

CALEB GLOBAL

FINANCIAL STATEMENTS

Year Ended December 31, 2021

CALEB GLOBAL
FINANCIAL STATEMENTS
DECEMBER 31, 2021

CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1
Audited Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Caleb Global

Opinion

We have audited the accompanying financial statements of Caleb Global (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 as of December 31, 2021, 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.

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 Caleb 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.

Emphasis of Matter

As discussed in Note 7 to the financial statements, the 2020 financial statements have been restated to correct misstatements. Our opinion is not modified with respect to that matter.

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 Caleb 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 Caleb 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 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 Caleb 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.

UHY LLP

Nashville, Tennessee
March 16, 2023

CALEB GLOBAL
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

Current Assets:		
Cash	\$ 677,882	
Accounts receivable	20,043	
Total current assets	<u> </u>	\$ 697,925
Property and Equipment:		
Land	400,132	
Building and improvements	1,985,042	
Computer equipment	30,353	
Furniture, fixtures, and other equipment	44,469	
Vehicles	44,072	
	<u>2,504,068</u>	
Less: accumulated depreciation	<u>(383,732)</u>	
Property and equipment - net		<u>2,120,336</u>
Total assets		<u><u>\$ 2,818,261</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Current installments of long-term debt	\$ 62,198	
Accounts payable	26,495	
Accrued liabilities	10,187	
Total current liabilities	<u> </u>	\$ 98,880
Long-term debt, less current installments		<u>1,201,347</u>
Total liabilities		<u>1,300,227</u>
Net Assets:		
Without donor restrictions	1,518,034	
With donor restrictions	<u>-</u>	
Total net assets		<u>1,518,034</u>
Total liabilities and net assets		<u><u>\$ 2,818,261</u></u>

See accompanying notes to financial statements.

CALEB GLOBAL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Revenue:			
Public support:			
Individual contributions	\$ 696,967	\$ -	\$ 696,967
Ministry contributions	210,397	-	210,397
Mission trip contributions	506,165	-	506,165
Foundation contributions	130,845	-	130,845
Net assets released from restriction	-	-	-
Total public support	<u>1,544,374</u>	<u>-</u>	<u>1,544,374</u>
Revenue:			
Training income	123,037	-	123,037
Rental income	19,930	-	19,930
Interest income	1,058	-	1,058
Total revenue	<u>144,025</u>	<u>-</u>	<u>144,025</u>
Total public support and revenue	<u>1,688,399</u>	<u>-</u>	<u>1,688,399</u>
Expenses:			
Program services	1,189,923	-	1,189,923
Management and general	90,943	-	90,943
Fundraising	11,185	-	11,185
Total expenses	<u>1,292,051</u>	<u>-</u>	<u>1,292,051</u>
Other Income:			
Other income	2,397	-	2,397
Paycheck Protection Program loan forgiveness	34,965	-	34,965
Total other income	<u>37,362</u>	<u>-</u>	<u>37,362</u>
Change in net assets	433,710	-	433,710
Net assets - beginning of year, as previously reported	<u>1,119,289</u>	<u>-</u>	<u>1,119,289</u>
Prior period adjustment	<u>(34,965)</u>	<u>-</u>	<u>(34,965)</u>
Net assets - beginning of year, restated	<u>1,084,324</u>	<u>-</u>	<u>1,084,324</u>
Net assets - end of year	<u>\$ 1,518,034</u>	<u>\$ -</u>	<u>\$ 1,518,034</u>

See accompanying notes to financial statements.

CALEB GLOBAL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and payroll taxes	\$ 380,416	\$ 17,970	\$ 1,167	\$ 399,553
Employees benefits	21,711	1,206	1,206	24,123
Repairs and maintenance	39,742	3,456	-	43,198
Rental expense	18,852	583	-	19,435
Mission trips	6,068	-	-	6,068
Charitable donations	94,495	-	-	94,495
Advertising	20,283	-	7,127	27,410
Professional fees	-	37,703	-	37,703
Office expense	22,624	5,138	514	28,276
Tithing expense	4,321	-	-	4,321
Utilities	15,966	3,992	-	19,958
Travel	193,779	195	1,171	195,145
Contract labor	207,017	8,177	-	215,194
Interest	31,337	3,482	-	34,819
Depreciation	46,674	7,170	-	53,844
Insurance	14,655	1,449	-	16,104
Telephone	8,020	422	-	8,442
Miscellaneous	63,963	-	-	63,963
	<u>\$1,189,923</u>	<u>\$ 90,943</u>	<u>\$ 11,185</u>	<u>\$1,292,051</u>

See accompanying notes to financial statements.

CALEB GLOBAL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

Cash Flows From Operating Activities:	
Change in net assets	\$ 433,710
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	\$ 53,844
Changes in:	
Accounts receivable	9,957
Accounts payable	12,906
Accrued liabilities	<u>(181)</u>
Total adjustments	<u>76,526</u>
Net cash provided by operating activities	<u>510,236</u>
Cash Flows From Investing Activities:	
Purchase of property and equipment	<u>(1,047,910)</u>
Net cash used in investing activities	(1,047,910)
Cash Flows From Financing Activities:	
Forgiveness of Paycheck Protection Program loan	(34,965)
Proceeds from note payable	780,000
Payments on note payable	<u>(100,537)</u>
Net cash provided by financing activities	<u>644,498</u>
Net change in cash	106,824
Cash - beginning of year	<u>571,058</u>
Cash - end of year	<u><u>\$ 677,882</u></u>

Supplemental Cash Flow Information

Total interest paid for the year ended December 31, 2021, was \$34,819.

CALEB GLOBAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - Nature of Activities

The terms “we”, “us”, “our”, or “Organization” are used throughout these notes to the financial statements to identify Caleb Global, a nonprofit organization. Dr. Don Finto founded our nonprofit ministry in 1996. We have since grown into a thriving community with facilities and staff in Nashville, Tennessee, and Jerusalem, Israel. Following Don’s footsteps, Tod McDowell became director of Caleb Global in 2010.

Caleb Global is a Jesus centered ministry. We multiply our vision and values through our lifestyle and programs. Intimacy with God is the fuel that enables us to walk in our God-given identity and destiny. We value intergenerational community that passionately embraces a lifestyle of worship and prayer. We embrace God’s heart for Israel, the Middle East, and all nations.

Our vision is to ignite revival in Israel, the Middle East, and the nations. Our mission is to send out trained revivalists to share the love and power of Jesus, and bring unity among believers throughout Israel, the Middle East and the nations. We accomplish our mission through; Training, Discipling, and Sending; Gospel Outreach; Unifying the Body of Believers.

Overview of Caleb Global Programs

The Organization’s programs include training, discipling, and sending revivalists, performing gospel outreaches, and unifying the body of believers. The revivalists are sent in teams to speak at dozens of conferences, training schools, churches, and seminaries. Training the teams required the use of our resources, including books, school manuals, study guides, and audio and video recordings. Gospel outreaches are also performed to serve locally and across multiple nations, from the performance of manual labor and service to building relationships and evangelism. We also host monthly gatherings locally and engage in unity movements as part of global zoom calls. These activities form part of building international relationships, co-laboring with ministries, hosting regional and local gatherings, and developing a community. These programs are performed across the United States and around the world including these nations: Israel, Lebanon, Jordan, Iraq, Egypt, The Philippines, Ethiopia, Egypt, Kenya, Uganda, Mozambique, South Africa, South Korea, Singapore, Ukraine, Spain, Poland, Germany, Austria, Cyprus, France, Australia, New Zealand, The Netherlands, Norway, Switzerland, Italy, Turkey, Brazil, Argentina, Mexico, England, and Canada.

NOTE 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, our net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Caleb Global’s management and the board of directors. Restrictions fulfilled in the same accounting period in which the contributions are received are reported in the Statement of Activities as unrestricted.

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 the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

CALEB GLOBAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 - Summary of Significant Accounting Policies (continued)

Cash

We consider all unrestricted cash and investment instruments purchased with a maturity of three months or less to be cash equivalents. At December 31, 2021, we had no cash equivalents.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the estimated fair market value as of the date of donation. Depreciation is provided using the straight-line basis over the estimated useful lives of the respective assets. Purchases or donations of equipment over \$500 are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred. The depreciation expense for 2021 is \$53,844.

Long-lived Assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. At December 31, 2021, no assets were considered to be impaired.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balance, and we use the allowance method to determine uncollectible accounts receivable. The allowance is based on prior years' experience and our analysis of specific accounts. We did not have an allowance at December 31, 2021.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions affecting certain reported amounts and disclosures. Actual results could differ from those estimates.

Revenue

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions are recognized when cash or an unconditional promise to give is received. A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement. Conditional promises to give are not recognized until the barrier(s) in the agreement are overcome. There were no conditional promises to give as of December 31, 2021.

CALEB GLOBAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 - Summary of Significant Accounting Policies (continued)

Revenue Recognition for Contracts with Customers

The Organization's revenue streams under contracts with customers are comprised of training. Revenue recognition is subject to the completion of performance obligations. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account used. The contract transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Our contracts typically have one performance obligation, which is providing a training session. The Organization will allocate transaction prices to the performance obligation using its best estimate of the standalone selling price of each distinct good or service in the contract.

The primary method used to estimate standalone selling price is the expected cost plus a margin approach, which forecasts the expected costs of satisfying a performance obligation and then add an appropriate margin for that distinct service.

Functional Allocation of Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Tax Status

We are a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and are classified as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements. We do not believe there are any uncertain tax positions. Further, we do not believe that we have any unrelated business income, which would be subject to federal taxes. Returns prior to 2019 are closed.

Advertising

Costs for marketing efforts typically consist of educational material for the public and are expensed as incurred and totaled \$27,410 for the year ended December 31, 2021.

Fair Values of Financial Instruments

The carrying values of current assets, and current liabilities approximate fair values due to the short maturities of these instruments.

The fair values of long-term debt approximate the carrying amounts and are estimated based on current rates offered to us.

NOTE 3 - Availability and Liquidity

Financial assets available for general expenditure within one year of the statement of financial position, consist of the following:

Financial assets for the year ended December 31, 2021	
Cash	\$ 677,882
Accounts receivable	<u>20,043</u>
	<u>\$ 697,925</u>

CALEB GLOBAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 - Availability and Liquidity (continued)

In the next fiscal year, we plan to receive the same level of contributions, and consider contributions for programs which are ongoing, major, and central to our annual operations to be available to meet cash needs for general expenditures. The Organization has minimal amounts of liabilities in order to maintain most of its financial assets to be readily available. We consider cash to be readily available. We manage our liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. If our analysis of liquid assets reveals inadequate funds for near-term operating needs, we will immediately reduce spending of program and management and general expenditures.

NOTE 4 - Concentration of Credit Risk

Cash is insured by the FDIC up to \$250,000. The Organization may at times have deposits with financial institutions in excess of insured amounts. Management is aware that a risk of exposure exists for deposits in excess of the insured levels. Caleb Global has not experienced any losses in such accounts.

At December 31, 2021, we owed 100% of all payables to three entities.

NOTE 5 - Long-term Debt

Long-term debt at December 31, 2021, consists of the following:

Mortgage note payable to two individuals with a maturity of May 10, 2026. Monthly payments of up to \$2,448 are required with interest at 2.5%. The note is collateralized by the real property.	\$ 240,036
Mortgage note payable to a bank with a maturity through May 9, 2036. Monthly payments of \$2,802 are required with interest at 4.25%. The note is collateralized by the real property.	254,255
Mortgage note payable to two individuals with a maturity of June 21, 2041. Monthly payments of up to \$4,751 are required with interest at 2.5%. The note is collateralized by the real property.	769,254
	1,263,545
Less: current maturities	(62,198)
	\$ 1,201,347

The following is a list of future maturities:

<u>Year ending December 31,</u>	
2022	\$ 62,198
2023	64,337
2024	66,639
2025	69,026
2026	71,322
Thereafter	930,023
Total	\$ 1,263,545

CALEB GLOBAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 - Paycheck Protection Program Loan

During 2020, the Organization received a loan of \$34,965 under the Paycheck Protection Program ("PPP"). The loan is administered by the Small Business Administration and is fully forgivable if certain conditions are met. On May 24, 2021, the loan was forgiven and the PPP loan forgiveness was included in other income on the statement of activities.

According to the rules of the SBA, the Organization is required to retain PPP loan documentation for six years after the date the loan is forgiven or repaid in full. Should the SBA conduct such a review and reject all or some of the Organization's judgements pertaining to satisfying PPP loan eligibility or forgiveness conditions, the Organization may be required to adjust previously reported amounts and disclosures in the financial statements.

NOTE 7 - Related Party Transactions

The Organization received \$15,710 in rental income from related parties in 2021 for rent of the house on Caleb Global's property. The relationships of related party transactions were a board member, the CEO, an employee, and a family member of a board member. The leases are month to month and therefore no future maturities of rent income have been disclosed. Total rental income as of December 31, 2021, was \$19,930.

NOTE 8 - Prior Period Adjustment

In 2020, the Organization received a loan of \$35,965 under the Small Business Association Paycheck Protection Program (PPP). This loan was forgiven in full as of May 24, 2021, however the forgiveness was improperly recorded in fiscal year 2020. A prior period adjustment was made to decrease beginning net assets and increase the related beginning debt balance for \$35,965. The forgiveness was then properly recorded as revenue and a reduction of debt during the year ended December 31, 2021.

NOTE 9 - Subsequent Events

The Organization has performed a review of events subsequent to the statement of financial position date through March 16, 2023, the date the financial statements were available to be issued.