



CENTER FOR GLOBAL IMPACT, INC.

Financial Statements

TOGETHER WITH INDEPENDENT

ACCOUNTANT'S REVIEW REPORT

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014



A new kind of CPA firm.

PARTNERS

Thomas J. Sponsel

Lisa M. Purichia

Jason S. Thompson

Nicholas C. Hopkins

Michael D. Bedel

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying statement of financial position of Center for Global Impact, Inc. (the "Organization") as of June 30, 2015 and 2014, and the related statements of activities and changes in net assets and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Sponsel CPA Group, LLC

December 30, 2015

SponselCPAGroup.com

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CENTER FOR GLOBAL IMPACT, INC.*Statements of Financial Position**June 30, 2015 and 2014*

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Current Assets		
Cash	\$ 122,569	\$ 169,801
Accounts receivable	1,788	855
Revolving loans	1,925	3,480
Inventory	106,079	82,063
Donated property held for resale	85,000	-
	<u>317,361</u>	<u>256,199</u>
<i>Total current assets</i>		
	<u>317,361</u>	<u>256,199</u>
Lease Deposits	<u>9,080</u>	<u>10,030</u>
Property and Equipment		
Leasehold improvements	25,376	9,885
Furniture and sewing equipment	32,036	24,309
Vehicles	11,590	11,590
Culinary training equipment	26,340	25,057
	<u>95,342</u>	<u>70,841</u>
Accumulated depreciation	(45,037)	(31,698)
	<u>50,305</u>	<u>39,143</u>
<i>Net property and equipment</i>		
	<u>50,305</u>	<u>39,143</u>
Deferred Rent Expense	<u>9,614</u>	<u>28,842</u>
	<u>9,614</u>	<u>28,842</u>
<i>Total assets</i>	<u>\$ 386,360</u>	<u>\$ 334,214</u>
	<u>\$ 386,360</u>	<u>\$ 334,214</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 8,000	\$ 2,537
Accrued expenses	7,036	7,019
Payroll liabilities	40	4,946
	<u>15,076</u>	<u>14,502</u>
<i>Total current liabilities</i>		
	<u>15,076</u>	<u>14,502</u>
Commitments (Note 2)		
Net Assets		
Unrestricted	335,954	263,642
Unrestricted - board designated	16,009	16,006
Temporarily restricted	19,321	40,064
	<u>371,284</u>	<u>319,712</u>
<i>Total net assets</i>		
	<u>371,284</u>	<u>319,712</u>
<i>Total liabilities and net assets</i>	<u>\$ 386,360</u>	<u>\$ 334,214</u>
	<u>\$ 386,360</u>	<u>\$ 334,214</u>

CENTER FOR GLOBAL IMPACT, INC.*Statements of Activities and Changes in Net Assets**For the Year Ended June 30, 2015 with Comparative Totals for 2014*

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Total</u>	<u>2014 Total</u>
Revenue and Support				
Merchandise sales	\$ 304,459	\$ -	\$ 304,459	\$ 244,509
Less: cost of merchandise sales	<u>(165,091)</u>	<u>-</u>	<u>(165,091)</u>	<u>(129,122)</u>
<i>Gross profit</i>	139,368	-	139,368	115,387
General contributions	476,865	-	476,865	523,029
Project contributions	1,535	62,883	64,418	101,987
Fundraising income	1,892	-	1,892	-
In-kind contributions	95,606	-	95,606	2,626
Restaurant sales	49,128	-	49,128	45,000
Interest income	165	-	165	239
Net assets released from restrictions	<u>83,626</u>	<u>(83,626)</u>	<u>-</u>	<u>-</u>
<i>Total revenue and support</i>	<u>848,185</u>	<u>(20,743)</u>	<u>827,442</u>	<u>788,268</u>
Expenses				
Management and general	150,806	-	150,806	145,145
Fundraising	109,136	-	109,136	81,355
Program	<u>515,928</u>	<u>-</u>	<u>515,928</u>	<u>543,175</u>
<i>Total expenses</i>	<u>775,870</u>	<u>-</u>	<u>775,870</u>	<u>769,675</u>
Change in Net Assets	72,315	(20,743)	51,572	18,593
Net Assets, Beginning of Year	<u>279,648</u>	<u>40,064</u>	<u>319,712</u>	<u>301,119</u>
Net Assets, End of Year	<u>\$ 351,963</u>	<u>\$ 19,321</u>	<u>\$ 371,284</u>	<u>\$ 319,712</u>

CENTER FOR GLOBAL IMPACT, INC.*Statements of Cash Flows**For the Years Ended June 30, 2015 and 2014**Page 1 of 2***NET INCREASE (DECREASE) IN CASH**

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities		
Cash received from donors, programs, and merchandise sales	\$ 742,574	\$ 785,431
Cash paid to vendors, program participants, and employees	<u>(763,488)</u>	<u>(758,616)</u>
<i>Net cash provided by (used in) operating activities</i>	<u>(20,914)</u>	<u>26,815</u>
Cash Flows from Investing Activities		
Capital expenditures	<u>(26,318)</u>	<u>(19,123)</u>
Net Increase (Decrease) in Cash	(47,232)	7,692
Cash, Beginning of Year	<u>169,801</u>	<u>162,109</u>
Cash, End of Year	<u><u>\$ 122,569</u></u>	<u><u>\$ 169,801</u></u>
Supplementary Disclosure of Non-Cash Activities		
In-kind rent expense	<u>\$ 19,718</u>	<u>\$ 19,816</u>
In-kind contribution	<u>\$ 490</u>	<u>\$ 588</u>
Donation of property held for resale	<u>\$ 85,000</u>	<u>\$ -</u>

**RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH
PROVIDED BY (USED IN) OPERATING ACTIVITIES**

	<u>2015</u>	<u>2014</u>
Increase in Net Assets	\$ 51,572	\$ 18,593
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided By (Used In) Operating Activities		
Depreciation	14,637	9,204
Loss on disposal of assets	519	123
Change in deferred rent expense	19,228	19,228
Donation of investment property	(85,000)	-
<i>(Increase) decrease in operating assets:</i>		
Accounts receivable	(933)	(415)
Revolving loans	1,555	(1,834)
Inventory	(24,016)	(24,561)
Lease deposits	950	(2,000)
<i>Increase (decrease) in operating liabilities:</i>		
Accounts payable	5,463	664
Accrued expenses	17	7,019
Payroll liabilities	(4,906)	794
<i>Total adjustments</i>	<u>(72,486)</u>	<u>8,222</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (20,914)</u>	<u>\$ 26,815</u>

CENTER FOR GLOBAL IMPACT

Notes to Financial Statements

June 30, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Activities

Center for Global Impact, Inc. (the Organization) is a Christ-centered 501(c)(3) relief and development organization with headquarters in Indiana, designed to creatively connect financial and human resources with social and humanitarian projects around the world. Established in 2008, the Organization seeks to bring the Good News of Jesus to those in the grip of poverty and bondage. This is done practically by providing a pathway out of poverty through education, vocational training and business development. Primarily working in Cambodia, many of those being served are victims of –or vulnerable to– human trafficking. Currently, the Organization offers 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, 2015 and 2014.

Revolving Loans

Revolving loans are loans provided by the Organization to Cambodian workers and natives. As loans are repaid, the Organization then uses the repaid funds to loan to other workers and natives. All loans are evaluated by management for collectability. At June 30, 2015 and 2014, all revolving loans are deemed collectible by management and no allowance for bad debts is deemed necessary.

Inventory

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

Lease Deposits

Lease deposits consist of various deposits made on Cambodian leases with various lease ending dates. Some of these deposits will be applied to rent for the final month of the lease, while others will be refunded at the termination of the lease, less any charges to compensate the landlord for loss or damages.

Property and Equipment

Property and equipment, the majority of which is located in Cambodia, is recorded at cost. The Organization's capitalization policy is to capitalize asset acquisitions of \$1,000 and greater with a useful life of more than one

CENTER FOR GLOBAL IMPACT

Notes to Financial Statements

June 30, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Property and Equipment, Continued

year. Depreciation expense is computed using the straight-line method over the estimated useful lives as follows:

	<u>Years</u>
Leasehold improvements	2-10
Furniture and sewing equipment	3-7
Vehicles	5
Culinary training equipment	3-7

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 their fair values as revenues and assets in the year 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. Board designated funds are set aside to pay for board approved expenditures. These designated funds totaled \$16,009 and \$16,006 at June 30, 2015 and 2014, respectively.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Net Asset Classification, Continued

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, 2015 and 2014.

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 years ended June 30, 2015 and 2014, would be subject to federal income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

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, 2015 and 2014, 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; however, there are currently no audits for any tax periods in progress. No interest or penalties were incurred as of June 30, 2015 and 2014.

The Organization has filed its federal and state exempt from income tax returns for periods through June 30, 2014. 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). Accordingly, the exempt income tax filings for the year ended December 31, 2012, the six month period ended June 30, 2013, and the year ended June 30, 2014, are open to examination at June 30, 2015.

Subsequent Events

Subsequent events have been evaluated by management through December 30, 2015, which is the date the financial statements were available to be issued.

CENTER FOR GLOBAL IMPACT

Notes to Financial Statements

June 30, 2015 and 2014

2. OPERATING LEASES

The Organization has several operating leases for various buildings in Cambodia. Program rent expense for these leases totaled \$32,216 and \$31,546 for the years ended June 30, 2015 and 2014, respectively. These leases have various expiration dates ranging from July 2016 through July 2020.

On January 1, 2011, the Organization entered into a 5 year lease agreement with an unrelated party for office space located in Greenwood, Indiana. 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 year ended June 30, 2015, \$19,228 was charged to rent expense and \$9,614 was the remaining deferred rent expense balance on the Statement of Financial Position. For the year ended June 30, 2014, \$19,228 was charged to rent expense and \$28,842 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. This was leased month to month until April 2015. In accordance with generally accepted accounting principles, \$490 and \$588 were recorded as both an in-kind contribution and corresponding rent expense for the years ended June 30, 2015 and 2014, respectively.

The Organization leased additional storage space at a separate location through October 2015. Payments were \$690 per month.

The Organization opened a new office location in Indianapolis beginning January 2015. The lease is a four year agreement with payments of \$399 per month, expiring in January 2019.

Future minimum lease commitments under operating leases are as follows at June 30, 2015 for the years ending June 30:

2016	\$	41,755
2017		26,389
2018		15,589
2019		13,194
2020		<u>6,500</u>
	\$	<u>103,427</u>

Subsequent to June 30, 2015, the Company signed two new lease agreements. One lease is for a new storefront, which is owned by a board member of the Organization. The agreement is for 60 months and requires monthly payments of \$250. The other lease is for warehouse space. The agreement is for two years and requires monthly payments of \$300. These monthly payments are not included in the future lease commitments above.

3. DONATED PROPERTY HELD FOR RESALE

In 2015, a house was donated to the Organization by a donor. The house was appraised at a value of \$85,000 on February 1, 2015. The Organization's intent with the property was to sell the property for cash, so the asset is disclosed as a current asset on the statement of financial position.

CENTER FOR GLOBAL IMPACT

Notes to Financial Statements

June 30, 2015 and 2014

3. DONATED PROPERTY HELD FOR RESALE, CONTINUED

Subsequent to June 30, 2015, the Organization sold the property for \$82,000, of which \$71,059 was received in cash after paying closing costs.

4. 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. The Organization benefited from donated accounting services and storage space during 2015 and 2014. These contributions were valued at \$10,606 and \$2,626 for the years ended June 30, 2015 and 2014, respectively. These were reported as in-kind contributions on the statement of activities, and as rent expense and professional fees expense on the schedule of functional expenses.

Additionally, the property with a value of \$85,000 from footnote 3 was reported as in-kind contributions on the statement of activities and donated property held for resale on the statement of financial position.

5. RECLASSIFICATION

Certain items in the June 30, 2014 financial statements have been retroactively reclassified to conform with the June 30, 2015 financial statement presentation. Total net assets and increase in net assets were unchanged by these reclassifications.



A new kind of CPA firm.

PARTNERS

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Michael D. Bedel

INDEPENDENT ACCOUNTANT'S REPORT ON SUPPLEMENTARY INFORMATION

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

Our report on our review of the basic financial statements of Center for Global Impact, Inc. for the years ended June 30, 2015 and 2014 appears on page 1. Our review was conducted for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States. The supplementary information shown in Exhibits I and II is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information was not subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. We do not express an opinion or any other form of assurance on the supplementary information.

Sponsel CPA Group, LLC

December 30, 2015

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CENTER FOR GLOBAL IMPACT, INC.*Schedule of Functional Expenses**For the Year Ended June 30, 2015 with Comparative Totals for 2014**Exhibit I*

	Management and General	Fundraising	Program	2015 Total	2014 Total
Salaries, wages, and benefits	\$ 75,365	\$ 33,847	\$ 194,473	\$ 303,685	\$ 337,329
Program expenses	-	-	225,309	225,309	215,097
Insurance	2,492	549	2,239	5,280	5,579
Printing and promotion	3,214	1,654	3,523	8,391	11,096
Depreciation	681	-	13,956	14,637	9,204
Rent	16,958	3,000	14,441	34,399	29,536
Office supplies	4,082	2,101	4,473	10,656	12,669
Operations	15,957	-	11,546	27,503	35,079
Service charges	5,463	2,812	5,989	14,264	12,538
Travel	-	-	18,768	18,768	33,963
Fundraising events	-	55,544	-	55,544	41,557
Professional fees	15,741	8,103	17,253	41,097	31,520
Memberships	1,612	-	-	1,612	995
Postage	2,226	1,146	2,439	5,811	5,874
Property taxes	801	-	-	801	-
Loss on disposal of assets	519	-	-	519	123
Miscellaneous	5,695	380	1,519	7,594	1,971
<i>Total functional expenses</i>	<u>\$ 150,806</u>	<u>\$ 109,136</u>	<u>\$ 515,928</u>	<u>\$ 775,870</u>	<u>\$ 784,130</u>

CENTER FOR GLOBAL IMPACT, INC.
Schedule of Temporarily Restricted Net Assets
For the Year Ended June 30, 2015

Exhibit II

	<u>July 1, 2014</u>	<u>Contributions</u>	<u>Expenditures</u>	<u>Change in Net Assets</u>	<u>June 30, 2015</u>
Gift In-Kind					
Office Space Lease	\$ 28,842	\$ -	\$ 19,228	\$ (19,228)	\$ 9,614
Care of Children and Families at Risk					
Miscellaneous Projects	8,397	-	1,283	(1,283)	7,114
Water Filter Fund	520	-	232	(232)	288
Vocational Training					
byTavi	-	235	235	-	-
General	-	3,500	3,500	-	-
Culinary Training Center	-	42,578	42,578	-	-
Imprint Project	-	16,570	16,570	-	-
Micro Enterprise					
Mushroom Project	465	-	-	-	465
Poultry Project	1,590	-	-	-	1,590
Fish Farming	250	-	-	-	250
Total Temporarily Restricted Net Assets	<u>\$ 40,064</u>	<u>\$ 62,883</u>	<u>\$ 83,626</u>	<u>\$ (20,743)</u>	<u>\$ 19,321</u>