

# **ITEE Global**

## **Financial Statements**

**December 31, 2022**

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# Costabile & Steffens P.C.

## Certified Public Accountants

### INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors  
ITEE Global  
Austin, Texas

#### **Opinion**

We have audited the accompanying financial statements of ITEE Global (a non-profit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, cash flows and functional expenses 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 ITEE Global as of December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

#### **Basis of 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 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 these financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible 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.

Frank J. Costabile

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# Costabile & Steffens P.C.

## Certified Public Accountants

The Board of Directors  
ITEE Global  
Austin, Texas

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### **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 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 ITEE Global 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 ITEE Global ability to continue as a going concern for a reasonable period of time.



**Costabile & Steffens P.C.**  
Certified Public Accountants

The Board of Directors  
ITEE Global  
Austin, Texas

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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.

*Costabile & Steffens PC*

COSTABILE & STEFFENS PC  
Certified Public Accountants

Rolling Meadows, Illinois 60008  
May 5, 2023



**Costabile & Steffens P.C.**  
Certified Public Accountants

**ITEE Global**

STATEMENT OF FINANCIAL POSITION  
December 31, 2022

EXHIBIT A

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ASSETS

CURRENT ASSETS

Cash and cash equivalents 205,483

Total Assets \$ 205,483

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses 20,462

Total Current Liabilities 20,462

NET ASSETS

Without Donor Restrictions 178,637

Board Designated 6,384

Total Net Assets Without Donor Restrictions 185,021

Total Liabilities and Net Assets \$ 205,483

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The accompanying notes are an integral part of this statement.



**Costabile & Steffens P.C.**  
Certified Public Accountants

**ITEE Global**

**SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS**  
Year Ended December 31, 2022

EXHIBIT B

	Without Donor Restrictions
<b>REVENUE AND OTHER SUPPORT</b>	
Contributions	\$ 693,572
Donated Services	491,750
Donated Tangibles	5,944
Total Revenue and Other Support	1,191,266
<b>EXPENSES</b>	
Programs	1,059,525
General and administrative	159,127
Fundraising	17,506
Total Functional Expenses	1,236,158
Increase in Net Assets	(44,892)
Net Assets - Beginning of the Year	229,913
Net Assets - End of Year	\$ 185,021

The accompanying notes are an integral part of this statement.



**Costabile & Steffens P.C.**  
Certified Public Accountants

**ITEE Global**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2022

Expenses	Supporting Services				Total
	Program Services	General Administration	Fundraising	Total Supporting Services	
Salaries and Wages					
Officer	\$ 25,840	\$ 1,520	\$ 3,040	\$ 4,560	\$ 30,400
Other	309,840	62,337	4,756	67,093	376,933
Payroll Taxes	24,109	5,096	616	5,712	29,821
Total Payroll Costs	359,789	68,953	8,412	77,365	437,154
Professional Services - In-Kind	427,500	64,250	-	64,250	491,750
Outside Services - Teachers	43,850	-	469	469	44,319
Conferences, Conventions, Meetings	378	-	-	-	378
Education, Training	37,901	-	-	-	37,901
Travel	113,939	385	842	1,227	115,166
Advertising and Promotion	482	-	-	-	482
Grants - Domestic and Foreign	6,875	-	-	-	6,875
Information Technology	5,742	6,248	1,137	7,385	13,127
Insurance	2,098	2,500	24	2,524	4,622
Office Expense	23,794	7,795	5,299	13,094	36,888
Professional Fees	8,202	8,996	1,323	10,319	18,521
Staff Development	28,975	-	-	-	28,975
 Total Functional Expenses	 \$ 1,059,525	 \$ 159,127	 \$ 17,506	 \$ 176,633	 \$ 1,236,158

The accompanying notes are an integral part of this statement.





**Costabile & Steffens P.C.**  
Certified Public Accountants

**ITEE Global**

STATEMENT OF CASH FLOWS  
Year Ended December 31, 2022

EXHIBIT D

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CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ (44,892)
Increase (Decrease) in Liabilities	
Accounts Payable and Accrued Expenses	<u>12,717</u>
Net Cash Provided by (Used in) Operating Activities	<u>(32,175)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Net Cash Provided by (Used in) Investing Activities	<u>-</u>
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CASH FLOWS FROM FINANCING ACTIVITIES

Net Cash Provided by (Used in) Financing Activities	<u>-</u>
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Net Increase in Cash and Cash Equivalents	<u>(32,175)</u>
Cash and Cash Equivalents, Beginning of Year	<u>237,658</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 205,483</u></u>

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The accompanying notes are an integral part of this statement.



**Costabile & Steffens P.C.**  
Certified Public Accountants

**ITEE Global**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2022

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities and Organization - 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 Presentation - The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization reports information regarding its position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction. The Organization reports its net assets according to the following classifications:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be extended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of ITEE Global's Board of Directors.

Net Assets With Donor Restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of ITEE Global, or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. The Organization has no net assets with donor restrictions.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash on hand and all highly liquid debt investments purchased with an original maturity of three months or less. This includes checking, savings and short-term cash accounts.

Fair Value of Financial Instruments - Carrying values of cash, accounts receivable, payables and deposits approximated fair value due to the short-term nature of these financial instruments.



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Certified Public Accountants

**ITEE Global**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Accounts Receivable - The Organization carries its accounts receivable at the outstanding principal balance adjusted for the allowance of doubtful accounts. The allowance for doubtful accounts is estimated based on the Organization's historical bad debt experience, the aging of the receivables and based on management's judgment. Accounts deemed uncollectible are charged to the allowance for doubtful accounts. At December 31, 2022, the Organization does not have any accounts receivable or allowance for doubtful accounts.

Property and Equipment - Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies assets with donor restrictions to assets without donor restrictions at that time.

The Organization capitalizes all Property and Equipment additions greater than \$5,000. Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using a straight-line method over periods ranging from five to thirty-nine years. Gains and losses on disposition of property and equipment are recognized as a component of current operations. Maintenance, repairs, and renewals, which neither materially add to the value of property nor appreciably prolong its useful life, are expensed as incurred.

Contributions - Contributions received are recorded as unrestricted or restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), assets with donor restrictions are reclassified to assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. In-kind donations are recorded as support at their estimated fair market value when received.



**Costabile & Steffens P.C.**  
Certified Public Accountants

**ITEE Global**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2022

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue Recognition - Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received. The Organization has adopted Accounting Standards Update No. 2014-09 Revenue from Contracts with Customers (Topic 606), as amended, as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

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 40 volunteers during December 31, 2022. The estimated values of in-kind gifts and services recognized as revenue and expense for the years ended December 31, 2022 was \$491,750.

Advertising Costs - The Organization expenses all advertising costs as they are incurred.

Concentrations of Credit Risk - The Organization maintains its cash deposits in local financial institutions. Regularly, amounts on deposit exceed the federally insured limit. In evaluating this credit risk, the Organization periodically evaluates the stability of these financial institutions.

Use of Estimates - The preparation of financial statements on the modified cash basis of accounting requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



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**ITEE Global**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Income Tax Status - The Organization qualifies as a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code and, therefore, has no provision for federal and state income tax. There is no unrelated business income.

The Organization's Form 990, Return of Organization Exempt from Income Tax are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

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, fundraising 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.

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, 2022.

**NOTE 2 - AVAILABILITY AND LIQUIDITY**

The following represents the Organization's financial assets at December 31, 2022:

Financial assets at year end:

Checking, Savings and short-term cash investments	\$ 205,483
Total financial assets	<u>205,483</u>

Financial assets available to meet general expenditures  
over the next twelve months

\$ 205,483

The Organization maintains cash balances at several institutions; these balances are without donor restrictions.



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Certified Public Accountants

**ITEE Global**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2022

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**NOTE 3 - 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.

**NOTE 4 - BOARD DESIGNATED NET ASSETS**

The Organization maintains amounts designated by the Board of Directors for specific purposes. As of December 31, 2022, this amount totaled \$6,884.

**NOTE 5 - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through May 5, 2023, the date which the financial statements were available to be issued. No events or items have occurred that would require disclosure or accrual in the financial statements.