31, 2023)

	Field Operations	Home Office	Fundraising	2024 Totals	2023 Totals
Books & Other Literature	$ 36,886	$ 2,829	$ 1,370	$ 41,085	$ 36,307
Business Meals	279,624	65,505	11,727	356,856	274,458
Computer Hardware & Software	74,532	14,156	2,868	91,556	82,707
Depreciation & Amortization	151,752	-	-	151,752	42,940
Diaconal Needs	84,078	-	-	84,078	97,034
Dues & Subscriptions	29,382	84,678	-	114,060	92,118
Education & Schooling	575,376	10,633	-	586,009	437,038
Foreign National Wages	153,976	195	-	154,171	115,911
Grants to Foreign Organizations	1,730,275	-	-	1,730,275	2,491,610
Insurance	65,083	169,827	-	234,910	235,826
Maintenance & Repairs	164,243	155,377	3,721	323,341	317,974
Medical Expenses & Supplies	221,172	72	-	221,244	150,550
Merchant Discounts	197,431	-	-	197,431	154,028
Ministry Account	9,560	-	-	9,560	12,058
Other	131,339	57,182	9,703	198,224	388,111
Outside Services	2,952,967	170,085	11,464	3,134,516	3,385,767
Outreach	27,680	-	-	27,680	19,087
Postage	19,641	20,833	13,857	54,331	48,903
Printing	47,311	26,408	16,480	90,199	68,978
Professional Services	-	480,369	67,858	548,227	396,117
Project Expenses	104,983	-	-	104,983	211,589
Promotions	19,296	3,441	867	23,604	27,054
Rent	69,492	289,831	1,800	361,123	371,830
Retreats & Conferences	214,538	37,792	-	252,330	256,984
Service Charges	19,624	28,953	-	48,577	30,199
Set Up Costs	135,183	-	-	135,183	132,087
Shipping & Freight	78,030	620	-	78,650	123,234
Sponsoring Conference & Education	148,637	500	-	149,137	100,154
Supplies & Cleaning	78,699	29,034	1,476	109,209	74,557
Travel	2,193,608	499,407	110,670	2,803,685	1,899,162
Utilities	7,249	20,740	9,845	37,834	28,884
Vehicle Expenses	50,023	-	-	50,023	39,513
Wages Payroll Taxes & Benefits	12,799,400	2,587,526	693,093	16,080,019	15,080,987
Total Expenses	$ 22,871,070	$ 4,755,993	$ 956,799	$ 28,583,862	$ 27,223,756

See accompanying notes to the financial statements

SERGE GLOBAL, INC.

Statements of Cash Flows

For the Year Ended May 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities:		
Increase (Decrease) in Net Assets	$ 2,590,744	$ (912,288)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Contributed Investments	(249,733)	(238,985)
Unrealized and Realized (Gain) Loss on Sale of Investments	(820,261)	424,643
Non cash lease expense	5,265	21,489
Depreciation and Amortization	151,752	42,940
(Increase) Decrease in Assets:		
Accounts Receivable	(36,725)	36,303
Prepaid Expenses	19,571	(145,390)
Pledges Receivable	15,056	(8,000)
Advances to Missionaries	17,382	(639)
Security Deposits	(2,031)	(20,227)
Other Assets	-	(42,000)
Increase (Decrease) in Liabilities:		
Accounts Payable	90,248	235,060
Deferred Revenue	(8,159)	(39,441)
Net Cash Provided by (Used in) Operating Activities	1,773,109	(646,535)
Cash Flows from Investing Activities:		
Proceeds from the Sale of Investments	476,891	834,737
Purchase of Investments	(510,868)	(358,068)
Purchase of Property and Equipment	(352,939)	(15,283)
Net Cash Provided by (Used in) Investing Activities	(386,916)	461,386
Net Increase (Decrease) in Cash	1,386,193	(185,149)
Cash and Cash Equivalents, Beginning of Year	2,648,361	2,833,510
Cash and Cash Equivalents, End of Year	$ 4,034,554	$ 2,648,361
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -
Leased assets obtained in exchange for operating lease liability	$ -	$ 2,140,896

See accompanying notes to the financial statements

NOTE 1. Summary of Significant Accounting Policies

The summary of significant accounting policies of Serge Global, Inc. is presented to assist in understanding the organization's financial statements. The financial statements and notes are representations of the organization's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles except where noted and have been consistently applied in the preparation of the financial statements.

Nature of Entity: Serge Global, Inc ("Serge") is a mission sending agency founded in 1983; today, Serge has 330 missionaries in 25 countries. The motive and power for Serge's mission is the gospel of grace at work in the life of a believer and the vision is to see movements of churches empowered by grace for the world's good and God's glory. This vision is pursued through incarnational ministry, with an emphasis on church planting, incarnating mercy, and equipping church leaders. Serge exists to see individuals, families, communities, and cultures so changed and renewed by the gospel of grace that they passionately pursue their role in the great story of redemption.

Tax Status: Serge is a Pennsylvania corporation recognized as a non-profit religious corporation exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code and from Pennsylvania taxation under the applicable provisions of the Commonwealth's non-profit organization statutes.

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires Serge to report information regarding its exposure to various tax positions taken. Management has performed their evaluation and believes there are no unrecognized tax positions that are required to be disclosed.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax period. The organization believes it is no longer subject to income tax examinations for the years prior to 2019.

The Organization's policy is to classify income tax related interest and penalties, if any, in interest expense and other expenses, respectively.

NOTE 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation: Financial presentation follows the recommendations of the Financial Accounting Standards Board under which the organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and donor-restricted net assets.

Comparative Information: The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Serge's financial statements for the year ended May 31, 2023, from which the summarized information was derived.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Credit Risk: The Organization maintains cash balances at several financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to $250,000. Cash balances exceeded the insurance limits as of May 31, 2024 by $3,806,733.

Cash and Cash Equivalents: For purposes of the statement of cash flows, Serge considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Funds held in money market accounts by external investment managers are reported as investments.

Accounts Receivable: Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for credit losses and an adjustment to a valuation allowance based on its assessment of the status of individual funding sources. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements. At May 31, 2024, management considers all accounts receivable to be entirely collectible.

NOTE 1. Summary of Significant Accounting Policies (Continued)

Pledges Receivable: Unconditional pledges receivable are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional pledges receivable are recognized when the conditions on which they depend are substantially met.

Investments: Serge carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Property, Equipment, and Depreciation: Property and equipment are recorded at cost, or if donated, at fair market value at the date of the gift. Depreciation is provided by the straight-line method over the estimated useful lives of the related assets ranging from three to thirty years. Assets that are valued over $1,000 and have estimated useful lives of more than one year are capitalized, while assets that are less than this threshold are directly expensed, as are all assets purchased for use in field operations.

Deferred Revenue: Deferred revenue represents tuition and fees received in advance for Serge's discipling programs.

Net Assets: Net assets, revenues, 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 (or grantor) restrictions. These net assets can be used at the discretion of the organization's management and board of directors.
>
> *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.

Fund Accounting: Resources available to Serge are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. Board designated funds are allocated to specific purposes by action of the Board of Directors.

NOTE 1. Summary of Significant Accounting Policies (Continued)

Fund Accounting: *(continued)*
Externally restricted funds may only be utilized in accordance with the purpose established by the source of such funds and are in contrast with board designated funds over which the Board of Directors retains full control to use in achieving any of its specified purposes.

Revenue Recognition: Contributions are recognized when cash, an unconditional promise to give, or other assets are received. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor releases the restriction.

Revenue is recognized when earned. Tuition for the discipling programs is earned over time as the participants complete the course work. Serge utilizes certain software to measure course completion and recognizes revenue accordingly. Revenue is reported at the amount of consideration expected in exchange for the normal tuition rates.

Contributed Nonfinancial Assets: Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Serge. A substantial number of volunteers have donated significant amounts of time to Serge's events and programs; however, the value of the volunteers' donated time is not recognized as a contribution in the financial statements since the recognition criteria were not met.

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Expense Allocation: Expenses are charged to programs and supporting services based on periodic time and expense studies or square footage. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the organization.

Concentration of Credit Risk: Financial instruments that potentially subject Serge to concentrations of credit risk consist principally of temporary cash investments and accounts and pledges receivable. Serge places its temporary cash investments with several financial institutions and may occasionally maintain deposits in excess of federally insured limits. Concentrations of credit risk with respect to accounts and pledges receivable are limited due to the nature of Serge's customers and contributors.

NOTE 1. Summary of Significant Accounting Policies (Continued)

Subsequent Events: Management has evaluated events for recognition or disclosure through the date of the auditors' report, which is the date the financial statements were available to be issued. No subsequent events requiring recognition or disclosure were noted.

New Accounting Pronouncements: The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which introduces the Current Expected Credit Losses (CECL) model for estimating credit losses on financial assets. The Organization has adopted the CECL model for the accounting of credit losses on financial assets, effective January 1, 2023.

Under the CECL model, entities are required to measure expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts. This represents a significant change from the incurred loss model previously used, as it requires entities to recognize credit losses earlier in the credit loss recognition process.

Key considerations in the implementation of the CECL standard include the selection of appropriate historical loss data, the incorporation of forward-looking economic indicators, the determinization of reasonable and supportable forecasts, and the evaluation of qualitative and quantitative factors affecting credit risk.

The Organization has evaluated the key factors and has determined that the new standard did not have a material effect on its financial statements. The Organization has historically not kept an allowance for credit losses.

NOTE 2. Liquidity and Availability

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. Board designated net assets without donor restrictions can be made available for general expenditures if deemed necessary.

NOTE 2. Liquidity and Availability (Continued)

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and Cash Equivalents	$ 4,034,554
Accounts Receivable	51,351
Investments	10,383,572
	14,469,477
Less Amounts Subject to Donor Restrictions	(558,624)
Financial assets available to meet general expenditures over the next 12 months	$ 13,910,853

NOTE 3. Cash and Cash Equivalents

Cash and cash equivalents are summarized below as of May 31, 2024:

Checking and Sweep accounts	$	4,032,009
Money Market		2,545
Cash and Cash Equivalents	$	4,034,554

At May 31, 2024, $558,624 was restricted for various purposes dependent upon the donor's intent.

NOTE 4. Investments

Investments are summarized below as of May 31, 2024:

Cash and Cash Equivalents	$	271,643
Mutual Funds - Fixed Income		4,113,038
Mutual Funds - Domestic Equities		1,805,383
Mutual Funds - International Equities		961,227
Exchange Traded Funds		3,232,281
Investments	$	10,383,572

NOTE 4. Investments (Continued)

The following schedule summarizes the investment return, all of which is classified as unrestricted in the statement of activities:

Investment Income	$	578,919
Net Unrealized and Realized Gains (Losses)		820,261
Fees		(60,297)
Investment Income	$	1,338,883

NOTE 5. Security Deposits

When a missionary is sent overseas, he or she lives in a rented apartment; most often a security deposit is needed at the signing of the lease. The deposit total represents amounts currently outstanding as a security deposit on the relevant rental. Security deposits are as follows as of May 31, 2023:

North America	$	20,000
Europe		99,564
Africa		28,446
Asia		4,290
South & Central America		11,029
Security Deposits	$	163,329

NOTE 6. Property and Equipment

Property and equipment is composed of the following at May 31, 2024:

	Cost	Depreciation Expense	Accumulated Depreciation	Net Book Value
Furniture and Equipment	$ 156,015	$ 21,292	$ 137,961	$ 18,054
Vehicles	180,088	-	180,088	-
Computer Software	333,500	111,166	111,166	222,334
Leasehold Improvements	182,595	18,260	85,298	97,297
Land and Buildings	242,858	1,034	238,661	4,197
	$ 1,095,056	$ 151,752	$ 753,174	$ 341,882

NOTE 7. Net Assets

Net assets with restrictions are available for the following purposes:

Donor Restricted for Field Operations:	
BundiMedical Fund	$ 2,509
BundiWater Fund	9,769
Bundibugyo (Christ) School	105,529
Dr. Jonah Memorial Leadership Fund	1,042
Uganda Relief Project	13,228
Kule Family Care Fund	4,527
Kenya Mercy (Famine Relief) Fund	2,877
Ireland Church Planters	8,111
Eye Love Africa	339,330
Europe Refugees	71,702
	$ 558,624

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of other events specified by the donors.

NOTE 7. Net Assets (Continued)

The purpose for which restrictions were accomplished in 2024 was as follows:

Released from Donor Restriction for Field Operations:		
BundiMedical Fund	$	8,292
BundiWater Fund		112,975
Bundibugyo (Christ) School		272,867
Dr. Jonah Memorial Leadership Fund		1,347
Uganda Relief Project		33,788
Kule Family Care Fund		3,636
Kenya Mercy (Famine Relief) Fund		612
Ireland Church Planters		19,777
Eye Love Africa		244,311
Europe Refugees		27,951
	$	725,556

Net assets are designated by the Board for the following purposes:

Board Designated		
Support Raising	$	8,760,668
Projects-Field		1,483,273
Projects-Reserved Capital		1,564,537
	$	11,808,478

NOTE 8. Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date.

NOTE 8. Fair Value of Financial Instruments (Continued)

Fair value measurements include a hierarchy which prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Fair value is based on unadjusted quoted prices in active markets that are accessible to the organization for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets, and other observable inputs.

Level 3 - Fair value would be based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows, and other similar techniques. Serge has no Level 3 assets.

The organization measures its investments on a recurring basis at fair value. Investments were measured using the following inputs as of May 31, 2024:

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	$ 271,643	$ -	$ -	$ 271,643
Mutual Funds - Fixed Income	-	4,113,038	-	4,113,038
Mutual Funds - Domestic Equities	1,805,383	-	-	1,805,383
Mutual Funds - International Equities	961,227	-	-	961,227
Exchange Traded Funds	3,232,281	-	-	3,232,281
	$ 6,270,534	$ 4,113,038	$ -	$ 10,383,572

NOTE 8. Fair Value of Financial Instruments (Continued)

Mutual funds are valued at the net asset value ("NAV") of shares held by the Organization at year end. Marketable equity securities are valued at the closing price reported on the active market on which the individual securities are traded. Bond funds are valued at the closing price reported on the active market on which the individual bonds are traded. There was no change in the valuation techniques used to value these assets during the year, and there were no transfers between Level 1, Level 2, or Level 3 inputs.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The carrying amounts of cash and cash equivalents, accounts and pledges receivable, and accounts payable approximate fair value at May 31, 2024 due to the short-term nature of those instruments.

NOTE 9. Government Grants

Serge received financial assistance from the U.S. Federal Government to guarantee the continuance of employee salaries under the CARES Act. In June 2023, Serge received financial assistance amounting to $1,020,205 under the Employee Retention Credit (ERC) created under the CARES Act. The ERC provides eligible employers with credits per employee based on qualified wages. The amount has been received and recorded on the financial statement for the year ending May 31, 2024 as "Government Grants" in the Statement of Activities.

NOTE 10. Pension Plan

Serge maintains a defined contribution plan which covers substantially all employees, as defined in the plan. In 2024, Serge contributed to the plan $ 977,648.

NOTE 11. Revenue from Contracts with Customers

The change in the Organization's deferred revenue account for the year ended May 31, 2023 is comprised of the following:

Deferred Revenue, beginning of the year	$ 48,654
Revenue recognized that was included at beginning of the year	(48,654)
Increase due in deferred revenue due to cash received during the year	40,495
Deferred Revenue, end of the year	$ 40,495

NOTE 12. Leases

Serge leases office space in Jenkintown, Pennsylvania under a lease with an original date of May 2, 2013. The original lease term was 10 years and five months, with one five-year optional extension. In November of 2018 and then again in September of 2019, the lease was amended to include additional square footage. The amendment has a ten-year term, expiring on December 31, 2029 and monthly payments based on a specified rent per square footage. As of May 31, 2024, the monthly rent was $25,021.

Lease assets are recognized at commencement date based on the value of the lease liability. Lease liabilities represent our contractual obligation to make lease payments. At the commencement date, the lease liabilities equal the present value of minimum lease payments over the lease term. As the implicit rate is not readily determinable in the leases, the Organization uses a risk-free rate (U.S. Treasury) calculate the present value of these lease payments. Leases with a term of 12 months or less are excluded from the liability; the Organization recognizes lease expense for these short-term leases on a straight-line basis over the lease term.

NOTE 12. Leases (Continued)

Future minimum operating lease payments are as follows:

Year ending May 31,		
2025	$	225,880
2026		243,807
2027		262,652
2028		282,460
2029		303,283
2030		175,323
	$	1,493,405

The Right to Use Asset as of May 31, 2024 is as follows:

Right to Use Asset	$	2,140,895
Accumulated amortization		(945,562)
	$	1,195,333