

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B	This return/report is: ☐ the first return/report ☐ the final return/report ☒ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan SERGE GLOBAL, INC. DISCRETIONARY CONTRIBUTION RETIREMENT PLAN
1b	Three-digit plan number (PN) ▶ 001
1c	Effective date of plan 01/01/1987
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) SERGE GLOBAL, INC. 101 WEST AVENUE, STE 305 JENKINTOWN, PA 19046
2b	Employer Identification Number (EIN) 23-2223692
2c	Plan Sponsor's telephone number 215-885-1811
2d	Business code (see instructions) 813000

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2023	RICK WINTER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

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v. 220413

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN
		3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN
5 Total number of participants at the beginning of the plan year		5 209
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year		6a(1) 177
a(2) Total number of active participants at the end of the plan year		6a(2) 179
b Retired or separated participants receiving benefits		6b 0
c Other retired or separated participants entitled to future benefits.....		6c 39
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 218
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 0
f Total. Add lines 6d and 6e		6f 218
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 216
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2A 2E 2F 2G 2J 2T 3D		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ 0 A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan SERGE GLOBAL, INC. DISCRETIONARY CONTRIBUTION RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 SERGE GLOBAL, INC.	D Employer Identification Number (EIN) 23-2223692	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

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04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 65	RECORDKEEPER	30544	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>SERGE GLOBAL, INC. DISCRETIONARY CONTRIBUTION RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SERGE GLOBAL, INC.</u>	D Employer Identification Number (EIN) <u>23-2223692</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....		1a	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....		1b(1)	0
(2) Participant contributions.....		1b(2)	0
(3) Other.....		1b(3)	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....		1c(1)	57401
(2) U.S. Government securities		1c(2)	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred		1c(3)(A)	0
(B) All other		1c(3)(B)	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred		1c(4)(A)	0
(B) Common.....		1c(4)(B)	0
(5) Partnership/joint venture interests		1c(5)	0
(6) Real estate (other than employer real property)		1c(6)	0
(7) Loans (other than to participants).....		1c(7)	0
(8) Participant loans.....		1c(8)	0
(9) Value of interest in common/collective trusts.....		1c(9)	0
(10) Value of interest in pooled separate accounts		1c(10)	0
(11) Value of interest in master trust investment accounts.....		1c(11)	0
(12) Value of interest in 103-12 investment entities		1c(12)	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....		1c(13)	10319836
(14) Value of funds held in insurance company general account (unallocated contracts).....		1c(14)	0
(15) Other		1c(15)	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	10377237	9509215

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	10377237	9509215
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	866448	
(B) Participants	2a(1)(B)	346067	
(C) Others (including rollovers)	2a(1)(C)	48731	
(2) Noncash contributions	2a(2)	0	1261246
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1208	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	0	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		1208

(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	223938	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		223938

(3) Rents	2b(3)		0
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-2053835
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		-567443
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	269239	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		269239
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	796	
(4) Other	2i(4)	30544	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		31340
j Total expenses. Add all expense amounts in column (b) and enter total	2j		300579
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-868022
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: BDG-CPAS

(2) EIN: 22-2625944

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
4d		X	
e Was this plan covered by a fidelity bond?	X		1000000
4e	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan SERGE GLOBAL, INC. DISCRETIONARY CONTRIBUTION RETIREMENT PLAN		B Three-digit plan number (PN) 001
C Plan sponsor's name as shown on line 2a of Form 5500 SERGE GLOBAL, INC.		D Employer Identification Number (EIN) 23-2223692
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 04-6568107 Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock?..... ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:	14a		
a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....		14b	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)			14c
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)			
15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:	15a		
a The corresponding number for the plan year immediately preceding the current plan year.....		15b	
b The corresponding number for the second preceding plan year.....			
16 Information with respect to any employers who withdrew from the plan during the preceding plan year:	16a		
a Enter the number of employers who withdrew during the preceding plan year		16b	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....			
17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐			

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

**SERGE GLOBAL, INC. DISCRETIONARY
CONTRIBUTION RETIREMENT PLAN
FINANCIAL STATEMENTS
and
SUPPLEMENTAL SCHEDULE**

December 31, 2022 and 2021

(With Independent Auditor's Report Thereon)

Serge Global, Inc. Discretionary Contribution Retirement Plan
Index of
Financial Statements and Supplemental Schedules

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Note: Supplemental Schedules required by ERISA which are not included herein have been omitted because they are not applicable.	



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Independent Auditor's Report

To the Administrative Committee of
the Serge Global, Inc. Discretionary Contribution Retirement Plan
Jenkintown, Pennsylvania

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the accompanying financial statements of the Serge Global, Inc. Discretionary Contribution Retirement Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit]. The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of and for the years ended December 31, 2022 and 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section –

- the amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Plan 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 ERISA Section 103(a)(3)(C) 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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 Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, 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 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, 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 Plan'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 Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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.

Other Matter – Supplemental Schedule Required by ERISA

The supplemental schedule, Schedule of Assets (Held at End of Year) as of December 31, 2022, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. 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. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits 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 generally accepted auditing standards. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion –

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

BDG-CPAs

Ridgewood, NJ
September 14, 2023

Serge Global, Inc. Discretionary Contribution Retirement Plan
Statements of Net Assets Available for Benefits
December 31,

<u>Assets</u>	<u>2022</u>	<u>2021</u>
Investments, at fair value	<u>\$ 9,509,215</u>	<u>\$ 10,377,237</u>
Total assets	<u>9,509,215</u>	<u>10,377,237</u>
Net assets available for benefits	<u><u>\$ 9,509,215</u></u>	<u><u>\$ 10,377,237</u></u>

The accompanying notes are an integral part of the financial statements.

Serge Global, Inc. Discretionary Contribution Retirement Plan
Statements of Changes in Net Assets Available for Benefits
For the years ended December 31,

	<u>2022</u>	<u>2021</u>
Additions to net assets attributed to:		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	\$ (2,053,835)	\$ 862,262
Interest and dividends	<u>225,146</u>	<u>255,566</u>
Total investment income (loss)	<u>(1,828,689)</u>	<u>1,117,828</u>
Contributions:		
Participant	346,067	268,646
Employer	866,448	757,235
Rollover	<u>48,731</u>	<u>435,560</u>
Total contributions	<u>1,261,246</u>	<u>1,461,441</u>
Total additions (deductions)	<u>(567,443)</u>	<u>2,579,269</u>
Deductions from net assets attributed to:		
Benefits paid to participants	269,239	142,242
Administrative expenses	<u>31,340</u>	<u>28,972</u>
Total deductions	<u>300,579</u>	<u>171,214</u>
Net increase (decrease)	(868,022)	2,408,055
Net assets available for benefits, beginning of year	<u>10,377,237</u>	<u>7,969,182</u>
Net assets available for benefits, end of year	<u><u>\$ 9,509,215</u></u>	<u><u>\$ 10,377,237</u></u>

The accompanying notes are an integral part of the financial statements.

Serge Global, Inc. Discretionary Contribution Retirement Plan
Notes to Financial Statements
December 31, 2022 and 2021

Note 1 – Description of Plan

The following description of the Serge Global, Inc. (the “Company”) Discretionary Contribution Retirement Plan (the “Plan”) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan’s provisions.

General: The Plan is a discretionary contribution plan covering all eligible employees of the Company who are aged 20 ½, except employees covered by a collective bargaining agreement, residents of Puerto Rico, nonresident aliens, short-term missionaries, and employees of an affiliated employer. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). The trustee of the Plan is Fidelity Management Trust Company. The Plan was amended and restated effective June 23, 2021.

Contributions: Each year, participants may contribute up to 100% of compensation, as defined in the Plan, on a pre-tax or Roth (after-tax) basis not to exceed \$20,500 in 2022 and \$19,500 in 2021. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions of up to \$6,500 in both 2022 and 2021. Participants may also contribute amounts (excluding after-tax employee contributions) representing distributions from other qualified plans and IRAs (rollover). Participants direct the investment of their contributions into various investment options offered by the Plan. The Company can elect to contribute a discretionary contribution to the Plan, which is allocated by classification groups.

Participant Accounts: Each participant’s account is credited with the participant’s contributions and Company discretionary contributions, if any, as well as allocations of Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

Vesting: Participants are vested immediately in both their contributions and in the Company’s nonelective profit sharing contributions, as well as the earnings thereon.

Notes Receivable From Participants: Loans are not permitted by the Plan.

Payment of Benefits: On termination of service, due to termination, disability, or retirement, a participant may elect to receive a distribution in the form of either a full or partial lump sum, installment(s), or as an annuity. Upon death of a participant prior to commencement, the beneficiary will receive a distribution in the form of a lump sum or an annuity. Married participants with a balance in the Frozen Money Purchase money source will receive a 50% survivor annuity unless an alternate form of benefit is elected. In-service distributions are permitted after age 59 ½ or upon financial hardship.

Serge Global, Inc. Discretionary Contribution Retirement Plan
Notes to Financial Statements
December 31, 2022 and 2021

Note 1 – Description of Plan (continued)

SECURE Act and CARES Act: On December 20, 2019, the Setting Every Community Up for Retirement Enhancement (“SECURE”) Act was passed, and most provisions in the law became effective on January 1, 2020. The SECURE Act implements key retirement legislation reform for plan sponsors and individuals. These provisions did not have a material impact on the financial statements.

In response to the COVID-19 global pandemic, on March 27, 2020 the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was enacted and signed into law. Certain provisions of the CARES Act impact the operation of retirement plans during 2022 and 2021. These provisions did not have a material impact on the financial statements.

On August 3, 2022, the IRS released Notice 2022-33, which extends the deadline for adopting any SECURE Act plan amendments until December 31, 2025, to provide relief for plan sponsors waiting for final IRS guidance on many of the SECURE Act’s provisions. The IRS expects SECURE Act guidance to be issued with the 2023 Required Amendment list. The Notice also extends the deadline for the 2020 waiver in the CARES Act of required minimum distributions until December 31, 2025. These amendments can be retroactively adopted; therefore, the Plan can implement the amendments prior to amending the plan instrument. Similarly, plans may have voluntarily adopted provisions under the CARES Act by placing them in operation without amending the plan as long as the plan management makes the required amendments to plan documents by December 31, 2025.

SECURE 2.0 Act of 2022: The SECURE 2.0 Act of 2022 (“SECURE 2.0 Act”) was signed into law on December 29, 2022, to increase retirement savings, improve retirement rules, and lower employer costs of setting up a retirement plan. Plan amendments required by the SECURE 2.0 Act generally need not be made until the end of the first plan year beginning on or after January 1, 2025; however, plans must be operated in accordance with the effective date of each new provision. There is no current impact to the Plan and these provisions did not have an impact on the financial statements. Since the provisions include both required and optional elements, the Plan Administrator will determine the optional provisions to elect.

Note 2 – Summary of Accounting Policies

Basis of Accounting: The financial statements of the Plan are prepared on the accrual basis of accounting.

Serge Global, Inc. Discretionary Contribution Retirement Plan
Notes to Financial Statements
December 31, 2022 and 2021

Note 2 – Summary of Accounting Policies (continued)

Use of Estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition: Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan administrator determines the Plan's valuation policies utilizing information provided by the investment adviser and trustee. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income (if any) is recorded on the accrual basis. Dividends (if any) are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits: Benefits are recorded when paid.

Administrative Expenses: Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of specific participant transactions are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

Note 3 – Investments and Information Certified by the Trustee

The Plan management has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, plan management instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by Fidelity Management Trust Company, the trustee of the Plan, as complete and accurate, except for comparing such information certified by the trustee with information included in the Plan's financial statements and supplemental schedule:

Investments held certified by the trustee:

	<i>As of December 31,</i>	
	<i>2022</i>	<i>2021</i>
Investments	\$ 9,509,215	\$ 10,377,237

Serge Global, Inc. Discretionary Contribution Retirement Plan
Notes to Financial Statements
December 31, 2022 and 2021

Note 3 – Investments and Information Certified by the Trustee (continued)

Investment income (loss) certified by trustee:

	<i>For the Year Ended December 31,</i>	
	<i>2022</i>	<i>2021</i>
Net appreciation (depreciation) in fair value of investments	\$ (2,053,835)	\$ 862,262
Interest and dividends	225,146	255,566

The following presents select investments, with approximate percentage of the Plan's net assets, as of December 31, 2022 and 2021:

	<i>December 31,</i>	
	<i>2022</i>	<i>2021</i>
Fidelity Freedom Index 2040 Fund - Institutional Premium Class	\$ 1,501,949 16%	\$ 1,710,291 16%
Fidelity Freedom Index 2025 Fund - Institutional Premium Class	1,467,216 15%	1,617,300 16%
Fidelity Freedom Index 2045 Fund - Institutional Premium Class	1,311,327 14%	1,283,501 12%

During the years ended December 31, 2022 and 2021, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value by (\$2,053,835) and \$862,262, respectively.

Note 4 – Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Serge Global, Inc. Discretionary Contribution Retirement Plan
Notes to Financial Statements
December 31, 2022 and 2021

Note 4 – Fair Value Measurements (continued)

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Money market funds: Valued at fair value based on quoted market prices.

The categorization of an investment within the fair value hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to Plan management's perceived risk of that investment.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. While Plan management believes its valuation methods are appropriate and consistent with other market participants, 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.

Serge Global, Inc. Discretionary Contribution Retirement Plan
Notes to Financial Statements
December 31, 2022 and 2021

Note 4 – Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2022 and 2021:

<i>Assets at Fair Value as of December 31, 2022</i>				
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Cash and cash equivalents	\$ 112,614	\$ -	\$ -	\$ 112,614
Mutual funds	9,396,601	-	-	9,396,601
Total assets at fair value	<u>\$ 9,509,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,509,215</u>
<i>Assets at Fair Value as of December 31, 2021</i>				
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Cash and cash equivalents	\$ 57,401	\$ -	\$ -	\$ 57,401
Mutual funds	10,319,836	-	-	10,319,836
Total assets at fair value	<u>\$ 10,377,237</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,377,237</u>

Note 5 – Related-Party Transactions and Party-In-Interest Transactions

Certified Plan investments are managed by Fidelity Management Trust Company. Management believes that fees paid during the year for administrative, managerial, and recordkeeping services provided by Fidelity, the Plan's trustee and recordkeeper, and The Paragon Alliance Group, LLC, the Plan's third-party administrator, were based on customary and reasonable rates for such services. These transactions qualify as exempt party-in-interest transactions.

Note 6 – Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their employer contributions.

Serge Global, Inc. Discretionary Contribution Retirement Plan
Notes to Financial Statements
December 31, 2022 and 2021

Note 7 – Tax Status

The Plan uses a Non-Standardized Pre-Approved Profit Sharing Plan with CODA plan document sponsored by FMR LLC. FMR LLC obtained an opinion letter on June 30, 2020 in which the IRS stated that the Non-Standardized Pre-Approved Profit Sharing Plan with CODA adopted by the Plan, as then designed, qualifies under Internal Revenue Code (“IRC”) Section 401. The Plan has not received a determination letter specific to the Plan itself; however, the Plan administrator and the Plan’s tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 8 – Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Market risks include risks related to pandemics and international conflicts. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants’ account balances and the amounts reported in the statement of net assets available for benefits.

Note 9 – Subsequent Events

The Plan has evaluated subsequent events through September 14, 2023, the date the financial statements were available to be issued.

Serge Global, Inc. Discretionary Contribution Retirement Plan
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2022

Plan sponsor's employer identification number: 23-2223692
Plan number: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
*	Fidelity Freedom Index 2040 Fund - Institutional Premium Class	Mutual funds	**	\$ 1,501,949
*	Fidelity Freedom Index 2025 Fund - Institutional Premium Class	Mutual funds	**	1,467,216
*	Fidelity Freedom Index 2045 Fund - Institutional Premium Class	Mutual funds	**	1,311,327
*	Fidelity 500 Index Fund	Mutual funds	**	839,471
*	Fidelity Freedom Index 2030 Fund - Institutional Premium Class	Mutual funds	**	683,756
*	Fidelity Freedom Index 2050 Fund - Institutional Premium Class	Mutual funds	**	617,271
*	Fidelity Freedom Index 2020 Fund - Institutional Premium Class	Mutual funds	**	586,084
*	Fidelity Freedom Index 2035 Fund - Institutional Premium Class	Mutual funds	**	389,781
*	Fidelity Freedom Index 2015 Fund - Institutional Premium Class	Mutual funds	**	370,782
*	Fidelity Freedom Index 2005 Fund - Institutional Premium Class	Mutual funds	**	343,777
*	Fidelity Freedom Index 2055 Fund - Institutional Premium Class	Mutual funds	**	302,894
	Columbia Dividend Income Fund Institutional 3 Class	Mutual funds	**	157,704
*	Fidelity Blue Chip Growth K6 Fund	Mutual funds	**	135,753
*	Fidelity Government Money Market Fund - Class K6	Interest-Bearing Cash	**	112,614
	MFS Mid Cap Growth Fund Class R6	Mutual funds	**	105,958
*	Fidelity U.S. Bond Index Fund	Mutual funds	**	90,351
*	Fidelity Mid Cap Index Fund	Mutual funds	**	70,850
*	Fidelity Freedom Index Income Fund - Institutional Premium Class	Mutual funds	**	69,971
	Allspring Special Mid Cap Value Fund - Class R6	Mutual funds	**	60,126
	Janus Henderson Triton Fund Class N	Mutual funds	**	55,363
*	Fidelity Total Bond K6 Fund	Mutual funds	**	43,274
	Allspring Special Small Cap Value Fund - Class R6	Mutual funds	**	36,724
*	Fidelity Global ex US Index Fund	Mutual funds	**	28,202
	Principal SmallCap Fund Class R-6	Mutual funds	**	28,114
	T. Rowe Price Real Estate Fund I Class	Mutual funds	**	25,436
	Victory Sophus Emerging Markets Fund Class R6	Mutual funds	**	16,727
*	Fidelity International Capital Appreciation K6 Fund	Mutual funds	**	16,309
*	Fidelity Freedom Index 2060 Fund - Institutional Premium Class	Mutual funds	**	12,219
	Goldman Sachs Inflation Protected Securities Fund Class R6	Mutual funds	**	11,635
	Glenmede Quantitative U.S. Large Cap Core Equity Portfolio Institutional Shares	Mutual funds	**	9,443
*	Fidelity Small Cap Index Fund	Mutual funds	**	6,079
*	Fidelity Freedom Index 2065 Fund - Institutional Premium Class	Mutual funds	**	2,043
*	Fidelity Freedom Index 2010 Fund - Institutional Premium Class	Mutual funds	**	12
Total Assets Held for Investment Purposes				<u><u>\$ 9,509,215</u></u>

* Indicates a party-in-interest to the Plan

** Cost omitted for participant-directed investments

See independent auditor's report.

SERGE GLOBAL, INC.
FINANCIAL STATEMENTS
YEAR ENDED MAY 31, 2023
(See Independent Auditors' Report)

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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, 2023, 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, 2023, 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Organization implemented the provisions of FASB ASC 842, *Leases*, for the year ended May 31, 2023, which represents changes in accounting principles. Our opinion is not modified with respect to the matter.

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.

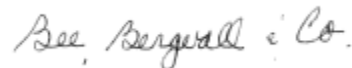
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 2022 financial statements and expressed an unmodified opinion on those audited financial statements in our report dated September 8, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



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

Warrington, PA
August 24, 2023

SERGE GLOBAL, INC.

Statements of Financial Position

May 31, 2023 and 2022

	<u>ASSETS</u>	
	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 2,648,361	\$ 2,833,510
Accounts Receivable	14,626	50,929
Prepaid Expenses	263,783	118,393
Pledges Receivable	51,000	43,000
Advances to Missionaries	81,195	80,556
Investments	9,279,601	9,941,928
Security Deposits	161,298	141,071
Other Assets	422,686	380,686
Property and Equipment - Net of Accumulated Depreciation	140,695	168,352
Right to Use Asset - Net of Accumulated Amortization	<u>1,409,423</u>	<u>-</u>
Total Assets	<u>\$ 14,472,668</u>	<u>\$ 13,758,425</u>
<u>LIABILITIES AND NET ASSETS</u>		
Accounts Payable	\$ 593,034	\$ 357,974
Deferred Revenue	48,654	202,094
Operating Lease Liability	<u>1,702,230</u>	<u>-</u>
Total Liabilities	<u>2,343,918</u>	<u>560,068</u>
Without Donor Restrictions		
Board Designated for Missionaries and Projects	10,902,671	10,733,574
Undesignated	<u>973,028</u>	<u>2,170,236</u>
Total Without Donor Restrictions	11,875,699	12,903,810
With Donor Restrictions	<u>253,051</u>	<u>294,547</u>
Total Net Assets	<u>12,128,750</u>	<u>13,198,357</u>
Total Liabilities and Net Assets	<u>\$ 14,472,668</u>	<u>\$ 13,758,425</u>

See accompanying notes to the financial statements

SERGE GLOBAL, INC.

Statements of Activities

For the Year Ended May 31, 2023

(With Summarized Comparative Totals for the Year Ended May 31, 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Totals</u>	<u>2022 Totals</u>
Support and Revenue				
Contributions and Grants	\$ 25,671,785	\$ 532,214	\$ 26,203,999	\$ 24,731,677
Discipling Tuition	130,473	-	130,473	140,420
Investment Income (loss)	(191,529)	-	(191,529)	(366,063)
Other Income	<u>168,525</u>	<u>-</u>	<u>168,525</u>	<u>184,241</u>
Total Support and Revenue	25,779,254	532,214	26,311,468	24,690,275
Net Assets Released from Program Restrictions	<u>573,710</u>	<u>(573,710)</u>	<u>-</u>	<u>-</u>
Total Support, Revenue, and Reclassifications	<u>26,352,964</u>	<u>(41,496)</u>	<u>26,311,468</u>	<u>24,690,275</u>
Expenses				
Field Operations	22,633,074	-	22,633,074	21,255,018
Home Office	3,861,906	-	3,861,906	3,216,260
Fundraising	<u>728,776</u>	<u>-</u>	<u>728,776</u>	<u>843,276</u>
Total Expenses	<u>27,223,756</u>	<u>-</u>	<u>27,223,756</u>	<u>25,314,554</u>
Increase (Decrease) in Net Assets	(870,792)	(41,496)	(912,288)	(624,279)
Net Assets, Beginning of Year, as reported	12,903,810	294,547	13,198,357	13,822,636
Implementation of ASU 842	<u>(157,319)</u>	<u>-</u>	<u>(157,319)</u>	<u>-</u>
Net Assets, End of Year	<u>\$ 11,875,699</u>	<u>\$ 253,051</u>	<u>\$ 12,128,750</u>	<u>\$ 13,198,357</u>

See accompanying notes to the financial statements

SERGE GLOBAL, INC.

Statements of Functional Expense

For the Year Ended May 31, 2023

(With Summarized Comparative Totals for the Year Ended May 31, 2022)

	<u>Field Operations</u>	<u>Home Office</u>	<u>Fundraising</u>	<u>2023 Totals</u>	<u>2022 Totals</u>
Books & Other Literature	\$ 32,616	\$ 3,112	\$ 579	\$ 36,307	\$ 27,974
Business Meals	207,799	59,079	7,580	274,458	197,746
Computer Hardware & Software	61,851	16,470	4,386	82,707	103,851
Cost of Goods Sold	-	-	-	-	-
Depreciation	42,940	-	-	42,940	56,623
Diaconal Needs	97,034	-	-	97,034	122,622
Dues & Subscriptions	19,998	71,390	730	92,118	77,746
Education & Schooling	427,760	9,278	-	437,038	445,191
Foreign National Wages	115,911	-	-	115,911	84,169
Grants to Foreign Organizations	2,491,610	-	-	2,491,610	1,604,197
Insurance	62,291	173,535	-	235,826	200,573
Maintenance & Repairs	183,972	130,912	3,090	317,974	224,001
Medical Expenses & Supplies	150,369	181	-	150,550	93,149
Merchant Discounts	154,028	-	-	154,028	137,982
Ministry Account	12,058	-	-	12,058	21,916
Other	290,282	85,343	12,486	388,111	201,459
Outside Services	3,187,839	179,812	18,116	3,385,767	2,970,223
Outreach	19,087	-	-	19,087	23,755
Postage	17,525	19,037	12,341	48,903	48,701
Printing	31,115	19,576	18,287	68,978	59,414
Professional Services	335,190	39,964	20,963	396,117	221,480
Project Expenses	211,589	-	-	211,589	788,936
Promotions	19,504	6,854	696	27,054	5,633
Rent	52,497	318,358	975	371,830	337,284
Retreats & Conferences	223,285	32,940	759	256,984	143,281
Service Charges	11,783	18,416	-	30,199	29,097
Set Up Costs	132,087	-	-	132,087	104,410
Shipping & Freight	122,191	1,043	-	123,234	99,239
Sponsoring Conference & Education	100,154	-	-	100,154	699,965
Supplies & Cleaning	60,435	12,881	1,241	74,557	84,234
Travel	1,660,960	184,467	53,735	1,899,162	1,922,261
Utilities	16,458	9,388	3,038	28,884	46,783
Vehicle Expenses	39,513	-	-	39,513	5,457
Wages Payroll Taxes & Benefits	12,041,343	2,469,870	569,774	15,080,987	14,125,202
Total Expenses	<u>\$ 22,633,074</u>	<u>\$ 3,861,906</u>	<u>\$ 728,776</u>	<u>\$ 27,223,756</u>	<u>\$ 25,314,554</u>

See accompanying notes to the financial statements

SERGE GLOBAL, INC.

Statements of Cash Flows

For the Year Ended May 31, 2023

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Increase (Decrease) in Net Assets	\$ (912,288)	\$ (624,279)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Contributed Investments	(238,985)	(284,380)
Unrealized and Realized (Gain) Loss on Sale of Investments	424,643	679,567
Non cash lease expense	21,489	-
Depreciation	42,940	56,623
(Increase) Decrease in Assets:		
Accounts Receivable	36,303	11,991
Prepaid Expenses	(145,390)	214,420
Pledges Receivable	(8,000)	(33,000)
Advances to Missionaries	(639)	(15,855)
Security Deposits	(20,227)	12,166
Other Assets	(42,000)	(100,000)
Increase (Decrease) in Liabilities:		
Accounts Payable	235,060	(93,457)
Deferred Revenue	(39,441)	(10,715)
Net Cash Provided by (Used in) Operating Activities	<u>(646,535)</u>	<u>(186,919)</u>
Cash Flows from Investing Activities:		
Proceeds from the Sale of Investments	834,737	4,660,531
Purchase of Investments	(358,068)	(6,391,608)
Purchase of Property and Equipment	(15,283)	(29,166)
Net Cash Provided by (Used in) Investing Activities	<u>461,386</u>	<u>(1,760,243)</u>
Net Increase (Decrease) in Cash	(185,149)	(1,947,162)
Cash and Cash Equivalents, Beginning of Year	<u>2,833,510</u>	<u>4,780,672</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,648,361</u>	<u>\$ 2,833,510</u>
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
Leased assets obtained in exchange for operating lease liability	<u>\$ 2,140,896</u>	<u>\$ -</u>

See accompanying notes to the financial statements

SERGE GLOBAL, INC.

Notes to Financial Statements

May 31, 2023

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.

SERGE GLOBAL, INC.

Notes to Financial Statements

May 31, 2023

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, 2022, 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, 2023 by \$2,288,377.

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 bad debt expense 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, 2023, management considers all accounts receivable to be entirely collectible.

SERGE GLOBAL, INC.

Notes to Financial Statements

May 31, 2023

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 disciplining 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.

SERGE GLOBAL, INC.

Notes to Financial Statements

May 31, 2023

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 Services and Materials: 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.

SERGE GLOBAL, INC.

Notes to Financial Statements

May 31, 2023

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.

Adoption of Accounting Standard- Lease: The Organization adopted ASU No. 2016-02ASU No. 2016-02 (Topic 842), *Leases* during the current year. This standard substantially changes current principles of lease accounting and offers specific accounting guidance for lessees, lessors and sale-leaseback transactions. ASU 2016-02 establishes a right-of-use ("ROU") model that requires lessees to record a ROU asset and lease liability in the statement of financial position for all leases with terms longer than 12 months. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. Leases will be classified as either finance leases or operating leases depending on the characteristics of the lease; consistent with current generally accepted accounting principles, the recognition, measurement and presentation of expenses and cash flows arising from the lease will depend on the lease classification. All of the Organization's leases are operating leases.

ASU 2016-02 requires adoption using a modified retrospective transition method as of the first date reflected on the financial statements. ASU 2016-02 was amended by ASU 2018-11 *Leases (Topic 842): Targeted Improvements* which permits entities to use the effective date of the new lease accounting standard as the date of initial application; thus, the financial statements for the year ended May 31, 2022 do not reflect effects of the standard.

The Organization recorded an Operating Right of Use intangible asset of \$1,623,512 and corresponding Lease Liability of \$1,894,831 as of June 1, 2022 related to its operating lease of the office space. Thereafter, the lease liability is stated at the present value of the unpaid lease payments. The right of use asset is stated at the initial lease liability less amortization on the asset. Opening net assets were adjusted by \$157,319.

SERGE GLOBAL, INC.

Notes to Financial Statements

May 31, 2023

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.

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	\$ 2,648,361
Accounts Receivable	14,626
Investments	<u>9,279,601</u>
	11,942,588
Less Amounts Subject to Donor Restrictions	<u>(253,051)</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 11,689,537</u>

NOTE 3. Cash and Cash Equivalents

Cash and cash equivalents are summarized below as of May 31, 2023:

Checking and Sweep accounts	\$ 2,633,921
Money Market	<u>14,440</u>
	<u>\$ 2,648,361</u>

At May 31, 2023, \$253,051 was restricted for various purposes dependent upon the donor's intent. At May 31, 2021, that amount was \$294,547.

SERGE GLOBAL, INC.

Notes to Financial Statements

May 31, 2023

NOTE 4. Investments

Investments are summarized below as of May 31, 2023:

Cash and Cash Equivalents	\$	333,402
Mutual Funds - Fixed Income		3,925,646
Mutual Funds - Domestic Equities		1,562,085
Mutual Funds - International Equities		695,723
Exchange Traded Funds		2,759,375
Common Stock		3,370
	\$	<u>9,279,601</u>

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

Investment Income	\$	295,500
Net Unrealized and Realized Gains (Losses)		(424,643)
Fees		(62,386)
	\$	<u>(191,529)</u>

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		110,556
Africa		16,610
Asia		5,445
South & Central America		8,687
	\$	<u>161,298</u>

SERGE GLOBAL, INC.

Notes to Financial Statements

May 31, 2023

NOTE 6. Property and Equipment

Property and equipment is composed of the following at May 31, 2023:

	<u>Cost</u>	<u>Depreciation Expense</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Furniture and Equipment	\$ 141,180	\$ 35,529	\$ 121,273	\$ 19,907
Vehicles	188,237	1,800	188,237	-
Leasehold Improvements	182,595	18,260	67,038	115,557
Land and Buildings	242,858	1,034	237,627	5,231
	<u>\$ 754,870</u>	<u>\$ 56,623</u>	<u>\$ 614,175</u>	<u>\$ 140,695</u>

NOTE 7. Net Assets

Net assets with restrictions are available for the following purposes:

Donor Restricted for Field Operations:

BundiMedical Fund	\$ 10,521
BundiWater Fund	97,256
Bundibugyo (Christ) School	47,916
Dr. Jonah Memorial Leadership Fund	269
Uganda Relief Project	22,369
Kule Family Care Fund	5,803
Kenya Mercy (Famine Relief) Fund	2,889
Ireland Church Planters	7,703
Eye Love Africa	29,316
Europe Refugees	29,009
	<u>\$ 253,051</u>

SERGE GLOBAL, INC.

Notes to Financial Statements

May 31, 2023

NOTE 7. Net Assets (Continued)

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. The purpose for which restrictions were accomplished in 2023 was as follows:

Released from Donor Restriction for Field Operations:

BundiMedical Fund	\$ 15,854
BundiWater Fund	14,476
Bundibugyo (Christ) School	254,770
Dr. Jonah Memorial Leadership Fund	7,588
Uganda Relief Project	599
Kule Family Care Fund	5,130
Kenya Mercy (Famine Relief) Fund	102
Ireland Church Planters	21,120
Eye Love Africa	185,644
Europe Refugees	68,427
	<u>\$ 573,710</u>

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

Board Designated

Support Raising	\$ 8,382,396
Projects-Field	933,359
Projects-Reserved Capital	1,560,221
Property Plant and Equipment	26,695
	<u>\$ 10,902,671</u>

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.

SERGE GLOBAL, INC.

Notes to Financial Statements

May 31, 2023

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, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 333,402	\$ -	\$ -	\$ 333,402
Mutual Funds - Fixed Income	-	3,925,646	-	3,925,646
Mutual Funds - Domestic Equities	1,562,085	-	-	1,562,085
Mutual Funds - International Equities	695,723	-	-	695,723
Exchange Traded Funds	2,759,375	-	-	2,759,375
Common Stock	3,370	-	-	3,370
	<u>\$ 5,353,955</u>	<u>\$ 3,925,646</u>	<u>\$ -</u>	<u>\$ 9,279,601</u>

SERGE GLOBAL, INC.

Notes to Financial Statements

May 31, 2023

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, 2023 due to the short-term nature of those instruments.

NOTE 9. Pension Plan

Serge maintains a defined contribution plan which covers substantially all employees, as defined in the plan. In 2023, Serge contributed \$890,680 to the plan.

NOTE 10. 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	\$ 202,094
Revenue recognized that was included at beginning of the year	(70,094)
Increase due in deferred revenue due to cash received during the year	48,654
Implementation of ASU 842	<u>(132,000)</u>
Deferred Revenue, end of the year	<u>\$ 48,654</u>

SERGE GLOBAL, INC.

Notes to Financial Statements

May 31, 2023

NOTE 11. 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, 2023, the monthly rent was \$25,973.

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.

Future minimum operating lease payments are as follows:

Year ending May 31,	
2024	\$ 208,825
2025	225,880
2026	243,807
2027	262,651
2028	282,460
Thereafter	<u>478,607</u>
	<u>\$ 1,702,230</u>

The Right to Use Asset as of May 31, 2023 is as follows:

Right to Use Asset	\$ 2,140,895
Accumulated amortization	<u>(731,472)</u>
	<u>\$ 1,409,423</u>