



**CENTER FOR GLOBAL IMPACT, INC.**

*Financial Statements*

*TOGETHER WITH INDEPENDENT*

*ACCOUNTANTS' COMPILATION REPORT*

*FOR THE SIX MONTHS ENDED JUNE 30, 2013*



A new kind of CPA firm.

PARTNERS

Thomas J. SponseL

Lisa M. Purichia

Jason S. Thompson

Nicholas C. Hopkins

**INDEPENDENT ACCOUNTANTS' COMPILATION REPORT**

To the Board of Directors of  
Center for Global Impact, Inc.:

We have compiled the accompanying statement of financial position of Center for Global Impact, Inc. (a not-for-profit organization) as of June 30, 2013, and the related statements of activities and changes in net assets and cash flows for the six months then ended. We have not audited or reviewed the accompanying financial statements, and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the accounting principles generally accepted in the United States of America.

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 designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

*SponseL CPA Group, LLC*

September 20, 2013

SponseLCPAGroup.com

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**CENTER FOR GLOBAL IMPACT, INC.**

Statement of Financial Position

June 30, 2013

**ASSETS****Current Assets**

Cash	\$ 162,109
Grants receivable	440
Revolving loans	1,646
Inventory	57,502

*Total current assets* 221,697

**Lease Deposits**8,030**Property and Equipment**

Leasehold improvements	1,931
Furniture and sewing equipment	13,140
Vehicles	11,590
Culinary training equipment	25,345

52,006

Accumulated depreciation	(22,659)
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*Net property and equipment* 29,347

**Deferred Rent Expense**48,070

*Total assets* \$ 307,144

**LIABILITIES AND NET ASSETS****Current Liabilities**

Accounts payable	\$ 1,873
Payroll liabilities	4,152

*Total current liabilities* 6,025

**Net Assets**

Unrestricted	239,113
Temporarily restricted	62,006

*Total net assets* 301,119

*Total liabilities and net assets* \$ 307,144

**CENTER FOR GLOBAL IMPACT, INC.***Statement of Activities and Changes in Net Assets**For the Six Months Ended June 30, 2013*

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenue and Support</b>			
General contributions	\$ 157,984	\$ -	\$ 157,984
Project contributions	16	66,370	66,386
In-kind contributions	74	294	368
Merchandise sales	96,864	-	96,864
Green Mango sales	20,224	-	20,224
Interest income	65	-	65
Net assets released from restrictions	82,794	(82,794)	-
	<hr/>	<hr/>	<hr/>
<i>Total revenue and support</i>	358,021	(16,130)	341,891
	<hr/>	<hr/>	<hr/>
<b>Expenses</b>			
Management and general	62,444	-	62,444
Fundraising	28,621	-	28,621
Program	305,563	-	305,563
	<hr/>	<hr/>	<hr/>
<i>Total expenses</i>	396,628	-	396,628
	<hr/>	<hr/>	<hr/>
<b>Change in Net Assets</b>	(38,607)	(16,130)	(54,737)
	<hr/>	<hr/>	<hr/>
<b>Net Assets, Beginning of Period</b>	277,720	78,136	355,856
	<hr/>	<hr/>	<hr/>
<b>Net Assets, End of Period</b>	\$ 239,113	\$ 62,006	\$ 301,119
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**CENTER FOR GLOBAL IMPACT, INC.**

*Statement of Cash Flows*

*For the Six Months Ended June 30, 2013*

*Page 1 of 2*

**DECREASE IN CASH**

**Cash Flows from Operating Activities**

Cash received from donors, programs, and merchandise sales	\$ 339,163
Cash paid to vendors, program participants, and employees	<u>(404,247)</u>
<i>Net cash used in operating activities</i>	<u>(65,084)</u>

**Cash Flows from Investing Activities**

Capital expenditures	<u>(7,198)</u>
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**Net Decrease in Cash**

(72,282)

**Cash, Beginning of Period**

234,391

**Cash, End of Period**

\$ 162,109

**Supplementary Disclosure of Non-Cash Activities**

In-kind rent expense	<u><u>\$ 9,908</u></u>
In-kind rent revenue	<u><u>\$ 294</u></u>

**RECONCILIATION OF DECREASE IN NET ASSETS TO NET CASH  
USED IN OPERATING ACTIVITIES**

<b>Decrease in Net Assets</b>	<u>\$ (54,737)</u>
 <b>Adjustments to Reconcile Decrease in Net Assets to Net Cash Used In Operating Activities</b>	
Depreciation	4,605
Change in deferred rent expense	9,614
<i>(Increase) decrease in operating assets:</i>	
Grants receivable	181
Revolving loans	(765)
Inventory	(11,579)
Deposits	(1,850)
<i>Decrease in operating liabilities:</i>	
Accounts payable	(8,432)
Payroll liabilities	(1,182)
Sales tax payable	(939)
	<u>(10,347)</u>
 <i>Total adjustments</i>	 <u>(10,347)</u>
 <b>Net Cash Used In Operating Activities</b>	 <u><u>\$ (65,084)</u></u>

## CENTER FOR GLOBAL IMPACT, INC.

### Notes to Financial Statements

June 30, 2013

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### *Change of Fiscal Year*

Historically, Center for Global Impact, Inc. (the Organization) operated on a calendar year. As of January 1, 2013, they elected to change the fiscal year end from December 31 to June 30. Accordingly, these financials are for the six months ended June 30, 2013.

##### *Description of Activities*

The Organization is a faith-based 501(c)(3) relief and development organization designed to creatively connect financial and human resources with social and humanitarian projects around the world. Established in 2008, Center for Global Impact, Inc. works with individuals, families, schools, businesses, small-groups, and larger organizations in the United States of America by offering unique opportunities to engage in global issues. Currently, the Organization sponsors various projects and programs located in the country of Cambodia in Southeast Asia.

##### *Basis of Accounting*

The accompanying financial statements were prepared on the accrual basis of accounting. 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 and expenses during the reporting period. Actual results could differ from those estimates.

##### *Cash and Cash Equivalents*

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2013. The Organization held \$24,495 at June 30, 2013, in a foreign country that was not insured by the FDIC.

##### *Inventory*

Inventory consists of byTavi products and cookbooks held for resale and is stated at lower of cost (FIFO) or market.

##### *Property and Equipment*

Property and equipment, a majority of which is located in Cambodia, is recorded at cost and is depreciated over the estimated useful lives of the assets, ranging from 3 to 20 years, using straight-line methods. Expenditures for repairs and maintenance are charged against operating expenses as incurred.

##### *Contributions*

The Organization accounts for contributions in accordance with accounting principles generally accepted in the United States of America. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted, depending on the existence or nature of any donor restrictions. Contributions are recognized when the donor makes an unconditional promise to give to the Organization and are recorded at

**CENTER FOR GLOBAL IMPACT, INC.**

*Notes to Financial Statements*

*June 30, 2013*

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

*Contributions, Continued*

their fair values as revenues and assets in the period a contribution acknowledgement is received. Donor-restricted contributions are reported as increases in temporarily restricted net assets, unless specified that the contribution be maintained in perpetuity resulting in an increase in permanently restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

*Net Asset Classification*

The financial statements have been prepared in accordance accounting principles generally accepted in the United States of America. As such, the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are to be classified as unrestricted, temporarily restricted and permanently restricted.

The following classes of net assets are maintained:

**Unrestricted Net Assets**

The unrestricted net asset class includes general assets and liabilities of the Organization. The unrestricted net assets of the Organization may be used at the discretion of management to support the Organization's purposes and operations.

**Temporarily Restricted Net Assets**

The temporarily restricted net asset class includes assets related to donor imposed restrictions that have not been met as to a specified purpose or to later periods of time or after specified dates.

**Permanently Restricted Net Assets**

The permanently restricted net asset class includes assets for which the donor has stipulated that the contribution be maintained in perpetuity. Donor imposed restrictions limiting the use of the assets or its economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose. The Organization had no permanently restricted net assets at June 30, 2013.

*Functional Expenses*

Expenses have been classified as management and general expenses, fundraising expenses, and program expenses based on the actual direct expenditures and cost allocation based on estimates of time and usage by the Organization's personnel and programs.

*Income Taxes*

Center for Global Impact, Inc. is a not-for-profit Indiana corporation, and its activities are exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). Unrelated business income, of which the Organization had none for the six months ended June 30, 2013, would be subject to federal income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.



**CENTER FOR GLOBAL IMPACT, INC.**

*Notes to Financial Statements*

*June 30, 2013*

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

*Income Taxes, Continued*

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Organization, and has concluded that as of June 30, 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements. The Organization is subject to routine audits by taxing jurisdictions. Currently, the Organization is under a personal property tax audit by the State of Indiana. However, exposure under this audit has minimal, if any, impact on the financial statements. There are currently no income tax audits for any tax periods in progress. No interest or penalties were incurred as of June 30, 2013.

The Organization has filed its federal and state exempt from income tax returns for periods through December 31, 2012. These returns are generally open to examination by the relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions).

*Subsequent Events*

Subsequent events have been evaluated by management through September 20, 2013, which is the date the financial statements were available to be issued.

**2. OPERATING LEASES**

The Organization has several operating leases for various buildings in Cambodia. Program rent expense for these leases totaled \$12,618 for the six months ended June 30, 2013.

On January 1, 2011, the Organization entered into a 5 year lease agreement with an unrelated party for office space located in Greenwood, IN. The lease specifies that the Organization pay \$1 per month over the term of the lease. The approximate fair value of rent for this space is \$19,228 per year. Accordingly, for the six months ended June 30, 2013, \$9,614 was charged to management and general rent expense and \$48,070 was the remaining deferred rent expense balance on the Statement of Financial Position.

In January 2012, storage space was donated by an unrelated party. The approximate fair value of rent for this space is \$49 per month. Accordingly, for the six months ended June 30, 2013, \$294 was charged to management and general rent expense. In-kind contributions of \$294 were recorded during the same period in accordance with generally accepted accounting principles.

Future minimum lease commitments under operating leases, including subsequent leases, are as follows for the years ending June 30:

2014	\$	18,612
2015		13,262
2016		<u>1,356</u>
	\$	<u>33,230</u>

**CENTER FOR GLOBAL IMPACT, INC.**

*Notes to Financial Statements*

*June 30, 2013*

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**2. OPERATING LEASES, CONTINUED**

Subsequent to June 30, 2013, the Organization entered into a lease agreement for a new building in Cambodia. These yearly payments will be \$12,000 for 3 years beginning July 1, 2013.

**3. IN-KIND CONTRIBUTIONS**

In-kind contributions are reflected as contributions at their fair value at the date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. In-kind contributions were valued at \$368 for the six months ended June 30, 2013. This amount was reported as both in-kind contribution revenue and operations expense on the schedule of functional expenses.



A new kind of CPA firm.

PARTNERS

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Nicholas C. Hopkins

**INDEPENDENT ACCOUNTANTS' REPORT ON SUPPLEMENTARY INFORMATION**

To the Board of Directors of  
Center for Global Impact, Inc.:

The supplementary information contained in Exhibits I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

*Sponsel CPA Group, LLC*

September 20, 2013

SponselCPAGroup.com

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**CENTER FOR GLOBAL IMPACT, INC.***Schedule of Functional Expenses**For the Six Months Ended June 30, 2013**Exhibit I*

	<u>Management and General</u>	<u>Fundraising</u>	<u>Program</u>	<u>Total</u>
Salaries, wages, and benefits	\$ 39,705	\$ 15,067	\$ 91,194	\$ 145,966
Program expenses	-	-	87,062	87,062
Insurance	411	91	369	871
Printing and promotion	2,059	237	2,641	4,937
Depreciation	405	-	4,200	4,605
Rent	5,008	577	6,423	12,008
Cost of merchandise sold	-	1,489	41,645	43,134
Office supplies	1,651	190	2,117	3,958
Operations	3,787	-	4,357	8,144
Service charges	1,757	202	2,256	4,215
Travel	-	-	53,466	53,466
Fundraising events	-	9,885	-	9,885
Professional fees	6,390	736	8,196	15,322
Postage	805	93	1,032	1,930
Miscellaneous	466	54	605	1,125
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total functional expenses</i>	<u>\$ 62,444</u>	<u>\$ 28,621</u>	<u>\$ 305,563</u>	<u>\$ 396,628</u>

	Gift In-Kind	Care of Children and Families at Risk					Vocational Training			Micro Enterprise					Total	
		Office Space Lease	Education	Emergency Relief	Miscellaneous Projects	Water Filter Fund	Home Building Project	byTavi	Culinary Training Center	Daughters Project	Mushroom Project	Cow Fund	Honey Production	Poultry Project		Fish Farming
January 1, 2013	\$ 57,684	\$ 1,122	\$ 2,495	\$ 37	\$ 640	\$ 400	\$ 13,228	\$ -	\$ -	\$ 465	\$ -	\$ -	\$ 1,590	\$ 250	\$ 225	\$ 78,136
Contributions	294	300	800	11,300	-	2,000	92	31,152	20,126	-	300	300	-	-	-	66,664
Expenditures																
Expenditures of temporarily restricted funds	9,908	300	2,051	5,337	-	-	13,320	31,152	20,126	-	300	300	-	-	-	82,794
Change in Net Assets	(9,614)	-	(1,251)	5,963	-	2,000	(13,228)	-	-	-	-	-	-	-	-	(16,130)
June 30, 2013	\$ 48,070	\$ 1,122	\$ 1,244	\$ 6,000	\$ 640	\$ 2,400	\$ -	\$ -	\$ -	\$ 465	\$ -	\$ -	\$ 1,590	\$ 250	\$ 225	\$ 62,006