CENTER FOR GLOBAL IMPACT, INC.

Financial Statements

Together with Independent Accountant's Review Report

and Independent Accountant's Report

on Supplementary Information

For the Years Ended June 30, 2017 and 2016

SponselCPAGroup.com

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CENTER FOR GLOBAL IMPACT, INC.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying financial statements of Center for Global Impact, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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 accordance with accounting principles generally accepted in the United States of America.

Sponsel CPA Group, LLC

Indianapolis, Indiana
December 12, 2017

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CENTER FOR GLOBAL IMPACT, INC.
Statements of Financial Position
June 30, 2017 and 2016

ASSETS	2017	2016
Current Assets		
Cash	$ 293,056	$ 205,018
Accounts receivable	9,356	522
Pledges receivable	1,660	8,100
Other receivable, net	1,200	5,600
Revolving loans	2,084	30
Prepaid expenses	4,858	-
Inventory	79,120	119,426
Deferred rent expense	1,900	11,400
Total current assets	393,234	350,096
Lease Deposits	6,080	6,080
Property and Equipment		
Leasehold improvements	15,461	13,841
Furniture and sewing equipment	28,094	29,198
Vehicles	3,340	11,590
Culinary training equipment	21,207	24,333
	68,102	78,962
Accumulated depreciation	(41,216)	(43,946)
Net property and equipment	26,886	35,016
Deferred Rent Expense	-	34,200
Total assets	$ 426,200	$ 425,392

LIABILITIES AND NET ASSETS	2017	2016
Current Liabilities		
Accounts payable	$ 5,642	$ 3,493
Accrued expenses and other current liabilities	10,113	12,006
Deferred revenue	5,000	-
Total current liabilities	20,755	15,499
Commitments (Note 2)		
Net Assets		
Unrestricted	352,994	312,346
Unrestricted - board designated	16,580	16,575
Temporarily restricted	35,871	80,972
Total net assets	405,445	409,893
Total liabilities and net assets	$ 426,200	$ 425,392

CENTER FOR GLOBAL IMPACT, INC.
Statements of Activities and Changes in Net Assets
For the Year Ended June 30, 2017 with Comparative Totals for 2016

	Unrestricted	Temporarily Restricted	2017 Total	2016 Total
Revenue and Support				
Merchandise sales	$ 375,822	$ -	$ 375,822	$ 356,690
Less: cost of merchandise sales (Exhibit I)	(234,682)	-	(234,682)	(230,250)
Gross profit	141,140	-	141,140	126,440
General contributions	328,968	22,500	351,468	377,077
Project contributions	106,837	4,705	111,542	91,741
Fundraising income	178,651	-	178,651	164,031
In-kind contributions	5,725	-	5,725	63,645
Restaurant sales	67,944	-	67,944	70,345
Interest income	285	-	285	177
Net assets released from restrictions	72,306	(72,306)	-	-
Total revenue and support	901,856	(45,101)	856,755	893,456
Expenses (Exhibit I)				
Management and general	123,865	-	123,865	144,162
Fundraising	122,632	-	122,632	101,331
Program services	614,706	-	614,706	609,354
Total expenses	861,203	-	861,203	854,847
Change in Net Assets	40,653	(45,101)	(4,448)	38,609
Net Assets, Beginning of Year	328,921	80,972	409,893	371,284
Net Assets, End of Year	$ 369,574	$ 35,871	$ 405,445	$ 409,893

NET INCREASE IN CASH

	2017	2016
Cash Flows from Operating Activities		
Cash received from donors, programs, and merchandise sales	$ 1,096,389	$ 1,054,667
Cash paid to vendors, program participants, and employees	(1,013,431)	(1,040,267)
Net cash provided by operating activities	82,958	14,400
Cash Flows from Investing Activities		
Capital expenditures	(1,620)	(3,010)
Proceeds from sale of property and equipment	6,700	-
Proceeds from sale of donated property held for sale	-	71,059
Net cash provided by investing activities	5,080	68,049
Net Increase in Cash	88,038	82,449
Cash, Beginning of Year	205,018	122,569
Cash, End of Year	$ 293,056	$ 205,018
Supplementary Disclosure of Non-Cash Activities		
In-kind rent expense	$ 11,900	$ 22,514
In-kind contribution	$ -	$ 58,500

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2017	2016
Change in Net Assets	$ (4,448)	$ 38,609
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities		
Depreciation	8,436	11,807
(Gain) loss on disposal of assets	(5,386)	9,492
Change in deferred rent expense	43,700	(35,986)
Settlement expenses related to sale of investment property	-	10,941
(Increase) decrease in operating assets:		
Accounts receivable	(8,834)	1,266
Pledges receivable	6,440	(8,100)
Other receivable, net	4,400	(5,600)
Revolving loans	(2,054)	1,895
Prepaid expenses	(4,858)	-
Inventory	40,306	(13,347)
Lease deposits	-	3,000
Increase (decrease) in operating liabilities:		
Accounts payable	2,149	(4,507)
Accrued expenses and other current liabilities	(1,893)	4,930
Deferred revenue	5,000	-
Total adjustments	87,406	(24,209)
Net Cash Provided by Operating Activities	$ 82,958	$ 14,400

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, 2017 and 2016.

From time to time during the years ended June 30, 2017 and 2016, 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, 2017 and 2016.

The Organization also holds money in foreign bank accounts that are not covered by the FDIC. At June 30, 2017 and 2016, the Organization had total exposed foreign cash balances of $67,267 and $50,839, respectively.

Pledges Receivable

Unconditional promises to give are recognized as revenues in the period the promise is received. All pledges receivable at June 30, 2017 and 2016 were determined to be collectible by management. Therefore, no allowance for bad debts has been established as of June 30, 2017 and 2016.

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 in 2017 and recorded an allowance for bad debt totaling approximately $9,300 as of June 30, 2017. No allowance was deemed necessary as of June 30, 2016.

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, 2017 and 2016, 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 (FIFO) 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:

	Years
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.

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 $16,580 and $16,575 at June 30, 2017 and 2016, 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, 2017 and 2016.

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, 2017 and 2016, would be subject to federal income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

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, 2017 and 2016, 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, 2017 and 2016.

The Organization has filed its federal and state exempt from income tax returns for periods through June 30, 2016. 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, 2014, 2015, and 2016 are open to examination at June 30, 2017.

Subsequent Events

Subsequent events have been evaluated by management through December 12, 2017, 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 $17,946 and $20,100 for the years ended June 30, 2017 and 2016, 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, which was charged to rent expense for the years ended June 30, 2017 and 2016. In 2017, it was determined the Organization will end the lease early with no penalty as of August 2017. Deferred rent expense of $1,900 and $45,600 as of June 30, 2017 and 2016, respectively, was recorded on the Statement of Financial Position.

The Organization has a lease agreement for office and warehouse space in Indianapolis. The lease requires monthly payments of $726 through November 2017.

2. Operating Leases, Continued

Future minimum lease commitments under operating leases are as follows at June 30, 2017 for the years ending June 30:

2018	$	26,330
2019		22,200
2020		13,700
2021		7,200
2022		7,200
	$	76,630

Subsequent to June 30, 2017, the Organization entered into a new month-to-month rental agreement in August 2017 for a new boutique location with an unrelated party. The Organization pays $1,500 a month for the space.

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. The Organization benefited from donated accounting services, rent, and storage space during 2017 and 2016. These contributions were valued at $5,725 and $63,645 for the years ended June 30, 2017 and 2016, 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.

4. Reclassification

Certain items in the June 30, 2016 financial statements have been retroactively reclassified to conform to the June 30, 2017 financial statement presentation. Total net assets and change in net assets were unchanged by these classifications.

SPONSEL CPA GROUP
Proactive Advisors Strategic Solutions

Independent Accountant's Report On Supplementary Information

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

Our report on our reviews of the basic financial statements of Center for Global Impact, Inc. for the years ended June 30, 2017 and 2016 appears on page 1. Our reviews were 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

Indianapolis, Indiana
December 12, 2017

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CENTER FOR GLOBAL IMPACT, INC.
Schedule of Functional Expenses
For the Year Ended June 30, 2017 with Comparative Totals for 2016 *Exhibit I*

	Management and General	Fundraising	Program Services	2017 Total	2016 Total
Cost of Merchandise Sold	$ -	$ -	$ 234,682	$ 234,682	$ 230,250
Operating Expenses					
Salaries, wages, and benefits	61,866	38,419	260,486	360,771	352,763
Program expenses	-	-	207,717	207,717	220,770
Insurance	2,570	566	2,309	5,445	5,428
Printing and promotion	1,701	846	2,621	5,168	9,770
Depreciation	465	-	7,971	8,436	11,807
Rent	8,721	4,335	13,431	26,487	36,063
Expensing of deferred rent	10,470	5,205	16,125	31,800	-
Office supplies	3,821	1,900	5,885	11,606	8,747
Operations	12,673	1,861	14,952	29,486	28,903
Service charges	8,183	4,068	12,602	24,853	19,424
Travel	-	-	50,282	50,282	47,807
Fundraising events	-	59,063	-	59,063	48,437
Professional fees	10,900	5,418	16,785	33,103	33,996
Memberships	578	-	594	1,172	1,320
Postage	2,455	1,221	3,782	7,458	5,168
Property taxes	-	-	-	-	1,845
(Gain) loss on disposal of assets	(1,773)	(882)	(2,731)	(5,386)	9,492
Miscellaneous	1,235	612	1,895	3,742	13,107
Total operating expenses	123,865	122,632	614,706	861,203	854,847
Total functional expenses	$ 123,865	$ 122,632	$ 849,388	$ 1,095,885	$ 1,085,097

	July 1, 2016	Contributions	Expenses	Change in Net Assets	June 30, 2017
Gift In-Kind					
Office Space Lease	$ 45,600	$ -	$ 43,700	$ (43,700)	$ 1,900
Director of Development	-	22,500	9,571	12,929	12,929
Care of Children and Families at Risk					
Miscellaneous Projects	20,272	3,045	10,935	(7,890)	12,382
Vocational Training					
byTavi	11,095	260	4,095	(3,835)	7,260
Culinary Training Center	4,005	1,400	4,005	(2,605)	1,400
Total Temporarily Restricted Net Assets	$ 80,972	$ 27,205	$ 72,306	$ (45,101)	$ 35,871