

ITEE GLOBAL
AUDITED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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MICHAEL GOLOJUCH, JR. AND ASSOCIATES, LIMITED

1310 PEMBROOK CIRCLE

ROSELLE, IL 60172

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of ITEE Global

Opinion

We have audited the accompanying financial statements of ITEE Global (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ITEE Global as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 ITEE Global and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ITEE Global's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement resulting from fraud 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 ITEE Global'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 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 ITEE Global'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.

Michael Golojuch, Jr. C.P.A.

Roselle, Illinois

February 17, 2022

ITEE Global
Statements of Financial Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Current Assets:		
Cash and cash equivalents	\$ 237,658	\$ 165,259
Other receivables	18	18
	<hr/>	<hr/>
Total Current Assets	<u>\$ 237,676</u>	<u>\$ 165,277</u>
<u>Liabilities and Net Assets</u>		
Current Liabilities:		
Accounts payable	\$ 7,679	\$ 5,675
Royalties due	84	84
	<hr/>	<hr/>
Total Current Liabilities	<u>7,763</u>	<u>5,759</u>
Net Assets:		
Without donor restrictions	223,529	153,134
Board designated	6,384	6,384
	<hr/>	<hr/>
Total Net Assets	<u>229,913</u>	<u>159,518</u>
	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ 237,676</u>	<u>\$ 165,277</u>

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

ITEE Global
Statements of Activities and Changes in Net Assets
Years Ended December 31, 2021 and 2020

	2021	2020
	<u>Unrestricted</u>	<u>Unrestricted</u>
Revenue:		
Contributions	\$ 593,477	\$ 510,381
Donated services	489,825	502,792
Donated tangibles	8,765	10,726
	<u>1,092,067</u>	<u>1,023,899</u>
Increases in net assets		
Expenses:		
Program services	921,561	811,010
Supporting services:		
General and administrative	84,821	99,329
Fund raising	15,290	12,231
	<u>1,021,672</u>	<u>922,570</u>
Decreases in net assets		
Change in net assets	70,395	101,329
Net assets at beginning of year	<u>159,518</u>	<u>58,189</u>
Net assets at end of year	<u>\$ 229,913</u>	<u>\$ 159,518</u>

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

ITEE Global
Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 70,395	\$ 101,328
Change in non-cash components of working capital:		
Other receivables	-	-
Accounts payable	2,004	(1,179)
Royalties due	-	-
	<hr/>	<hr/>
Net cash provided by/(used) for operating activities	72,399	100,149
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	72,399	100,149
Cash at beginning of year	165,259	65,110
	<hr/>	<hr/>
Cash at end of year	\$ 237,658	\$ 165,259
	<hr/>	<hr/>

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

ITEE Global
Statement of Functional Expenses
Year Ended December 31, 2021

		<u>Supporting Services</u>				
	<u>Program</u>	<u>General and</u>	<u>Fund</u>	<u>Supporting</u>	<u>Total</u>	
	<u>Services</u>	<u>Administrative</u>	<u>Raising</u>	<u>Services</u>		<u>Expenses</u>
Salaries and wages -	\$ 51,700	\$ -	\$ -	\$ -	\$	51,700
Officer	221,050	-	4,878	4,878		225,928
Other	21,365	-	373	373		21,738
Payroll taxes						
Total payroll costs	294,115	-	5,251	5,251		299,366
Professional services - in-kind	426,425	63,400	-	63,400		489,825
Outside services - teachers	52,650	-	2,433	2,433		55,083
Conferences, conventions, meetings	1,782	-	-	-		1,782
Education, training	28,330	-	-	-		28,330
Travel	56,078	1,298	250	1,548		57,625
Advertising and promotion	-	-	-	-		-
Grants - domestic and foreign	10,047	914	-	914		10,960
Information technology	7,240	2,160	1,685	3,844		11,084
Insurance	1,797	2,516	54	2,570		4,367
Office expense	21,381	6,121	4,227	10,348		31,729
Professional fees	289	8,414	1,390	9,804		10,092
Staff development	21,428	-	-	-		21,428
	<u>\$ 921,561</u>	<u>\$ 84,821</u>	<u>\$ 15,290</u>	<u>\$ 100,111</u>		<u>\$ 1,021,672</u>

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

ITEE Global
Statement of Functional Expenses
Year Ended December 31, 2020

		<u>Supporting Services</u>			
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fund Raising</u>	<u>Supporting Services</u>	<u>Total Expenses</u>
Salaries and wages -					
Officer	\$ 24,404	\$ 5,596	\$ -	\$ 5,596	\$ 30,000
Other	138,426	34,404	2,878	37,282	175,708
Payroll taxes	15,730	-	268	268	15,999
Total payroll costs	178,560	40,000	3,146	43,146	221,706
Professional services - in-kind	455,917	46,875	-	46,875	502,792
Outside services - teachers	57,000	-	2,867	2,867	59,867
Conferences, conventions, meetings	826	-	-	-	826
Education, training	12,268	150	-	150	12,418
Travel	59,531	-	-	-	59,531
Advertising and promotion	-	-	781	781	781
Grants - domestic and foreign	28,766	-	-	-	28,766
Information technology	6,042	1,689	841	2,529	8,571
Insurance	1,419	(383)	100	(283)	1,136
Office expense	8,350	3,158	3,606	6,765	15,114
Professional fees	2,145	7,840	889	8,729	10,874
Staff development	186	-	-	-	186
	\$ 811,010	\$ 99,329	\$ 12,231	\$ 111,560	\$ 922,570

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

ITEE GLOBAL

Notes to Financial Statements Years Ended December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

ITEE Global (Internet Theological Education by Extension) is an Illinois not-for-profit corporation established June 26, 2014, that provides training, educational tools and integration of online theological and leadership training and other resources to Christian organizations (churches, missions and schools) in the United States and worldwide. The Organization relocated its headquarters from Illinois to Texas and incorporated in Texas in 2021.

The sources of revenue for the Organization's services are public support including individual contributions, corporate, foundations and religious organizations, grant income and in-kind revenue (services and tangible donations).

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Contributions received are measured at their fair values and are reported as increases in net assets. Expenses are recorded when incurred.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions.

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. Net assets with donor restrictions are reclassified to net assets without donor restrictions when restrictions have been met or have expired. These reclassifications are reported in the statement of activities as net assets released from restrictions. ITEE Global had no net assets with donor restrictions as of December 31, 2021 and 2020.

ITEE GLOBAL

Notes to Financial Statements Years Ended December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions and grants, as well as reasonably collectibles unconditional promises to give, are recognized at fair value in the year received. In-kind donations are recorded as support at their estimated fair market value when received.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents are held in checking and savings accounts. Accounts are maintained at a local bank where deposits are insured up to \$250,000 by the FDIC.

Donated Services

The fair value of donated services (professional fees) has been recognized in the accompanying statement of activities and functional expenses. Many individuals volunteer their time and perform a variety of tasks that assist the Organization. These services meet the criteria for recognition as contributed services. Volunteer hours are being tracked by staff and market hourly rates are used to compute the value of donated services. The Organization had 30 and 26 volunteers during December 31, 2021 and 2020, respectively. The estimated values of in-kind gifts and services recognized as revenue and expense for the years ended December 31, 2021 and 2020 was \$ 498,590 and \$ 513,518, respectively.

Functional Allocation of Expenses

The cost of program and supporting services have been summarized on a functional basis in the statement of functional expenses. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs, funds raising and management and general activities benefited.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require an allocation on a reasonable basis that is consistently applied. The expenses that are allocated include information technology and office expense which are allocated on the basis of estimates of time and effort.

ITEE GLOBAL

Notes to Financial Statements Years Ended December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, gains and expenses during the reported period. Actual results could differ from these estimates.

Uncollectible Accounts

The policy for determining when receivables are past due or delinquent are based on how recently payments have been received and prior collection experience.

Income Tax Status

ITEE Global is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, a provision for income taxes has not been made on the financial statements.

The Organization's federal Exempt Organization Business Tax Return (Form 990) is subject to examination by the Internal Revenue Service, generally for three years after the date it was filed.

Property and Equipment

Property and equipment are recorded at cost, if purchased, or if donated, at fair market value at the date of receipt. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets. The Organization capitalizes all expenditures in excess of \$5,000 for property and equipment at cost.

Programs

Program expenses include costs such as training conferences, sessions and production materials.

Self-Insurance Unemployment Reserves

ITEE Global was self-insured for a significant portion of their Illinois unemployment tax claims effective January 1, 2016. The Organization does maintain stop-loss coverage with a third-party insurer to limit their individual claims and total exposure. There were no outstanding unemployment claims at December 31, 2021 and 2020.

ITEE GLOBAL

Notes to Financial Statements Years Ended December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

The Organization expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2021 and 2020 was \$ 0 and \$ 781, respectively.

Recent Accounting Pronouncement

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The guidance is effective for annual reporting periods beginning after December 15, 2019. The Organization has implemented the provisions of ASU No. 2018-08 applicable to both contributions received and contributions made in the accompanying financial statements.

Management's Evaluation of Going Concern

Management performed an evaluation to determine if adverse conditions or events, considered in the aggregate, raise substantial doubt about the Organization's ability to continue as a going concern for the one-year period from the date the financial statements were available to be issued. Management's evaluation did not identify any conditions or events that raise substantial doubt about the Organization's ability to continue as a going concern from February 17, 2022 to February 17, 2023.

NOTE 2 – RELATED PARTIES

ITEE Global has a conflict-of-interest policy whereby Board members must advise the Board of Directors of any direct or indirect material interest in any transaction or relationship with ITEE Global and not participate in discussions and decisions regarding any action affecting their individual, professional or business interests.

ITEE GLOBAL

Notes to Financial Statements Years Ended December 31, 2021 and 2020

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2021, were comprised of the following:

Financial assets at year-end:

Cash and cash equivalents	\$237,658
Other receivables	<u>18</u>
Total	237,676
Less amounts not available for general expenditure within one year, due to purpose restrictions	<u>(7,679)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$229,997</u>

The Organization's goal is to maintain available financial assets sufficient to meet general operating expenses as they come due. General expenses average \$ 75,000 per month.

NOTE 4 -SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 17, 2022 the date which the financial statements were available to be issued.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. The extent of the impact of COVID-19 on ITEE Global's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on ITEE Global's donors, employees and vendors all of which are uncertain and cannot be predicted. At this time, the extent to which COVID-19 may impact ITEE Global's financial condition or results of operations is uncertain.