



CENTER FOR GLOBAL IMPACT, INC.
Financial Statements

*TOGETHER WITH INDEPENDENT ACCOUNTANT'S COMPILATION REPORT
AND INDEPENDENT ACCOUNTANT'S REPORT
ON SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017*

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CENTER FOR GLOBAL IMPACT, INC.

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

Management is responsible for the accompanying financial statements of Center for Global Impact, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statement of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the June 30, 2018 financial statements.

The accompanying June 30, 2017 financial statements of Center for Global Impact, Inc. were previously reviewed by us, and we stated that we were not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America in our report dated December 12, 2017, but we have not performed any procedures in connection with that review engagement since that date.

Indianapolis, Indiana
December 04, 2018

SponseL CPA Group, LLC

CENTER FOR GLOBAL IMPACT, INC.*Statements of Financial Position**June 30, 2018 (Compiled) and 2017 (Reviewed)*

<u>ASSETS</u>	<u>Compiled 2018</u>	<u>Reviewed 2017</u>	<u>LIABILITIES AND NET ASSETS</u>	<u>Compiled 2018</u>	<u>Reviewed 2017</u>
Current Assets			Current Liabilities		
Cash	\$ 226,554	\$ 293,056	Accounts payable	\$ 17,521	\$ 5,642
Accounts receivable	9,991	9,356	Accrued expenses and other current liabilities	12,070	10,113
Pledges receivable	2,920	1,660	Deferred revenue	5,000	5,000
Other receivable, net	750	1,200			
Revolving loans	1,150	2,084			
Prepaid expenses	15,288	4,858	<i>Total current liabilities</i>	<u>34,591</u>	<u>20,755</u>
Inventory	80,414	79,120			
Deferred rent expense	-	1,900	Commitments (Note 2)		
			Net Assets		
<i>Total current assets</i>	<u>337,067</u>	<u>393,234</u>	Unrestricted	294,845	352,994
Lease Deposits	<u>6,080</u>	<u>6,080</u>	Unrestricted - board designated	16,592	16,580
			Temporarily restricted	23,423	35,871
Property and Equipment			<i>Total net assets</i>	<u>334,860</u>	<u>405,445</u>
Leasehold improvements	17,680	15,461			
Furniture and sewing equipment	28,094	28,094			
Vehicles	6,682	3,340			
Culinary training equipment	21,207	21,207			
	73,663	68,102			
Accumulated depreciation	<u>(47,359)</u>	<u>(41,216)</u>			
<i>Net property and equipment</i>	<u>26,304</u>	<u>26,886</u>			
			<i>Total liabilities and net assets</i>	<u>\$ 369,451</u>	<u>\$ 426,200</u>
<i>Total assets</i>	<u>\$ 369,451</u>	<u>\$ 426,200</u>			

CENTER FOR GLOBAL IMPACT, INC.*Statements of Activities and Changes in Net Assets**For the Year Ended June 30, 2018 (Compiled) with Comparative Totals for June 30, 2017 (Reviewed)*

	Compiled			Reviewed
	Unrestricted	Temporarily Restricted	2018 Total	2017 Total
Revenue and Support				
Merchandise sales	\$ 339,412	\$ -	\$ 339,412	\$ 375,822
Less: cost of merchandise sales (Exhibit I)	(153,947)	-	(153,947)	(234,682)
<i>Gross profit</i>	185,465	-	185,465	141,140
General contributions	213,050	-	213,050	351,468
Project contributions	144,378	-	144,378	111,542
Fundraising income	152,335	-	152,335	178,651
In-kind contributions	6,310	-	6,310	5,725
Restaurant sales	74,927	-	74,927	67,944
Interest income	348	-	348	285
Net assets released from restrictions	12,448	(12,448)	-	-
<i>Total revenue and support</i>	<u>789,261</u>	<u>(12,448)</u>	<u>776,813</u>	<u>856,755</u>
Expenses (Exhibit I)				
Program services	633,868	-	633,868	614,706
Management and general	91,687	-	91,687	123,865
Fundraising	121,843	-	121,843	122,632
<i>Total expenses</i>	<u>847,398</u>	<u>-</u>	<u>847,398</u>	<u>861,203</u>
Change in Net Assets	(58,137)	(12,448)	(70,585)	(4,448)
Net Assets, Beginning of Year	<u>369,574</u>	<u>35,871</u>	<u>405,445</u>	<u>409,893</u>
Net Assets, End of Year	<u>\$ 311,437</u>	<u>\$ 23,423</u>	<u>\$ 334,860</u>	<u>\$ 405,445</u>

CENTER FOR GLOBAL IMPACT, INC.*Statements of Cash Flows**For the Year Ended June 30, 2018 (Compiled) with Comparative Totals for June 30, 2017 (Reviewed)**Page 1 of 2*

<u>NET INCREASE (DECREASE) IN CASH</u>	Compiled 2018	Reviewed 2017
Cash Flows from Operating Activities		
Cash received from donors, programs, and merchandise sales	\$ 928,249	\$ 1,096,389
Cash paid to vendors, program participants, and employees	<u>(988,160)</u>	<u>(1,013,431)</u>
<i>Net cash provided by (used in) operating activities</i>	<u>(59,911)</u>	<u>82,958</u>
Cash Flows from Investing Activities		
Capital expenditures	(6,591)	(1,620)
Proceeds from sale of property and equipment	<u>-</u>	<u>6,700</u>
<i>Net cash provided by (used in) investing activities</i>	<u>(6,591)</u>	<u>5,080</u>
Net Increase (Decrease) in Cash	(66,502)	88,038
Cash, Beginning of Year	<u>293,056</u>	<u>205,018</u>
Cash, End of Year	<u><u>\$ 226,554</u></u>	<u><u>\$ 293,056</u></u>
Supplementary Disclosure of Non-Cash Activities		
In-kind rent expense	<u>\$ -</u>	<u>\$ 11,900</u>
In-kind donation of property and equipment	<u>\$ 2,000</u>	<u>\$ -</u>

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

	Compiled <u>2018</u>	Reviewed <u>2017</u>
Change in Net Assets	\$ (70,585)	\$ (4,448)
 Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation	6,681	8,436
(Gain) loss on disposal of assets	2,492	(5,386)
In-kind donation of property and equipment	(2,000)	-
Change in deferred rent expense	1,900	43,700
<i>(Increase) decrease in operating assets:</i>		
Accounts receivable	(635)	(8,834)
Pledges receivable	(1,260)	6,440
Other receivable, net	450	4,400
Revolving loans	934	(2,054)
Prepaid expenses	(10,430)	(4,858)
Inventory	(1,294)	40,306
<i>Increase (decrease) in operating liabilities:</i>		
Accounts payable	11,879	2,149
Accrued expenses and other current liabilities	1,957	(1,893)
Deferred revenue	-	5,000
<i>Total adjustments</i>	10,674	87,406
 Net Cash Provided by (Used in) Operating Activities	 \$ (59,911)	 \$ 82,958

CENTER FOR GLOBAL IMPACT

Notes to Financial Statements

June 30, 2018 (Compiled) and 2017 (Reviewed)

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, 2018 and 2017.

From time to time during the years ended June 30, 2018 and 2017, the Organization held money at a bank in excess of the FDIC insured limit of \$250,000. There were no exposed cash balances at June 30, 2018 and 2017.

The Organization also holds money in foreign bank accounts that are not covered by the FDIC. At June 30, 2018 and 2017, the Organization had total exposed foreign cash balances of \$56,075 and \$67,267, respectively.

Accounts and Pledges Receivable

Unconditional promises to give are recognized as revenues in the period the promise is received. All receivables at June 30, 2018 and 2017 were determined to be collectible by management. Therefore, no allowance for bad debts has been established as of June 30, 2018 and 2017.

Other Receivable

Other receivable consists of funds owed from a former employee. There is no formal agreement with repayment terms, and the Organization can request all funds to be paid back at any time. Management determined a portion of this receivable was uncollectible and recorded an allowance for bad debt for approximately \$9,300 as of June 30, 2018 and 2017.

CENTER FOR GLOBAL IMPACT

Notes to Financial Statements

June 30, 2018 (Compiled) and 2017 (Reviewed)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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, 2018 and 2017, all revolving loans are deemed collectible by management and no allowance for bad debts is deemed necessary.

Inventory

Inventory consists of by Tavi products and cookbooks held for resale and is stated at lower of cost (first in, first out) or net realizable value.

Lease Deposits

Lease deposits consist of various deposits made on operating 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 year. Depreciation expense is computed using the straight-line method over the estimated useful lives as follows:

	<u>Years</u>
Leasehold improvements	5-10
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.

Deferred Revenue

Deferred revenue consists of sponsorship money received for the upcoming gala, which occurs in the subsequent fiscal year.

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.

CENTER FOR GLOBAL IMPACT

Notes to Financial Statements

June 30, 2018 (Compiled) and 2017 (Reviewed)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Merchandise and Restaurant Sales

Purchases of merchandise and restaurant transactions are recorded on the date of sale.

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 \$16,592 and \$16,580 at June 30, 2018 and 2017, 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.

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, 2018 and 2017.

Functional Expenses

Expenses have been classified as program services, management and general expenses, and fundraising 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, 2018 and 2017, would be subject to federal income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

CENTER FOR GLOBAL IMPACT

Notes to Financial Statements

June 30, 2018 (Compiled) and 2017 (Reviewed)

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, 2018 and 2017, 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, 2018 and 2017.

The Organization has filed its federal and state exempt from income tax returns for periods through June 30, 2017. 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 years ended June 30, 2015, 2016, and 2017 are open to examination at June 30, 2018.

Subsequent Events

Subsequent events have been evaluated by management through December 04, 2018, 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. Rent expense for these leases totaled \$17,964 and \$17,946 for the years ended June 30, 2018 and 2017, respectively, and are recorded as program expenses. These leases have various expiration dates ranging from July 2019 through July 2022.

The Organization had a 5 year lease agreement for the boutique store at the Franklin location with a board member of the Organization. The lease specified that the Organization pay \$250 per month over the term of the lease. The approximate fair value of rent for this space is \$14,400 per year. Rent expense for this lease was \$500 and \$14,400 for the years ended June 30, 2018 and 2017, respectively. In 2017, it was determined the Organization would end the lease early with no penalty as of August 2017. Therefore, no deferred rent expense remained at June 30, 2018.

The Organization entered into a rental agreement in August 2017 for a new boutique location with an unrelated party. The lease expires in July 2022, with required monthly payments of \$1,500 from August 2017 through December 2017, \$2,125 in 2018, and \$2,750 from January 2019 through July 2022. At the end of the lease, the organization has an option to renew the lease for one extended term of five years.

CENTER FOR GLOBAL IMPACT

Notes to Financial Statements

June 30, 2018 (Compiled) and 2017 (Reviewed)

2. OPERATING LEASES, CONTINUED

Future minimum lease commitments under operating leases are as follows at June 30, 2018 for the years ending June 30:

2019	\$	51,450
2020		46,700
2021		40,200
2022		40,200
Thereafter		<u>2,750</u>
	\$	<u>181,300</u>

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. Assets donated are recognized at their fair value. These transactions are treated as non-cash transactions and are properly excluded from the statement of cash flows. The Organization benefited from donated vehicles, fundraising items, remodeling services, accounting services, rent, and storage space during 2018 and 2017. These contributions were valued at \$6,310 and \$5,725 for the years ended June 30, 2018 and 2017, respectively. These were reported as in-kind contributions on the statement of activities, and as rent expense, maintenance expense and professional fees expense on the schedule of functional expenses.

INDEPENDENT ACCOUNTANT'S REPORT ON SUPPLEMENTARY INFORMATION

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

The June 30, 2018 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. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

The June 30, 2017 supplementary information shown in Exhibit I 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 June 30, 2017 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.

Indianapolis, Indiana
December 04, 2018

Sponsel CPA Group, LLC

CENTER FOR GLOBAL IMPACT, INC.*Schedule of Functional Expenses**For the Year Ended June 30, 2018 (Compiled) with Comparative Totals for June 30, 2017 (Reviewed)**Exhibit I*

	Compiled			2018 Total	Reviewed 2017 Total
	Program Services	Management and General	Fundraising		
Cost of Merchandise Sold	\$ 153,947	\$ -	\$ -	\$ 153,947	\$ 234,682
Operating Expenses					
Salaries, wages, and benefits	298,078	65,494	33,179	396,751	360,771
Program expenses	213,275	-	-	213,275	207,717
Insurance	3,177	776	773	4,726	5,445
Printing and promotion	7,221	1,765	1,758	10,744	5,168
Depreciation	4,491	2,190	-	6,681	8,436
Rent	17,731	4,331	4,318	26,380	26,487
Expensing of deferred rent	-	-	-	-	31,800
Office supplies	6,047	1,477	1,473	8,997	11,606
Operations	20,743	4,392	4,378	29,513	29,486
Service charges	16,408	4,007	3,996	24,411	24,853
Travel	19,050	-	-	19,050	50,282
Fundraising events	-	-	56,885	56,885	59,063
Professional fees	21,157	5,168	13,402	39,727	33,103
Memberships	857	209	209	1,275	1,172
Postage	3,548	867	864	5,279	7,458
(Gain) loss on disposal of assets	1,264	820	408	2,492	(5,386)
Miscellaneous	821	191	200	1,212	3,742
<i>Total operating expenses</i>	<u>633,868</u>	<u>91,687</u>	<u>121,843</u>	<u>847,398</u>	<u>861,203</u>
<i>Total functional expenses</i>	<u>\$ 787,815</u>	<u>\$ 91,687</u>	<u>\$ 121,843</u>	<u>\$ 1,001,345</u>	<u>\$ 1,095,885</u>

CENTER FOR GLOBAL IMPACT, INC.*Schedule of Temporarily Restricted Net Assets**For the Year Ended June 30, 2018 (Compiled)**Exhibit II*

	<u>July 1, 2017</u>	<u>Contributions</u>	<u>Expenses</u>	<u>Change in Net Assets</u>	<u>June 30, 2018</u>
Gift In-Kind					
Office Space Lease	\$ 1,900	\$ -	\$ 1,900	\$ (1,900)	\$ -
Director of Development	12,929	-	-	-	12,929
Care of Children and Families at Risk					
Miscellaneous Projects	12,382	-	1,888	(1,888)	10,494
Vocational Training					
byTavi	7,260	-	7,260	(7,260)	-
Culinary Training Center	1,400	-	1,400	(1,400)	-
Total Temporarily Restricted Net Assets	<u>\$ 35,871</u>	<u>\$ -</u>	<u>\$ 12,448</u>	<u>\$ (12,448)</u>	<u>\$ 23,423</u>