

**GLOBAL SCHOLARS AND AFFILIATE
COMBINED FINANCIAL STATEMENTS**

**June 30, 2013
With
Independent Auditors' Report**

GLOBAL SCHOLARS AND AFFILIATE

COMBINED FINANCIAL STATEMENTS

June 30, 2013

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 - 2
Financial Statements:	
Combined Statement of Financial Position	3 - 4
Combined Statement of Activities	5
Combined Statement of Cash Flows	6
Notes to Combined Financial Statements	7 - 14
Supplementary Information:	
Independent Auditors' Report on Supplementary Information	15
Combined Schedule of Expenses	16 - 18



Keller & Owens, LLC
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Directors
Global Scholars and Affiliate

We have audited the accompanying combined financial statements of **Global Scholars and Affiliate** (the "Organization") (a Kansas corporation), which comprise the combined statement of financial position as of June 30, 2013 and the related combined statements of activities and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Organization's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

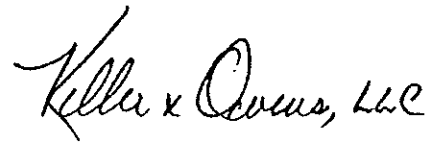
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of **Global Scholars and Affiliate** as of June 30, 2013, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's combined financial statements, and our report dated November 6, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative financial information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Keller & Owens, LLC".

Overland Park, Kansas
December 5, 2013

GLOBAL SCHOLARS AND AFFILIATE

COMBINED STATEMENT OF FINANCIAL POSITION

June 30, 2013

(With comparative totals as of June 30, 2012)

ASSETS

	<u>2013</u>	<u>2012</u>
Current Assets:		
Cash and cash equivalents	\$ 1,116,395	\$ 980,802
Receivables:		
Pledges, less allowance for doubtful pledges	3,875	17,026
Other	3,454	337
Prepaid expenses	28,646	7,440
Inventory	3,736	3,736
Restricted cash held for College Allowance Fund	<u>42,522</u>	<u>43,626</u>
Total Current Assets	1,198,628	1,052,967
Pledges Receivable	-	6,450
Deposits with Others	2,775	2,775
Beneficial Interest in Community Foundation	2,500	2,500
Furniture and Equipment, less accumulated depreciation of \$170,819 in 2013 and \$163,317 in 2012	<u>9,995</u>	<u>13,840</u>
Total Assets	<u>\$ 1,213,898</u>	<u>\$ 1,078,532</u>

See accompanying notes

GLOBAL SCHOLARS AND AFFILIATE

COMBINED STATEMENT OF FINANCIAL POSITION (continued) June 30, 2013

(With comparative totals as of June 30, 2012)

LIABILITIES AND NET ASSETS

	<u>2013</u>	<u>2012</u>
Current Liabilities:		
Accounts payable	\$ 103,572	\$ 31,270
Accrued expenses	42,396	46,954
Deferred revenue	-	17,675
Liability for College Allowance Fund	<u>42,522</u>	<u>43,626</u>
 Total Current Liabilities	 188,490	 139,525
Net Assets:		
Temporarily restricted	135,851	192,500
Unrestricted:		
Net investment in equipment	9,995	13,840
Board designated	324,949	309,346
Undesignated	<u>554,613</u>	<u>423,321</u>
Total Unrestricted Net Assets	<u>889,557</u>	<u>746,507</u>
 Total Net Assets	 <u>1,025,408</u>	 <u>939,007</u>
 Total Liabilities and Net Assets	 <u>\$ 1,213,898</u>	 <u>\$ 1,078,532</u>

See accompanying notes

GLOBAL SCHOLARS AND AFFILIATE

COMBINED STATEMENT OF ACTIVITIES Year Ended June 30, 2013

(With comparative totals for the year ended June 30, 2012)

	2013			2012 Total
	Unrestricted	Temporarily Restricted	Total	
Revenues:				
Contributions	\$ 2,040,391	\$ 43,270	\$ 2,083,661	\$ 2,061,975
Administrative fees	8,194	-	8,194	8,362
Gifts-in-kind	1,169,382	-	1,169,382	1,003,850
Interest income	669	-	669	645
Vision Conference	19,495	-	19,495	19,246
Other income	-	-	-	1,249
Net assets released from restrictions	99,919	(99,919)	-	-
 Total Revenues	 3,338,050	 (56,649)	 3,281,401	 3,095,327
Expenses:				
Program	2,536,246	-	2,536,246	2,345,733
Management and general	499,325	-	499,325	520,997
Fund-raising	159,429	-	159,429	124,580
 Total Expenses	 3,195,000	 -	 3,195,000	 2,991,310
 Change in Net Assets	 143,050	 (56,649)	 86,401	 104,017
 Net Assets, Beginning of Year	 746,507	 192,500	 939,007	 834,990
 Net Assets, End of Year	 <u>\$ 889,557</u>	 <u>\$ 135,851</u>	 <u>\$ 1,025,408</u>	 <u>\$ 939,007</u>

See accompanying notes

GLOBAL SCHOLARS AND AFFILIATE

COMBINED STATEMENT OF CASH FLOWS Year Ended June 30, 2013

(With comparative totals for the year ended June 30, 2012)

	2013	2012
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 86,401	\$ 104,017
Adjustments to Reconcile Change in Net Assets To Net Cash Provided by Operating Activities:		
Depreciation	7,502	10,705
Loss on sale of equipment	-	822
Change in:		
Pledges receivable, net	19,601	(7,816)
Other receivables, deposits and advances	(3,117)	77
Prepaid expenses	(21,206)	404
Accounts payable	72,302	(49,464)
Accrued expenses and deferred revenue	(22,233)	21,563
Net Cash Provided by Operating Activities	139,250	80,308
Cash Flows from Investing Activities:		
Purchases of furniture and equipment	(3,657)	(5,381)
Net Cash Used by Investing Activities	(3,657)	(5,381)
Cash Flows from Financing Activities:		
Payments on capital lease	-	(1,487)
Net Cash Used by Financing Activities	-	(1,487)
Net Increase in Cash and Cash Equivalents	135,593	73,440
Cash and Cash Equivalents, Beginning of Year	980,802	907,362
Cash and Cash Equivalents, End of Year	\$ 1,116,395	\$ 980,802

See accompanying notes

GLOBAL SCHOLARS AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2013

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Global Scholars (the "Scholars") was formed in 1986 with its sole program being to disciple and train leaders by teaching Christian studies in leading universities in every country around the world. The Scholars assists universities primarily by providing professors and resources in Christian studies and a broad range of other disciplines, and by establishing Departments of Christian Studies and other related programs. The Scholars operates from an administrative office in Overland Park, Kansas. The Scholars operates under the pseudonym of International Center for Christian Education in the Country of Nigeria.

Organization - Cooperative Studies, Inc. (the "Affiliate") was formed in 2001 as a not-for-profit organization to improve the quality of leadership worldwide by placing faculty with academic and moral excellence at targeted universities.

Basis of Presentation - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-210, which requires the Organization to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets - include unrestricted resources which represent the portion of funds that are available for the operating objectives of the Organization. Board-designated net assets represent amounts the Organization has set aside for a specific purpose.

Temporarily restricted net assets - consist of donor-restricted contributions. Amounts restricted by donors for a specific purpose are deemed to be earned and reported as temporarily restricted revenue, when received, and such unexpended amounts are reported as temporarily restricted net assets at year-end. When the donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions."

Permanently restricted net assets - consist of donor-restricted contributions, which are required to be held in perpetuity. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations.

Cash and Cash Equivalents - For the purpose of the combined statement of cash flows, the Organization considers cash management and highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Restricted cash held for college allowance fund is not considered a cash equivalent due to withdrawal restrictions.

GLOBAL SCHOLARS AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2013

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Comparative Financial Information – The financial statements include certain prior year summarized comparative information in total, but not by net asset category. 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 the Organization’s financial statements for the year ended June 30, 2012 from which the summarized information was derived.

Concentrations of Credit Risk - The Organization maintains its cash and cash equivalents in bank accounts that may exceed federally insured limits at times. The Organization has not experienced any losses in these accounts in the past, and management believes the Organization is not exposed to significant credit risks as they periodically evaluate the strength of the financial institutions in which it deposits funds.

Deferred Revenue – The Organization receives registration income prior to year-end for the Vision Conference held the following year. Accordingly, the Organization reports this income as deferred until the year of the conference.

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 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, expenses, gains, losses, and other changes in net assets during the reporting period. Significant estimates incorporated into the Organization's financial statements include the estimated useful lives of furniture and equipment and the estimated fair value of professors' gift-in-kind salaries. Actual results could differ from those estimates.

Functional Allocation of Expenses - The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited according to formulas developed by management to appropriately reflect actual costs and efforts expended on each program or supporting service.

Furniture and Equipment - Furniture and equipment is recorded at cost or, if donated, at estimated fair value at the date of gift. Donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. The Organization follows the practice of capitalizing all expenditures for equipment with an extended life in excess of \$1,000. These assets are depreciated on the straight-line method over their estimated useful lives, ranging from three to seven years.

GLOBAL SCHOLARS AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2013

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Gifts-in-Kind - The Organization recognizes the fair value of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The value of contributed time not meeting the criteria outlined above is not reflected in these combined statements.

Gifts-in-kind also include donated stock and merchandise such as computers, office supplies and books used in the operation of the Organization's programs. All such gifts are recorded at their estimated fair value at the date of donation.

Income Taxes - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except for taxes on unrelated business income, if any. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Among other things, the Organization is exempt from income, FUTA, and state and local real estate taxes.

The Organization's policy with regard to FASB ASC 740-10 is to record a liability for any tax position that is beneficial to the Organization, including any related interest and penalties, when it is more likely than not the position taken by management with respect to the transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of June 30, 2013 and, accordingly, no liability has been accrued. However, the Organization's returns are subject to examination by the Internal Revenue Service generally for three years after they were filed.

Inventory - Inventory consists primarily of books and is stated at the lower of cost or market value using the first-in, first-out method.

Pledges Receivable - Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions upon which they depend are substantially met. Unconditional promises to give, due in the next year, are recorded at their realizable value. Unconditional promises to give, due in subsequent years, are reported at the present value of their net realizable value.

GLOBAL SCHOLARS AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2013

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Pledges receivable are for pledges that are due within one to five years, and are stated at the pledge amount. The allowance for uncollectible pledges is based on management's assessment of the collectability of specific donors' pledges and the aging of pledges receivable. All pledges or portions thereof, deemed to be uncollectible, are written off to the allowance for uncollectible pledges. As of June 30, 2013 and 2012, the allowance of uncollectible pledges was \$22,055 and 300, respectively.

Principles of Combination – The combined financial statements include the accounts of the Scholars and the Affiliate. All material inter-organization transactions have been eliminated. The Scholars and the Affiliate are affiliate through the common majority voting interest in the Boards of Directors and the significant economic interests which exists between the entities.

Subsequent Events – Management has evaluated events and transactions that have occurred since June 30, 2013 and reflected their effects, if any, in these financial statements through December 5, 2013, the date the financial statements were available to be issued.

2. PLEDGES RECEIVABLE

Unconditional promises to give are summarized as follows:

	2013	2012
Total pledges receivable	\$ 25,930	\$ 23,776
Less: allowance for uncollectible pledges	22,055	300
Net pledges receivable	3,875	23,476
Less: pledges receivable, current portion	3,875	17,026
Pledges receivable, long-term	\$ -	\$ 6,450
Amounts due in:		
Less than one year	\$ 3,875	\$ 17,326
One to five years	-	6,450
Total Pledges Receivable	\$ 3,875	\$ 23,776

GLOBAL SCHOLARS AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2013

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at June 30:

	2013	2012
AIDS Projects	\$ 3,234	\$ 3,234
Beneficial interest in Community Foundation	2,500	2,500
Building Fund	59,513	59,563
Christian Religious Knowledge	34,409	36,490
Cornerstone Grant	131	1,680
Development Director	-	46,800
Global Partnership Fund	4,240	4,240
Leadership Development Fund	14,747	14,747
Memorial Fund	313	313
Global Scholars Scholarship Fund	450	450
Strategic Opportunities Fund	10,483	10,483
Tyndale Grant	5,831	12,000
Total Temporarily Restricted Net Assets	\$ 135,851	\$ 192,500

4. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes and are categorized as follows:

AIDS Projects	\$ -	\$ 5,333
Building Fund	50	-
Christian Religious Knowledge	2,081	-
Cornerstone Grant	1,549	-
Development Director	90,070	-
Global Expansion	-	87,476
Leadership Development Fund	-	34,256
Recruiting	-	123,044
Tyndale Grant	6,169	-
Total Net Assets Released from Restrictions	\$ 99,919	\$ 250,109

GLOBAL SCHOLARS AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2013

5. BOARD DESIGNATED NET ASSETS

Board designated net assets are available for the following purposes at June 30:

	<u>2013</u>	<u>2012</u>
Afghanistan and related professors	\$ -	\$ 1,702
Africa and related professors	29,937	51,499
Asia and related professors	7,947	35,205
Canada	1,326	1,326
Central Asia and related professors	18,851	11,681
China and related professors	40,696	68,330
Creative Access - General and North Korea	4,623	5,612
Europe and related professors	81,515	83,763
Expansion/International Relations	7,644	10,373
Mideast fund	8,506	10,730
South America and related professors	4,196	9,850
Other professors not assigned	<u>119,708</u>	<u>19,275</u>
Total Board Designated Net Assets	<u>\$ 324,949</u>	<u>\$ 309,346</u>

6. EMPLOYEE BENEFITS

The Organization established a retirement plan under Internal Revenue Code Section 403(b), effective July 1, 2001. The Plan covers all employees who meet certain service requirements. The Organization will match employee contributions up to 5% of compensation each year, subject to IRC limitations. For the years ended June 30, 2013 and 2012, respectively, the Organization contributed \$30,748 and \$33,280 to the retirement plan.

The Organization has established a College Allowance Fund to assist in the education of children of overseas personnel. Eligible overseas personnel can contribute a portion of their salary with the Organization matching up to 2% of their salary. For the years ended June 30, 2013 and 2012, the Organization contributed \$1,000 and \$1,061 respectively, to this College Allowance Fund. The cash held in this fund is restricted for use in satisfying the offsetting liability for the fund. In addition to the College Allowance Fund, the Organization paid during fiscal 2013 and 2012, respectively, \$22,776 and \$33,456 of college tuition for the children of employees and \$12,795 and \$7,200 in educational loan repayment to employees.

GLOBAL SCHOLARS AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2013

7. JOINT COSTS

The Organization incurred joint costs for informational materials and activities that included fund-raising appeals. These joint costs were allocated as follows:

	Vision Conference and Retreats	Newsletter and Mailings	Website	Total
<u>2013</u>				
Program	\$ 18,896	\$ 17,288	\$ 13,093	\$ 49,277
Management and general	1,441	4,198	5,732	11,371
Fund-raising	<u>10,637</u>	<u>9,170</u>	<u>6,246</u>	<u>26,053</u>
Total Joint Costs	<u>\$ 30,974</u>	<u>\$ 30,656</u>	<u>\$ 25,071</u>	<u>\$ 86,701</u>
<u>2012</u>				
Program	\$ 45,371	\$ 10,171	\$ 13,684	\$ 69,226
Management and general	3,033	1,453	5,718	10,204
Fund-raising	<u>5,778</u>	<u>6,494</u>	<u>5,008</u>	<u>17,280</u>
Total Joint Costs	<u>\$ 54,182</u>	<u>\$ 18,118</u>	<u>\$ 24,410</u>	<u>\$ 96,710</u>

8. LEASE COMMITMENTS

The Organization entered into leases for office space, classified as operating leases. Rent expense for the years ended June 30, 2013 and 2012 was \$31,987 and \$31,687, respectively. The future minimum lease payments under the operating lease is as follows:

<u>Years Ended June 30,</u>	
2014	\$ 31,987
2015	31,987
2016	<u>7,998</u>
Total Minimum Lease Payments	<u>\$ 71,972</u>

9. RELATED PARTY TRANSACTIONS

Included in the accounts payable balance as of June 30, 2013 and 2012, were \$75,020 and \$20,943 payable to employees for reimbursement of expenses, respectively.

GLOBAL SCHOLARS AND AFFILIATE

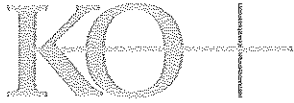
NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2013

10. OTHER COMMITMENTS

In April 2013, the Organization entered into a contract with a hotel to set aside a certain number of rooms for a conference the Organization hosted in July 2013. According to the contract, room attrition was set at 75%, for an estimated maximum liability of between \$20,000 and \$25,000 if the Organization were to cancel the contract.

SUPPLEMENTARY INFORMATION



Keller & Owens, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Global Scholars and Affiliate

We have audited the combined financial statements of **Global Scholars and Affiliate** as of and for the year ended June 30, 2013, and our report thereon dated December 5, 2013, which expressed an unmodified opinion on those combined financial statements, appears on pages 1-2. Our audit was performed for the purpose of forming an opinion on the combined financial statements as a whole. The combined schedule of expenses on pages 15-17 is presented for the purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Overland Park, Kansas
December 5, 2013

GLOBAL SCHOLARS AND AFFILIATE

COMBINED SCHEDULE OF EXPENSES

For the Year Ended June 30, 2013

(With comparative totals for the year ended June 30, 2012)

	2013	2012
Advertising/public relations	\$ 5,973	\$ 8,064
Automobile	27,248	30,495
Bank/finance charges	19,118	18,811
Benevolence	22,052	242
Books/publications	5,827	4,805
Cafeteria plan benefit	(514)	2,814
Consultation services	550	314
Contract labor	15,837	3,369
Depreciation	7,502	10,705
Disability insurance	2,049	1,721
Education endowment	1,000	1,061
Education of children and loan repayment	35,571	40,656
Equipment lease	841	866
Equipment - maintenance/repair	1,393	3,098
Faculty housing	69,461	86,659
Faculty interview	3,256	2,363
Fund-raising events	-	2,470
Fund-raising expense	2,861	6,686
Gifts	7,678	6,028
Health insurance	172,161	179,859
Honoraria	1,382	1,161
Housing setup allowance	4,209	2,652
Housing upkeep	590	12,259
Insurance	7,693	8,745
Interest expense	(44)	25
International staff	12,388	13,312
Internet/website expenses	9,678	11,400
Language acquisition expenses	3,441	4,220
Lodging/meeting room costs	17,039	22,953
Loss on disposal of assets	-	822

See independent auditors' report on supplementary information

GLOBAL SCHOLARS AND AFFILIATE

COMBINED SCHEDULE OF EXPENSES (continued) For the Year Ended June 30, 2013

(With comparative totals for the year ended June 30, 2012)

	2013	2012
Meals/entertainment	13,999	11,844
Miscellaneous expenses	-	581
Office expenses - miscellaneous	238	39
Office rent	38,268	37,685
Office supplies	6,427	6,932
Outfitting costs	1,046	377
Payroll outsourcing fees	4,203	3,795
Payroll tax	76,441	73,756
Penalties	3,303	2,383
Planned giving materials	-	450
Postage	16,399	11,349
Printing	14,256	6,770
Professional dues	2,668	7,581
Professional fees/licenses/visas	31,979	15,821
Program grant	48,401	48,304
Registration fees	3,003	4,270
Research	-	180
Retirement benefits	30,748	33,280
Salary	1,060,560	1,037,448
Salary - gifts-in-kind	1,139,731	942,031
Seminars/events/conferences	14,857	6,860
Shipping/moving	3,494	449
Small equipment	10,827	8,230
Software supplies	4,070	4,451
Software support contracts	9,420	1,897
Storage	894	1,139
Taxes - country of service	5,547	4,223
Telephone	13,238	11,558
Textbooks	-	781
Training	8,793	313

See independent auditors' report on supplementary information

GLOBAL SCHOLARS AND AFFILIATE

COMBINED SCHEDULE OF EXPENSES (continued) For the Year Ended June 30, 2013

(With comparative totals for the year ended June 30, 2012)

	<u>2013</u>	<u>2012</u>
Translation services	367	-
Travel - domestic	30,275	27,502
Travel - international	76,220	103,113
Travel/country of service	8,876	15,300
Unemployment tax	5,153	4,030
Use tax	-	181
Utilities	15,623	13,564
Vision conference orientation	29,114	7,509
Video	1,473	1,835
Vision conference	2,981	41,138
Workers compensation	<u>5,868</u>	<u>3,726</u>
Total Expenses	<u>\$ 3,195,000</u>	<u>\$ 2,991,310</u>

See independent auditors' report on supplementary information