



CENTER FOR GLOBAL IMPACT, INC.

Financial Statements

TOGETHER WITH INDEPENDENT

ACCOUNTANTS' REVIEW REPORT

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011



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PARTNERS Thomas J. Sponsel Lisa M. Purichia Jason S. Thompson Nicholas C. Hopkins

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying statements of financial position of Center for Global Impact, Inc. (the "Organization") as of December 31, 2012 and 2011, 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 reviews, 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

April 16, 2013

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CENTER FOR GLOBAL IMPACT, INC.

Statements of Financial Position

December 31, 2012 and 2011

ASSETS

	<u>2012</u>	<u>2011</u>
Current Assets		
Cash	\$ 234,391	\$ 147,952
Grants receivable	621	560
Revolving loans	881	982
Inventory	45,923	29,346
<i>Total current assets</i>	<u>281,816</u>	<u>178,840</u>
Lease Deposits	<u>6,180</u>	<u>6,180</u>
Property and Equipment		
Furniture and sewing equipment	7,873	5,203
Vehicles	11,590	10,350
Culinary training equipment	25,345	25,345
	<u>44,808</u>	<u>40,898</u>
Accumulated depreciation	<u>(18,054)</u>	<u>(10,182)</u>
<i>Net property and equipment</i>	<u>26,754</u>	<u>30,716</u>
Deferred Rent Expense	<u>57,684</u>	<u>76,912</u>
<i>Total assets</i>	<u>\$ 372,434</u>	<u>\$ 292,648</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 10,305	\$ 7,634
Payroll liabilities	5,334	2,763
Sales tax payable	939	2,194
<i>Total current liabilities</i>	<u>16,578</u>	<u>12,591</u>
Net Assets		
Unrestricted	277,720	181,514
Temporarily restricted	78,136	98,543
<i>Total net assets</i>	<u>355,856</u>	<u>280,057</u>
<i>Total liabilities and net assets</i>	<u>\$ 372,434</u>	<u>\$ 292,648</u>

CENTER FOR GLOBAL IMPACT, INC.

Statements of Activities and Changes in Net Assets

For the Years Ended December 31, 2012 and 2011

	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Support						
General contributions	\$ 413,421	\$ -	\$ 413,421	\$ 339,092	\$ -	\$ 339,092
Project contributions	639	192,573	193,212	-	136,127	136,127
In-kind contributions	4,543	588	5,131	8,000	96,140	104,140
Merchandise sales	220,653	-	220,653	139,808	-	139,808
Green Mango sales	23,227	-	23,227	-	-	-
Interest income	101	-	101	137	-	137
Net assets released from restrictions	213,568	(213,568)	-	141,178	(141,178)	-
<i>Total revenue and support</i>	<u>876,152</u>	<u>(20,407)</u>	<u>855,745</u>	<u>628,215</u>	<u>91,089</u>	<u>719,304</u>
Expenses						
Management and general	140,176	-	140,176	122,796	-	122,796
Fundraising	97,605	-	97,605	48,019	-	48,019
Program	542,165	-	542,165	404,973	-	404,973
<i>Total expenses</i>	<u>779,946</u>	<u>-</u>	<u>779,946</u>	<u>575,788</u>	<u>-</u>	<u>575,788</u>
Change in Net Assets	96,206	(20,407)	75,799	52,427	91,089	143,516
Net Assets, Beginning of Year	<u>181,514</u>	<u>98,543</u>	<u>280,057</u>	<u>129,087</u>	<u>7,454</u>	<u>136,541</u>
Net Assets, End of Year	<u>\$ 277,720</u>	<u>\$ 78,136</u>	<u>\$ 355,856</u>	<u>\$ 181,514</u>	<u>\$ 98,543</u>	<u>\$ 280,057</u>

See independent accountants' review report and accompanying notes to the financial statements.

CENTER FOR GLOBAL IMPACT, INC.*Statements of Cash Flows**For the Years Ended December 31, 2012 and 2011**Page 1 of 2***INCREASE IN CASH**

	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities		
Cash received from donors, programs, and merchandise sales	\$ 855,197	\$ 622,562
Cash paid to vendors, program participants, and employees	<u>(764,848)</u>	<u>(567,186)</u>
<i>Net cash provided by operating activities</i>	<u>90,349</u>	<u>55,376</u>
Cash Flows from Investing Activities		
Capital expenditures	<u>(3,910)</u>	<u>(5,988)</u>
Net Increase in Cash	86,439	49,388
Cash, Beginning of Year	<u>147,952</u>	<u>98,564</u>
Cash, End of Year	<u><u>\$ 234,391</u></u>	<u><u>\$ 147,952</u></u>
Supplementary Disclosure of Non-Cash Activities		
In-kind rent expense	<u><u>\$ 19,816</u></u>	<u><u>\$ 19,228</u></u>
In-kind rent revenue	<u><u>\$ 588</u></u>	<u><u>\$ 96,140</u></u>

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

	<u>2012</u>	<u>2011</u>
Increase in Net Assets	<u>\$ 75,799</u>	<u>\$ 143,516</u>
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided By Operating Activities		
Depreciation	7,872	6,984
Net in-kind rent contributions	-	(76,912)
Change in deferred rent expense	19,228	-
<i>(Increase) decrease in operating assets:</i>		
Grants receivable	(61)	(560)
Revolving loans	101	(42)
Inventory	(16,577)	(14,383)
<i>Increase (decrease) in operating liabilities:</i>		
Accounts payable	2,671	(6,416)
Payroll liabilities	2,571	2,763
Sales tax payable	(1,255)	426
<i>Total adjustments</i>	<u>14,550</u>	<u>(88,140)</u>
Net Cash Provided By Operating Activities	<u><u>\$ 90,349</u></u>	<u><u>\$ 55,376</u></u>

CENTER FOR GLOBAL IMPACT

Notes to Financial Statements

December 31, 2012 and 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Activities

The Center for Global Impact, Inc. (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 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 December 31, 2012 and 2011.

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 7 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 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

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 December 31, 2012 and 2011.

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 December 31, 2012 and 2011, 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 December 31, 2012, there are no uncertain positions taken or expected to be taken that would require

CENTER FOR GLOBAL IMPACT

Notes to Financial Statements

December 31, 2012 and 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Income Taxes, Continued

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 December 31, 2012.

The Organization has filed its federal and state exempt from income tax returns for periods through December 31, 2011. 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 April 16, 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 \$19,880 and \$15,450 for the years ended December 31, 2012 and 2011, respectively.

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 2012 and 2011, \$19,228 was charged to management and general rent expense and \$57,684 and \$76,912 were the remaining deferred rent expense balances on the Statements of Financial Position, respectively. In-kind contributions of \$96,140 were recorded during 2011 in accordance with generally accepted accounting principles.

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 2012, \$588 was charged to management and general rent expense. In-kind contributions of \$588 were recorded during 2012 in accordance with generally accepted accounting principles.

Subsequent to year end, the Organization entered into an office space lease in Cambodia and extended one of the operating leases in Cambodia.

Future minimum lease commitments under operating leases, including subsequent leases, are as follows for the years ending December 31:

2013	\$	18,412
2014		15,612
2015		<u>5,412</u>
	\$	<u>39,436</u>

CENTER FOR GLOBAL IMPACT

Notes to Financial Statements

December 31, 2012 and 2011

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 and storage space during 2012 and donated office space and accounting services during 2011. These contributions were valued at \$5,131 and \$104,140 during the years ended December 31, 2012 and 2011, respectively. The 2012 and 2011 amounts were reported as both in-kind contribution revenue and rent expense and operations expense on the schedule of functional expenses, as well as deferred rent expense on the statement of financial position for the portion of rent expense to be recognized in subsequent years.

4. RECLASSIFICATION

Certain items in the 2011 financial statements have been retroactively reclassified to conform with the 2012 presentation. Total net assets and change in net assets were not affected by these reclassifications.



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PARTNERS Thomas J. Sponsel Lisa M. Purichia Jason S. Thompson Nicholas C. Hopkins

INDEPENDENT ACCOUNTANTS' REVIEW 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 December 31, 2012 and 2011 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

April 16, 2013

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CENTER FOR GLOBAL IMPACT, INC.*Schedules of Functional Expenses**For the Year Ended December 31, 2012 with Comparative Totals for 2011**Exhibit I*

	<u>Management and General</u>	<u>Fundraising</u>	<u>Program</u>	<u>2012 Total</u>	<u>2011 Total</u>
Salaries, wages, and benefits	\$ 85,848	\$ 41,499	\$ 148,026	\$ 275,373	\$ 164,915
Program expenses	-	-	218,151	218,151	192,785
Insurance	1,197	264	1,075	2,536	1,869
Printing and promotion	3,715	1,768	5,382	10,865	20,078
Depreciation	405	-	7,467	7,872	6,984
Rent	12,001	-	11,777	23,778	23,428
Cost of merchandise sold	-	6,489	89,056	95,545	62,143
Contract labor	5,521	-	5,419	10,940	24,291
Office supplies	2,243	-	2,202	4,445	7,356
Operations	6,544	-	6,422	12,966	17,310
Travel	-	-	23,295	23,295	-
Fundraising events	-	42,497	-	42,497	18,555
Professional fees	16,528	2,699	14,400	33,627	16,131
Service charges	4,140	1,970	5,998	12,108	8,519
Postage	1,679	250	2,980	4,909	9,507
Miscellaneous	355	169	515	1,039	1,917
<i>Total functional expenses</i>	<u>\$ 140,176</u>	<u>\$ 97,605</u>	<u>\$ 542,165</u>	<u>\$ 779,946</u>	<u>\$ 575,788</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		Revolving Loans
January 1, 2011	\$ -	\$ 740	\$ -	\$ -	\$ -	\$ 400	\$ -	\$ 4,979	\$ -	\$ 365	\$ 20	\$ -	\$ 950	\$ -	\$ -	\$ 7,454
Contributions	96,140	395	3,776	-	640	-	9,944	63,969	55,413	100	350	425	640	250	225	232,267
Expenditures																
Expenditures of temporarily restricted funds	19,228	-	1,371	-	-	-	6,684	57,687	55,413	-	370	425	-	-	-	141,178
Change in Net Assets	76,912	395	2,405	-	640	-	3,260	6,282	-	100	(20)	-	640	250	225	91,089
December 31, 2011	\$ 76,912	\$ 1,135	\$ 2,405	\$ -	\$ 640	\$ 400	\$ 3,260	\$ 11,261	\$ -	\$ 465	\$ -	\$ -	\$ 1,590	\$ 250	\$ 225	\$ 98,543
Contributions	588	30	150	1,432	-	-	56,903	66,020	66,823	-	600	615	-	-	-	193,161
Expenditures																
Expenditures of temporarily restricted funds	19,816	43	60	1,395	-	-	46,935	77,281	66,823	-	600	615	-	-	-	213,568
Change in Net Assets	(19,228)	(13)	90	37	-	-	9,968	(11,261)	-	-	-	-	-	-	-	(20,407)
December 31, 2012	\$ 57,684	\$ 1,122	\$ 2,495	\$ 37	\$ 640	\$ 400	\$ 13,228	\$ -	\$ -	\$ 465	\$ -	\$ -	\$ 1,590	\$ 250	\$ 225	\$ 78,136