



CENTER FOR GLOBAL IMPACT, INC.

Financial Statements

TOGETHER WITH INDEPENDENT

ACCOUNTANTS' REVIEW REPORT

FOR THE YEAR ENDED JUNE 30, 2014



A new kind of CPA firm.

PARTNERS

Thomas J. Sponsel

Lisa M. Purichia

Jason S. Thompson

Nicholas C. Hopkins

Michael D. Bedel

INDEPENDENT ACCOUNTANTS' 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, 2014, and the related statements of activities and changes in net assets and cash flows for the year 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 15, 2014

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CENTER FOR GLOBAL IMPACT, INC.*Statement of Financial Position**June 30, 2014*

ASSETS**Current Assets**

Cash	\$ 169,801
Accounts receivable	855
Revolving loans	3,480
Inventory	<u>82,063</u>

Total current assets 256,199

Lease Deposits

10,030

Property and Equipment

Leasehold improvements	9,885
Furniture and sewing equipment	24,309
Vehicles	11,590
Culinary training equipment	<u>25,057</u>
	70,841
Accumulated depreciation	<u>(31,698)</u>

Net property and equipment 39,143

Deferred Rent Expense

28,842

Total assets \$ 334,214

LIABILITIES AND NET ASSETS**Current Liabilities**

Accounts payable	\$ 2,537
Accrued expenses	7,019
Payroll liabilities	<u>4,946</u>

Total current liabilities 14,502

Net Assets

Unrestricted	263,642
Unrestricted - board designated	16,006
Temporarily restricted	<u>40,064</u>

Total net assets 319,712

Total liabilities and net assets \$ 334,214

CENTER FOR GLOBAL IMPACT, INC.*Statement of Activities and Changes in Net Assets**For the Year Ended June 30, 2014*

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support			
General contributions	\$ 523,029	\$ -	\$ 523,029
Project contributions	1,253	100,734	101,987
In-kind contributions	2,626	-	2,626
Merchandise sales	244,509	-	244,509
Restaurant sales	45,000	-	45,000
Interest income	239	-	239
Net assets released from restrictions	122,676	(122,676)	-
	<hr/>	<hr/>	<hr/>
<i>Total revenue and support</i>	939,332	(21,942)	917,390
	<hr/>	<hr/>	<hr/>
Expenses			
Management and general	145,145	-	145,145
Fundraising	81,355	-	81,355
Program	672,297	-	672,297
	<hr/>	<hr/>	<hr/>
<i>Total expenses</i>	898,797	-	898,797
	<hr/>	<hr/>	<hr/>
Change in Net Assets	40,535	(21,942)	18,593
	<hr/>	<hr/>	<hr/>
Net Assets, Beginning of Year	239,113	62,006	301,119
	<hr/>	<hr/>	<hr/>
Net Assets, End of Year	\$ 279,648	\$ 40,064	\$ 319,712
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CENTER FOR GLOBAL IMPACT, INC.*Statement of Cash Flows**For the Year Ended June 30, 2014**Page 1 of 2*

NET INCREASE IN CASH**Cash Flows from Operating Activities**

Cash received from donors, programs, and merchandise sales	\$ 914,553
Cash paid to vendors, program participants, and employees	<u>(887,738)</u>
<i>Net cash provided by operating activities</i>	<u>26,815</u>

Cash Flows from Investing Activities

Capital expenditures	<u>(19,123)</u>
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Net Increase in Cash

7,692

Cash, Beginning of Year162,109**Cash, End of Year**\$ 169,801**Supplementary Disclosure of Non-Cash Activities**

In-kind rent expense	<u>\$ 19,816</u>
In-kind rent revenue	<u>\$ 588</u>

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

Increase in Net Assets	<u>\$ 18,593</u>
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided By Operating Activities	
Depreciation	9,204
Loss on disposal of assets	123
Change in deferred rent expense	19,228
<i>Increase in operating assets:</i>	
Accounts receivable	(415)
Revolving loans	(1,834)
Inventory	(24,561)
Lease deposits	(2,000)
<i>Increase in operating liabilities:</i>	
Accounts payable	664
Accrued expenses	7,019
Payroll liabilities	<u>794</u>
<i>Total adjustments</i>	<u>8,222</u>
Net Cash Provided By Operating Activities	<u><u>\$ 26,815</u></u>

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 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, 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.

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 and is depreciated over the estimated useful lives of the assets, ranging from 3 to 10 years, using straight-line methods. Expenditures for repairs and maintenance are charged against operating expenses as incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 \$16,006 at June 30, 2014.

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, 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.

CENTER FOR GLOBAL IMPACT

Notes to Financial Statements

June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 year ended June 30, 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, 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, 2014.

The Organization has filed its federal and state exempt from income tax returns for periods through June 30, 2013. 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 December 31, 2011 and 2012, and the six month period ended June 30, 2013, are open to examination at June 30, 2014.

Subsequent Events

Subsequent events have been evaluated by management through December 15, 2014, 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 \$31,546 for the year ended June 30, 2014.

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 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. In accordance with generally accepted accounting principles, \$588 was recorded as both an in-kind contribution and corresponding rent expense for the year ended June 30, 2014.

The Organization began leasing additional storage space in November 2013. Payments are \$690 per month and the lease expires November 2014.

CENTER FOR GLOBAL IMPACT

Notes to Financial Statements

June 30, 2014

2. OPERATING LEASES, CONTINUED

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

2015	\$	28,272
2016		<u>13,356</u>
	\$	<u>41,628</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. The Organization benefited from donated accounting services and storage space during 2014. These contributions were valued at \$2,626 for the year ended June 30, 2014. 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.



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INDEPENDENT ACCOUNTANTS' 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 year ended June 30, 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 15, 2014

SponseLCPAGroup.com

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

	<u>Management and General</u>	<u>Fundraising</u>	<u>Program</u>	<u>Total</u>
Salaries, wages, and benefits	\$ 97,340	\$ 29,895	\$ 210,094	\$ 337,329
Program expenses	-	-	215,097	215,097
Insurance	2,634	580	2,365	5,579
Printing and promotion	3,202	983	6,911	11,096
Depreciation	465	-	8,739	9,204
Rent	8,523	2,617	18,396	29,536
Cost of merchandise sold	-	-	114,667	114,667
Office supplies	3,656	1,123	7,890	12,669
Operations	13,231	-	21,848	35,079
Service charges	3,618	1,111	7,809	12,538
Travel	-	-	33,963	33,963
Fundraising events	-	41,557	-	41,557
Professional fees	9,095	2,793	19,632	31,520
Memberships	995	-	-	995
Postage	1,695	521	3,658	5,874
Loss on disposal of assets	123	-	-	123
Miscellaneous	568	175	1,228	1,971
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total functional expenses</i>	<u>\$ 145,145</u>	<u>\$ 81,355</u>	<u>\$ 672,297</u>	<u>\$ 898,797</u>

CENTER FOR GLOBAL IMPACT, INC.*Schedule of Temporarily Restricted Net Assets**For the Year Ended June 30, 2014**Exhibit II*

	<u>July 1, 2013</u>	<u>Contributions</u>	<u>Expenditures</u>	<u>Change in Net Assets</u>	<u>June 30, 2014</u>
Gift In-Kind					
Office Space Lease	\$ 48,070	\$ -	\$ 19,228	\$ (19,228)	\$ 28,842
Care of Children and Families at Risk					
Education	1,122	-	1,122	(1,122)	-
Emergency Relief	1,244	200	1,444	(1,244)	-
Miscellaneous Projects	6,000	10,982	8,585	2,397	8,397
Water Filter Fund	640	-	120	(120)	520
Enzo Tina	-	300	300	-	-
Home Building Project	2,400	-	2,400	(2,400)	-
Vocational Training					
byTavi	-	4,910	4,910	-	-
General	-	360	360	-	-
Culinary Training Center	-	20,747	20,747	-	-
Red Chile	-	31,020	31,020	-	-
Daughters Project	-	32,015	32,015	-	-
Micro Enterprise					
Mushroom Project	465	-	-	-	465
Cow Fund	-	100	100	-	-
Honey Production	-	100	100	-	-
Poultry Project	1,590	-	-	-	1,590
Fish Farming	250	-	-	-	250
Revolving Loans	225	-	225	(225)	-
Total Temporarily Restricted Net Assets	<u>\$ 62,006</u>	<u>\$ 100,734</u>	<u>\$ 122,676</u>	<u>\$ (21,942)</u>	<u>\$ 40,064</u>