

GLOBAL TRAINING NETWORK, INC.

INDEPENDENT AUDITOR'S REPORT

**For The Twelve Months Ending
December 31, 2020**

W. BRIDGEMAN, CPA

Certified Public Accountant and Advisor

A Limited Liability Company

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of:

Global Training Network, Inc.

We have audited the accompanying financial statements of Global Training Network, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

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

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

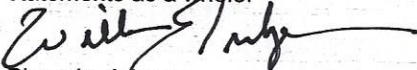
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of functional expenditures on page 11 is presented for purposes of additional analysis and is required as part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Phoenix, Arizona
August 4, 2021

GLOBAL TRAINING NETWORK, INC.
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2020

ASSETS:

Current Assets:

Cash and Cash Equivalents \$ 2,870,880

Credit Cards Receivables 3,551

Total Current Assets 2,874,431

Property and Equipment, net (Note 4) -

TOTAL ASSETS \$ 2,874,431

LIABILITIES AND NET ASSETS:

Current Liabilities

Accounts Payable \$ -

Total Current Liabilities -

NET ASSETS:

Without Donor Restrictions 2,874,431

With Donor Restrictions -

TOTAL NET ASSETS 2,874,431

TOTAL LIABILITIES AND NET ASSETS \$ 2,874,431

The Accompanying Notes are an Integral Part of These Financial Statements

GLOBAL TRAINING NETWORK, INC
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR YEAR ENDING DECEMBER 31, 2020

UNRESTRICTED NET ASSETS
SUPPORT AND REVENUE

DONATIONS- Note 1	\$ 6,478,042
INTEREST AND DIVIDEND INCOME	6,566
	<u>\$ 6,484,608</u>

RESTRICTED ASSETS

Net Assets Released From Restrictions	-
TOTAL UNRESTRICTED SUPPORT AND REVENUE	<u>\$ 6,484,608</u>

EXPENDITURES

Program Related	4,701,879
Administrative	215,570
Fund Raising	297,886

TOTAL EXPENDITURES- Unrestricted	<u>\$ 5,215,335</u>
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CHANGE IN UNRESTRICTED NET ASSETS	1,269,273
CHANGE IN TEMPORARY RESTRICTED NET ASSETS	0
CHANGE IN PERMANENTLY RESTRICTED NET ASSETS	0
	0

NET UNRESTRICTED ASSETS , BEGINNING OF YEAR	1,060,158
PPP LOAN FORGIVENESS	545,000

NET UNRESTRICTED ASSETS, END OF YEAR	<u><u>\$ 2,874,431</u></u>
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GLOBAL TRAINING NETWORKS , INC.
STATEMENT OF CASH FLOWS
FOR YEAR ENDING DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Income From Operations	\$ 1,262,708
Adjustment to reconcile Net Income to net cash -Operating	_____
NET INCREASE IN CASH PROVIDED BY OPERATING ACTIVITIES	1,262,708

CASH FLOWS FROM FINANCING ACTIVITIES:

-

CASH FLOWS FROM INVESTING ACTIVITIES:

-

NET CASH FLOWS FROM FINANCING/ INVESTING ACTIVITIES:

6,566

CASH AND CASH EQUIVALENTS- BEGINNING OF YEAR	\$ 1,056,606
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CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,325,880
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NON CASH FINANCING ACTIVITY - PPP LOAN FORGIVENESS	\$ 545,000
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	\$ 2,870,880
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**GLOBAL TRAINING NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDING
DECEMBER 31, 2020**

Note 1- SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Description of Organization

Global Training Network Inc. (the Organization) was incorporated in the State of Arizona on May 24, 2004. The organization is an inter-denominational ministry uniting evangelical Christian churches and leaders around the mission of equipping and training indigenous church planters, pastors and Christian leaders throughout the world so that the Great Commission can be fulfilled. The Organization is a non-profit tax-exempt organization that exists to help build the Church and expand God's Kingdom worldwide and is supported primarily through contributions by private donors.

Accreditation

Global Training Network Inc. is a member of Evangelical Council for Financial Accountability (ECFA) that is an accreditation agency dedicated to helping Christian ministries earn the public's trust through adherence to seven Standards of Responsible Stewardship. Founded in 1979, it is comprised of over 2,000 evangelical Christian organizations, which have qualified for tax-exempt, nonprofit status and receive tax-deductible contributions to support their work.

ECFA's Standards of Responsible Stewardship focus on board governance, financial transparency, integrity in fund-raising, and proper use of charity resources.

The significant accounting policies followed by the Organization are summarized below:

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and, accordingly, reflected all significant receivables, payable, and other liabilities. Net assets, revenues, and gains and losses are classified on the existence or absence of donor-imposed restrictions on contributions. Accordingly, net assets and changes therein are classified as follows based upon Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 958-210-45.

Net Assets with Donor Restrictions –The FASB ASC defines net assets subject to donor-imposed stipulations when used by the organization that is limited by the donor- imposed stipulations that either expires by passage of time or may be fulfilled and removed by actions of the organization pursuant to those stipulations.

Net Assets without Donor Restrictions–The FASB ASC defines net assets not subject to donor-imposed stipulations. Revenues are reported as increases in non-restricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in non-restricted net assets. Realized and unrealized gains and losses on investments and other assets or liabilities are reported as increases or decreases in non-restricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets, i.e., the donor-stipulated purpose have been fulfilled and/or the stipulated time has elapsed, are reported as reclassification between the applicable classes of net assets. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as non- restricted support in accordance with Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 958 -210-45.

GLOBAL TRAINING NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDING
DECEMBER 31, 2020

Management's 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, the disclosure of contingent assets and liabilities, and reported amounts of revenues and expenses. Management is of the opinion that the estimates used in the financial statements are materially correct, however, actual results may differ.

Contributions

In accordance with FASB ASC No. 958-210,225 and 605, *Not-for-Profit Entities*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished) temporarily or permanently restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted support, where restrictions are met in the same period as the donation is made, is shown as additions to unrestricted support.

Donated Materials and Services

Donated materials and services are recognized as contributions in accordance with FASB ASC No. 958, if the materials or services (a) create or enhance non-financial assets; or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. The Organization utilizes the services of volunteers to perform a variety of tasks that assist the Organization with specific programs. This support has not been recorded, as it does not meet the recognition criteria of FASB ASC No. 958-225.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid assets with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents may include cash on hand or held by financial institutions as well as certificates of deposits and time deposits. The Organization maintains cash and cash equivalents at various financial institutions, which, at times, may exceed federally insured amounts.

Property and Equipment and Related Depreciation and Amortization

Purchased property and equipment is stated at cost and donated property and equipment is recorded at the fair value at the date of gift to the Organization. Depreciation and amortization of property and equipment is computed using the straight-line method over the estimated useful lives of the respective assets, which range from three to seven years.

Minor additions and renewals less than \$3,500 are expensed as incurred.

**GLOBAL TRAINING NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDING
DECEMBER 31, 2020**

Functional Reporting of Expenses and Allocation

FASB ASC 958-720-45-2 requires the presentation, in either a statement of activities to the financial statements, of information about expenses reported by their functional classification, such as major classes of program services and supporting or fundraising activities. Program services are defined in FASB ASC glossary as "those activities that results in services being distributed to members i.e. (pastors, church planters or leaders) that fulfills the purposes or mission for which the organization exist. Supporting services (administrative/fund raising) are defined in the FASB ASC glossary as "all activities of the organization other than program services.

The cost of providing programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services in reasonable ratios determined by management on an equitable basis and is included as supplemental a schedule.

Income Tax Status

The Organization qualifies as a tax-exempt organization under the provisions of Internal Revenue Code Section 501(c) (3) and, accordingly, no provision has been made for income taxes. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 of the code and has been deemed not to be a private foundation.

Liability or Compensated Absences

Employees are allowed to accrue 10 days of vacation annually. The Organization has no liability for unused vacation pay since all vacation leave expires if not taken each year.

Note 2 – CONCERATION OF CREDIT RISK

The Organization maintains its cash balance in one financial institution. The balance is federally insured by the National Credit Union Administration up to \$250,000. At December 31, 2020 the cash balance amounted to \$ 2,870,880.

Note 3 – MISSIONARY CHURCH WESTERN REGION-MCWR-Payroll

The Organization has contracted with a third party administrator (Missionary Church – Western District) since September 2004, to provide payroll services and administration of health and other benefits for a select group of full time pastors who choose to participate. The administrator provides it's participate separate tax reporting document. The client reports the expenditures under the classification of Payroll – MCWR in the supplemental schedule. Payroll activity for MCWR is reported to the taxing authority under a separate EIN, which is different that the EIN used for Global Training Network, Inc. Each payroll EIN's are reported to the Internal Revenue Service based upon a December 31, 2020 yearend. Salaries are shown in the Supplemental Schedule, page 11.

**GLOBAL TRAINING NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDING
DECEMBER 31, 2020**

Note 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2020:

Office Equipment	\$ 106,702
Furniture and Fixtures	20,892
Improvements	18,000
	145,594
Accumulated Depreciation	(145,594)
Net Property and Equipment	- 0-

Note 5 - GOING CONCERN

While performing certain audit procedures as required by general accepted auditing standards it's a requirement that the auditor may identify information about certain conditions or events , that when considered in the aggregate, indicate there could be substantial doubts the entity's ability to continue as a going concern for a reasonable period of time. No reasonable exist.

Note 6 – NET ASSETS

Global Training Network, Inc. utilize net assets to account for the equity portion of the statement of financial position. The sections have been described in detail in Note 1.

Note 7 - LIQUIDITY

- There are no restriction or limitation to the use of cash by a donor or Board of Director.
- There are no contractual limitations on the borrowing on assets.
- Cash as presented in the Statement of Financial Position are all non restricted per management and the amounts are used for the normal operation of the organization in accomplishing it's mission

Note 8 - COVID – 19

The organization has been closely monitoring the impact of COVID 19 and has two significant areas that may be of concern for year ending December 31, 2020. They are:

- Travel Restrictions – Some partners will continue their support, knowing that once normal travel resumes, the need for training pastors and leaders in the Majority World will remains strong.
- Year-end Donations- While donations has remain consistent throughout fiscal year 2020, there is uncertainty as total year 2021 donations.

GLOBAL TRAINING NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDING
DECEMBER 31, 2020

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 4, 2021 the date the financial statements were available to be issued. As the crisis associated with the COVID – 19 pandemic continues to remain active, the organization pursued the Payroll Protection Program for assistance in supporting the ongoing operation. On April 10, 2020, the organization obtained a loan through a local financial organization for \$545,000 for 24 months with interest accrue at 1.0% that was guaranteed by the Small Business Administration. On November 2, 2020, the loan of \$545,000 plus accrued interest of \$2,998 was forgiven by the Small Business Administration.

GLOBAL TRAINING NETWORK, INC.
STATEMENT OF FUNCTIONAL
EXPENSES
FOR YEAR ENDING DECEMBER 31, 2020

	Jan - Dec '20
Administrative Expenditures	
Payroll Related	\$ 79,820
Office Expenses	5,743
Office Supplies	25,739
Audit	13,424
Postage	9,152
Wire Cost	3,236
Bank Charges	47,257
Others	31,199
Total Administrative Expenditures	215,570
 Fund Raising Expenditures	
Payroll Related	186,246
Office Equipment- Supplies- Non Deprec.	45,812
Donor Software	22,103
Printing	4,801
Crescendo	5,500
Postage	7,955
Others	25,469
Total Fund Raising Expenditures	297,886
 Program Services Expenditures	
Payroll Related- Note 3	2,341,425
Housing Allowance	1,187,891
Travel	365,939
Insurance	150,422
Ministries Honorariums	214,208
Ministry Meeting	29,499
Pastors Conferences	78,924
proVISION ASIA	40,725
Int'l Church Support	72,685
Internet/ Phone	17,607
Resources	75,527
Others	127,027
Total Program Services Expenditures	4,701,879
 Total Expenditures	 \$ 5,215,335