

Global Training Network, Inc.

Financial Statements and

Independent Auditor's Report



Year Ended December 31, 2021



W. Bridgeman CPA, LLC

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1-2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6-9
STATEMENT OF FUNCTIONAL EXPENDITURES	10-11

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A Limited Liability Company

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
of Global Training Network, Inc.

Opinion

We have audited the accompanying financial statements of Global Training Networks, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities 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 Global Training Networks, Inc. as of December 31, 2021, and the changes in its net assets, related statement of activities, functional expenses 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Global Training Network 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 Global Training Network, Inc. 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

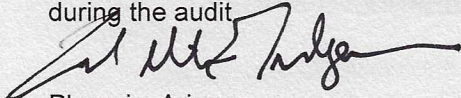
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance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



Phoenix, Arizona

June 21, 2022

GLOBAL TRAINING NETWORK, INC.
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2021

ASSETS:

Current Assets:

Cash and Cash Equivalents \$ 3,440,776

Credit Cards Receivables 5,113

Total Current Assets 3,445,889

Property and Equipment, net (Note 4) -

TOTAL ASSETS \$ 3,445,889

LIABILITIES AND NET ASSETS:

Current Liabilities

Accounts Payable \$ -

Total Current Liabilities -

NET ASSETS:

Without Donor Restrictions 3,445,889

With Donor Restrictions -

TOTAL NET ASSETS 3,445,889

TOTAL LIABILITIES AND NET ASSETS \$ 3,445,889

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, 2021

UNRESTRICTED NET ASSETS
SUPPORT AND REVENUE

DONATIONS- Note 1	\$ 6,625,553
INTEREST AND DIVIDEND INCOME	9,134
	<u>\$ 6,634,687</u>

RESTRICTED ASSETS

Net Assets Released From Restrictions	-
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TOTAL UNRESTRICTED SUPPORT AND REVENUE	<u>\$ 6,634,687</u>
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EXPENDITURES

Program Related	5,468,804
Administrative	263,276
Fund Raising	331,148

TOTAL EXPENDITURES- Unrestricted	<u>\$ 6,063,228</u>
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CHANGE IN UNRESTRICTED NET ASSETS	571,459
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CHANGE IN TEMPORARY RESTRICTED NET ASSETS	0
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CHANGE IN PERMANENTLY RESTRICTED NET ASSETS	0
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0

NET UNRESTRICTED ASSETS , BEGINNING OF YEAR	2,874,430
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PPP LOAN FORGIVENESS	0
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NET UNRESTRICTED ASSETS, END OF YEAR	<u><u>\$ 3,445,889</u></u>
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The Accompanying Notes are an Integral Part of These Financial Statements

GLOBAL TRAINING NETWORKS , INC.
STATEMENT OF CASH FLOWS
FOR YEAR ENDING DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Income From Operations	\$ 571,459
Adjustment to reconcile Net Income to net cash -Operating	<u>(1,562)</u>

NET INCREASE IN CASH PROVIDED BY OPERATING ACTIVITIES	<u>569,897</u>
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CASH FLOWS FROM FINANCING ACTIVITIES:

-

CASH FLOWS FROM INVESTING ACTIVITIES:

-

NET CASH FLOWS FROM FINANCING/ INVESTING ACTIVITIES:

-

CASH AND CASH EQUIVALENTS- BEGINNING OF YEAR	\$ 2,870,879
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CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,440,776</u>
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	<u><u>\$ 3,440,776</u></u>
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**GLOBAL TRAINING NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDING
DECEMBER 31, 2021**

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) which 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, 2021**

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, 2021**

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 and is included as supplemental 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, 2021 the cash balance amounted to \$ 3,440,776.

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, 2021 year end. Salaries are shown in the Supplemental Schedule, page 11.

**GLOBAL TRAINING NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDING
DECEMBER 31, 2021**

Note 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2021

Land	\$ 18,000 (A)
Office Equipment	106,702
Furniture and Fixtures	20,892
	<u>145,594</u>
Accumulated Depreciation	<u>(145,594)</u>
Net Property and Equipment	- 0-

(A) Represent real property purchased charged to operations during the year ended December 31, 2020

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. When considered in the aggregate, the information may indicate there could be substantial doubts the entity's ability to continue as a going concern for a reasonable period of time. As of June 21, 2022 report date and review of the organization's general ledger no reasonable doubts 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, 2021. 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 fairly consistent throughout fiscal year 2021, there is uncertainty as total year 2022 donations.

GLOBAL TRAINING NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDING
DECEMBER 31, 2021

Note 9 – PAYROLL PERIOD CUTOFF

The organization payroll represents the period of December 16-31, 2021 for all salaried employees (which is the majority of staff with the exception of three hourly employees. The total payroll cost of the hourly employees in relation to the overall total payroll cost for the cutoff period is immaterial.

Note 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 21, 2022 the date the financial statements were available to be issued and indicates no major events has occurred.

GLOBAL TRAINING NETWORK, INC.
STATEMENT OF FUNCTIONAL
EXPENSES
FOR YEAR ENDING DECEMBER 31, 2021

	Jan - Dec '21
Administrative Expenditures	
Payroll Related	\$ 95,633
Office Expenses	4,609
Office Supplies	27,781
Audit	14,192
Postage	9,658
Wire Cost	3,098
Bank Charges	52,175
Others	56,130
Total Administrative Expenditures	263,276
Fund Raising Expenditures	
Payroll Related	223,143
Office Equipment- Supplies- Non Deprec.	47,143
Donor Software	15,201
Printing	4,395
Travel	1,685
Postage	8,453
Others	31,128
Total Fund Raising Expenditures	331,148
Program Services Expenditures	
Payroll Related- Note 3	2,733,172
Housing Allowance	1,251,941
Travel	520,975
Insurance	176,416
Ministries Honorariums	238,332
Ministry Meeting	40,345
Pastors Conferences	6,450
proVISION ASIA	56,027
Int'l Church Support	87,905
Retirement	119,917
Resources	101,372
Others	135,952
Total Program Services Expenditures	5,468,804
Total Expenditures	\$ 6,063,228