



## **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, 2021 AND 2020*

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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 statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and net assets, cash flows, and functional expenses for the years 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, 2021 and 2020 financial statements.

*Sponsel CPA Group, LLC*

Indianapolis, Indiana  
December 9, 2021

**CENTER FOR GLOBAL IMPACT, INC.***Statements of Financial Position**June 30, 2021 and 2020*

<b><u>ASSETS</u></b>		<b><u>LIABILITIES AND NET ASSETS</u></b>			
	<b><u>2021</u></b>	<b><u>2020</u></b>		<b><u>2021</u></b>	<b><u>2020</u></b>
<b>Current Assets</b>			<b>Current Liabilities</b>		
Cash	\$ 280,303	\$ 246,681	Accounts payable	\$ 2,033	\$ 2,811
Accounts receivable, net	2,927	-	Accrued expenses and other		
Revolving loans	365	1,025	current liabilities	31,116	18,254
Prepaid expenses	16,128	4,495	Deferred revenue	-	10,700
Inventory	143,907	129,112	Current portion of notes payable	-	20,435
<i>Total current assets</i>	<u>443,630</u>	<u>381,313</u>	<i>Total current liabilities</i>	<u>33,149</u>	<u>52,200</u>
<b>Lease Deposits</b>	<u>3,570</u>	<u>3,570</u>	<b>Long-Term Debt</b>		
			Notes payable, net of current portion	73,900	52,865
<b>Property and Equipment</b>			<i>Total liabilities</i>	<u>107,049</u>	<u>105,065</u>
Leasehold improvements	11,934	19,083	<b>Commitments (Note 3)</b>		
Furniture and sewing equipment	21,496	23,478			
Vehicles	6,935	6,935	<b>Net Assets</b>		
Culinary training equipment	22,718	22,718	Without donor restrictions	331,943	291,797
	63,083	72,214	With donor restrictions	23,854	8,514
Accumulated depreciation	(47,437)	(51,721)	<i>Total net assets</i>	<u>355,797</u>	<u>300,311</u>
<i>Net property and equipment</i>	<u>15,646</u>	<u>20,493</u>			
	<u>\$ 462,846</u>	<u>\$ 405,376</u>		<u>\$ 462,846</u>	<u>\$ 405,376</u>

**CENTER FOR GLOBAL IMPACT, INC.***Statements of Activities and Net Assets**For the Years Ended June 30, 2021 and 2020*

	<b>2021</b>			<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue and Support</b>						
Merchandise sales	\$ 454,225	\$ -	\$ 454,225	\$ 384,945	\$ -	\$ 384,945
Less: cost of merchandise sales	(162,269)	-	(162,269)	(151,637)	-	(151,637)
<i>Gross profit</i>	291,956	-	291,956	233,308	-	233,308
General contributions	233,461	1,819	235,280	223,227	-	223,227
Project contributions	-	43,636	43,636	57,255	-	57,255
Fundraising income	122,407	-	122,407	249,301	-	249,301
In-kind contributions	8,066	-	8,066	5,048	-	5,048
Restaurant sales	31,525	-	31,525	53,588	-	53,588
Interest income	105	-	105	91	-	91
Forgiveness of PPP loan	73,300	-	73,300	-	-	-
Net assets released from restrictions	30,115	(30,115)	-	9,201	(9,201)	-
<i>Total revenue and support</i>	790,935	15,340	806,275	831,019	(9,201)	821,818
<b>Expenses</b>						
Program services	559,120	-	559,120	540,734	-	540,734
Management and general	85,649	-	85,649	86,069	-	86,069
Fundraising	106,020	-	106,020	145,483	-	145,483
<i>Total expenses</i>	750,789	-	750,789	772,286	-	772,286
<b>Change in Net Assets</b>	40,146	15,340	55,486	58,733	(9,201)	49,532
<b>Net Assets, Beginning of Year</b>	291,797	8,514	300,311	233,064	17,715	250,779
<b>Net Assets, End of Year</b>	<u>\$ 331,943</u>	<u>\$ 23,854</u>	<u>\$ 355,797</u>	<u>\$ 291,797</u>	<u>\$ 8,514</u>	<u>\$ 300,311</u>

**CENTER FOR GLOBAL IMPACT, INC.***Statements of Cash Flows**For the Years Ended June 30, 2021 and 2020**Page 1 of 2***INCREASE IN CASH**

	<b><u>2021</u></b>	<b><u>2020</u></b>
<b>Cash Flows from Operating Activities</b>		
Cash received from donors, programs, and merchandise sales	\$ 874,211	\$ 976,218
Cash paid to vendors, program participants, and employees	<u>(907,136)</u>	<u>(911,471)</u>
<i>Net cash provided by (used in) operating activities</i>	<u>(32,925)</u>	<u>64,747</u>
<b>Cash Flows from Investing Activities</b>		
Capital expenditures	<u>(7,353)</u>	<u>(1,403)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from PPP loans	<u>73,900</u>	<u>73,300</u>
<b>Net Increase in Cash</b>	33,622	136,644
<b>Cash, Beginning of Year</b>	<u>246,681</u>	<u>110,037</u>
<b>Cash, End of Year</b>	<u><u>\$ 280,303</u></u>	<u><u>\$ 246,681</u></u>
<b>Non-Cash Transactions</b>		
In-kind contributions	<u><u>\$ 8,066</u></u>	<u><u>\$ 5,048</u></u>

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

	<b><u>2021</u></b>	<b><u>2020</u></b>
<b>Change in Net Assets</b>	\$ 55,486	\$ 49,532
<b>Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities</b>		
Depreciation	5,538	7,211
Loss on disposal of property and equipment	6,662	549
Forgiveness of PPP loan	(73,300)	-
<i>(Increase) decrease in operating assets:</i>		
Accounts receivable, net	(2,927)	1,571
Revolving loans	660	640
Prepaid expenses	(11,633)	(1,297)
Inventory	(14,795)	(1,845)
Lease deposits	-	2,510
<i>Increase (decrease) in operating liabilities:</i>		
Accounts payable	(778)	(4,440)
Accrued expenses and other current liabilities	12,862	4,716
Deferred revenue	(10,700)	5,600
 <i>Total adjustments</i>	 (88,411)	 15,215
 <b>Net Cash Provided By (Used In) Operating Activities</b>	 <b><u>\$ (32,925)</u></b>	 <b><u>\$ 64,747</u></b>

**CENTER FOR GLOBAL IMPACT, INC.**
*Statement of Functional Expenses*
*For the Year Ended June 30, 2021*

	<b>Program Services</b>							
	<b><u>BYTAVI</u></b>	<b><u>CTC</u></b>	<b><u>Imprint</u></b>	<b><u>Other</u></b>	<b><u>Total Program Services</u></b>	<b><u>Management and General</u></b>	<b><u>Fundraising</u></b>	<b><u>Total</u></b>
<b>Cost of Merchandise Sold</b>	\$ 162,269	\$ -	\$ -	\$ -	\$ 162,269	\$ -	\$ -	\$ 162,269
<b>Operating Expenses</b>								
Salaries, wages, and benefits	271,631	62,303	27,096	-	361,030	60,238	70,920	492,188
Insurance	2,040	1,602	541	-	4,183	1,264	607	6,054
Printing and promotion	5,156	1,058	-	-	6,214	1,305	1,306	8,825
Depreciation	1,105	4,021	134	-	5,260	278	-	5,538
Rent	23,650	6,107	4,950	-	34,707	5,500	5,500	45,707
Office supplies	4,122	25,321	1,724	-	31,167	1,339	644	33,150
Operations	8,502	12,912	2,693	-	24,107	2,640	1,271	28,018
Service charges	20,536	782	671	-	21,989	8,820	4,247	35,056
Travel	275	879	184	-	1,338	-	-	1,338
Fundraising events	-	-	-	-	-	-	13,632	13,632
Professional fees	1,165	1,165	1,164	-	3,494	3,494	6,543	13,531
Memberships	259	134	258	-	651	402	402	1,455
Postage	17,364	-	-	-	17,364	289	869	18,522
Participant and family care	613	1,748	1,166	-	3,527	-	-	3,527
Education and program completion	-	7,968	4,320	-	12,288	-	-	12,288
Loss on disposal of property and equipment	-	6,662	-	-	6,662	-	-	6,662
Emergency relief	882	17,522	410	6,041	24,855	-	-	24,855
Miscellaneous	181	-	103	-	284	80	79	443
<i>Total operating expenses</i>	<u>357,481</u>	<u>150,184</u>	<u>45,414</u>	<u>6,041</u>	<u>559,120</u>	<u>85,649</u>	<u>106,020</u>	<u>750,789</u>
<i>Total functional expenses</i>	<u>\$ 519,750</u>	<u>\$ 150,184</u>	<u>\$ 45,414</u>	<u>\$ 6,041</u>	<u>\$ 721,389</u>	<u>\$ 85,649</u>	<u>\$ 106,020</u>	<u>\$ 913,058</u>



**CENTER FOR GLOBAL IMPACT, INC.***Statement of Functional Expenses**For the Year Ended June 30, 2020*

	<b>Program Services</b>							
	<b><u>BYTAVI</u></b>	<b><u>CTC</u></b>	<b><u>Imprint</u></b>	<b><u>Other</u></b>	<b><u>Total Program Services</u></b>	<b><u>Management and General</u></b>	<b><u>Fundraising</u></b>	<b><u>Total</u></b>
<b>Cost of Merchandise Sold</b>	\$ 151,637	\$ -	\$ -	\$ -	\$ 151,637	\$ -	\$ -	\$ 151,637
<b>Operating Expenses</b>								
Salaries, wages, and benefits	256,648	68,490	28,824	-	353,962	54,364	65,608	473,934
Insurance	181	1,262	581	2,273	4,297	1,016	1,132	6,445
Printing and promotion	780	1,023	-	-	1,803	1,314	1,382	4,499
Depreciation	754	5,330	-	-	6,084	1,127	-	7,211
Rent	23,650	10,555	4,950	-	39,155	5,500	5,500	50,155
Office supplies	3,057	31,783	3,306	342	38,488	1,378	1,447	41,313
Operations	17,412	16,122	3,537	401	37,472	1,897	1,896	41,265
Service charges	16,239	52	487	-	16,778	7,712	6,345	30,835
Travel	6,880	1,736	900	3,751	13,267	-	-	13,267
Fundraising events	-	-	-	-	-	-	50,119	50,119
Professional fees	3,982	1,138	568	-	5,688	10,564	10,764	27,016
Memberships	261	136	261	-	658	409	458	1,525
Postage	12,633	-	-	-	12,633	499	544	13,676
Participant and family care	116	638	121	-	875	-	-	875
Education and program completion	-	3,634	4,661	-	8,295	-	-	8,295
Loss on disposal of property and equipment	-	549	-	-	549	-	-	549
Miscellaneous	192	96	329	113	730	289	288	1,307
<b>Total operating expenses</b>	<b>342,785</b>	<b>142,544</b>	<b>48,525</b>	<b>6,880</b>	<b>540,734</b>	<b>86,069</b>	<b>145,483</b>	<b>772,286</b>
<b>Total functional expenses</b>	<b>\$ 494,422</b>	<b>\$ 142,544</b>	<b>\$ 48,525</b>	<b>\$ 6,880</b>	<b>\$ 692,371</b>	<b>\$ 86,069</b>	<b>\$ 145,483</b>	<b>\$ 923,923</b>

## CENTER FOR GLOBAL IMPACT, INC.

### Notes to the Financial Statements

June 30, 2021 and 2020

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#### 1. CHANGE IN ACCOUNTING PRINCIPLE

##### *Accounting Standards Update 2014-09 Adoption*

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). This guidance outlines a single, comprehensive model for accounting for revenue from contracts with customers and is effective for fiscal years beginning after December 15, 2018. The implementation of ASU 2014-09 was elected to be deferred with ASU 2020-05 for the year ended June 30, 2020. Therefore, Center for Global Impact, Inc. ("the Organization") adopted the standard on July 1, 2020, elected the Modified Retrospective Method of application, and initially applied the new revenue recognition standards to all applicable contracts with customers.

The Organization's merchandise and restaurant sales are subject to this standard as further explained in Note 2 under *Revenue and Cost Recognition - Contracts with Customers*. After the implementation of the new revenue recognition standards under Topic 606, there were no changes needed regarding the timing of revenue recognition. As such, there is no effect on beginning net assets for the year ended June 30, 2021.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### *Description of Activities*

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 survivors 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.

##### *Liquidity and Availability of Financial Assets*

The organization's working capital and cash flows have seasonal variations during the year attributable to the annual cash receipts for operations and a concentration of contributions received at annual fundraising events. To manage liquidity, CGI maintains a line of credit of \$75,000 with a bank that is drawn upon as needed during the year to manage cash flow.

The Board of Directors of Center for Global Impact has established an operating reserve with the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need. The operating reserve balance totaled \$26,618 and \$21,613 at June 30, 2021 and 2020, respectively.

**CENTER FOR GLOBAL IMPACT, INC.***Notes to the Financial Statements**June 30, 2021 and 2020***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED***Liquidity and Availability of Financial Assets, Continued*

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use due to donor imposed restrictions. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Board of Directors approves that action.

	<u>2021</u>	<u>2020</u>
Current assets, excluding non-financial assets	\$ 283,595	\$ 247,706
Less: board of directors restrictions	(26,618)	(21,613)
Less: donor restrictions for future periods	<u>(23,854)</u>	<u>(8,514)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 233,123</u>	<u>\$ 217,579</u>

*Cash and Cash Equivalents and Credit Risk*

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, 2021 and 2020.

From time to time during the years ended June 30, 2021 and 2020, 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, 2021 and 2020.

The Organization also holds money in foreign bank accounts that are not covered by the FDIC. At June 30, 2021 and 2020, the Organization had total exposed foreign cash balances of \$54,304 and \$60,717, respectively.

*Accounts Receivable*

Unconditional promises to give are recognized as revenues in the period the promise is received. Management reviews accounts and determines if any portion is considered uncollectible on an annual basis. The Organization recorded an allowance for bad debts for approximately \$4,300 and \$6,200 as of June 30, 2021 and 2020, respectively.

*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. No interest is charged on these revolving loans. At June 30, 2021 and 2020, all revolving loans are deemed collectible by management and no allowance for bad debts is deemed necessary.

*Inventory*

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

**CENTER FOR GLOBAL IMPACT, INC.***Notes to the Financial Statements**June 30, 2021 and 2020***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED***Inventory, Continued*

Inventory was comprised of the following at June 30:

	<u>2021</u>	<u>2020</u>
Products and cookbooks	\$ 113,320	\$ 106,280
Fabric	<u>30,587</u>	<u>22,832</u>
	<u>\$ 143,907</u>	<u>\$ 129,112</u>

*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	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.

*Revenue and Cost Recognition – Contracts with Customers*

The Organization's merchandise sales of various products are subject to ASU 2014-09 *Revenue from Contracts with Customers (Topic 606)*. Merchandise sales are primarily based out of central Indiana and have fixed prices and contain a single performance obligation that is satisfied at the point in time when goods are received by the customer. Shipping and handling is also recognized as revenue and charged to the customer for merchandise bought online. Shipping and handling obligations are not viewed as a separate performance obligation. Customers pay up front at the time of the sale and revenue is recognized upon the satisfaction of the performance obligation. The Organization has a 14 day return policy and exchanges are also allowed; however, refunds are not provided and customer will receive in-store credit only. Management has evaluated and does not believe a significant amount of returns or exchanges will occur that need to be recorded in the financial

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

*Revenue and Cost Recognition – Contracts with Customers, Continued*

statements. Revenues from merchandise sales are included on the Statements of Activities and Net Assets, all of which is recognized at a point in time. Costs related to contracts with customers include cost of materials, labor, and shipping costs associated with contract performance.

The Organization's restaurant sales are subject to ASU 2014-09 *Revenue from Contracts with Customers (Topic 606)*. Restaurant sales are based out of Cambodia and have fixed prices and contain a single performance obligation that is satisfied at the point in time when meals are provided. Customers pay at the time of the sale and revenue is recognized upon the satisfaction of the performance obligation. All sales are final and revenues from restaurant sales are included on the Statements of Activities and Net Assets, all of which is recognized at a point in time. Costs related to contracts with customers include cost of food and labor associated with contract performance.

Various economic factors can impact the nature, amount, timing and uncertainty of revenues and cash flows. The Organization is most susceptible to economic slowdown, as consumer spending tends to decline, ultimately impacting the Organization's revenues and cash flows from merchandise and restaurant sales.

Due to the nature of the Organization's merchandise and restaurant sales, there were no amounts classified as contract receivables, assets, or liabilities.

*Revenue Recognition - Contributions*

Contributions consist of general donations, grants, and sponsorships. The Organization accounts for contributions in accordance with accounting principles generally accepted in the United States of America. Contributions received are recorded as net assets with or without donor restrictions, 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 net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. This type of revenue is excluded from ASU 2014-09 *Revenue from Contract with Customer (Topic 606)*.

*Sales Tax*

The Organization collects sales tax from customers on applicable transactions and remits the entire amount to the governing state. The Organization's accounting policy is to include the sales tax as a liability when received.

*Net Asset Classification*

The financial statements have been prepared in accordance with 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 without donor restrictions and with donor restrictions.

**CENTER FOR GLOBAL IMPACT, INC.***Notes to the Financial Statements**June 30, 2021 and 2020***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED***Net Asset Classification, Continued*

The following classes of net assets are maintained:

**Without Donor Restrictions**

Net assets without donor restrictions includes the general assets of the Organization. The Organization's net assets without donor restrictions may be used at the discretion of management or the Board to support the Organization's purposes and operations. Without donor restrictions also includes board designated funds that are set aside to pay for board approved expenditures. These designated funds totaled \$26,618 and \$21,613 at June 30, 2021 and 2020, respectively.

**With Donor Restrictions**

Net assets with donor restrictions include 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. Net assets with donor restrictions are comprised of the following at June 30:

	<u>2021</u>	<u>2020</u>
Care of children and families at risk	\$ 1,932	\$ 1,772
Vocational training	15,180	-
Dominican Republic	<u>6,742</u>	<u>6,742</u>
Total net assets with donor restrictions	<u>\$ 23,854</u>	<u>\$ 8,514</u>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors were comprised of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Care of children and families at risk	\$ 30,115	\$ 267
Dominican Republic	<u>-</u>	<u>8,934</u>
Total restrictions released	<u>\$ 30,115</u>	<u>\$ 9,201</u>

*Functional Expenses*

Expenses have been classified as program services, management and general, 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.

**CENTER FOR GLOBAL IMPACT, INC.**

*Notes to the Financial Statements*

*June 30, 2021 and 2020*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

*Income Taxes*

The Organization 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, 2021 and 2020, 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 not 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, 2021 and 2020, 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, 2021 and 2020.

The Organization has filed its federal and state exempt income tax returns for periods through June 30, 2020. 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, 2018, 2019, and 2020, are open to examination at June 30, 2021.

*Subsequent Events*

Subsequent events have been evaluated by management through December 9, 2021, which is the date the financial statements were available to be issued.

**3. OPERATING LEASES**

The Organization has several operating leases for various buildings in Cambodia. Rent expense for these leases totaled \$12,707 and \$17,155 for the years ended June 30, 2021 and 2020, respectively, and are recorded as program expenses. These leases have various expiration dates through October 2023.

The Organization also leases a boutique in Franklin, Indiana. The lease expires in July 2022, with required monthly payments of \$2,750 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. Rent expense for this lease was \$33,000 for both years ended June 30, 2021 and 2020.

**CENTER FOR GLOBAL IMPACT, INC.***Notes to the Financial Statements**June 30, 2021 and 2020*

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**3. OPERATING LEASES, CONTINUED**

Future minimum lease commitments under operating leases are as follows at June 30, 2021 for the years ending June 30:

2022	\$	51,920
2023		<u>10,870</u>
	\$	<u>62,790</u>

**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. Assets donated are recognized at their fair value. These transactions are treated as non-cash transactions and are properly excluded from the statements of cash flows. The Organization benefited from in-kind fundraising items, accounting services, and gifts of grain during 2021 and 2020. These contributions were valued at \$8,066 and \$5,048 for the years ended June 30, 2021 and 2020, respectively. These were reported as in-kind contributions on the statements of activities and net assets, and as fundraising events, professional fees, and miscellaneous on the statements of functional expenses.

**5. LINE OF CREDIT**

The Organization has a line of credit with a bank. The line of credit has a maximum availability of \$75,000 and does not have an expiration date. The line of credit bears interest at Prime rate plus 1.67% (4.92% at June 30, 2021). There was no balance on the line of credit as of June 30, 2021 and 2020.

**6. NOTES PAYABLE**

In April 2020, the Company received loan proceeds in the amount of \$73,300 under the Paycheck Protection Program ("PPP"), which was set to mature in April 2022. Principal and interest payments were deferred under this loan until 10 months after the covered period (8 or 24 weeks after receipt of the loan). The PPP, established as part of the CARES Act, provided loans to qualifying businesses and organizations for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business or organization for the qualifying time period. The loan and accrued interest were forgivable after the applicable time period prescribed in the CARES Act as long as the borrower used the loan proceeds for eligible purposes, including payroll benefits, rent and utilities, and the borrower maintained its payroll levels. The Company received notice in March of 2021 that the entire balance of the loan was forgiven in the amount of \$73,300.

In February 2021, the Organization received a second PPP loan in the amount of \$73,900. Loan terms are identical to the terms described above other than the term of the loan is five years instead of two. Payments of principal and interest in the amount of \$1,734 are set to commence in July 2022.



**CENTER FOR GLOBAL IMPACT, INC.***Notes to the Financial Statements**June 30, 2021 and 2020*

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**6. NOTE PAYABLE, CONTINUED**

Aggregate maturities of long-term debt are as follows for the years ending June 30:

2022	\$	-
2023		19,167
2024		20,354
2025		20,559
2026		<u>13,820</u>
	\$	<u>73,900</u>

**INDEPENDENT ACCOUNTANT'S REPORT ON SUPPLEMENTARY INFORMATION**

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

The June 30, 2021 supplementary information contained in Exhibit I 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.

*SponseL CPA Group, LLC*

Indianapolis, Indiana  
December 9, 2021

**CENTER FOR GLOBAL IMPACT, INC.***Schedule of Net Assets With Donor Restrictions**For the Year Ended June 30, 2021**Exhibit I*

	<u>July 1, 2020</u>	<u>Contributions</u>	<u>Expenses</u>	<u>Change in Net Assets</u>	<u>June 30, 2021</u>
Care of Children and Families at Risk	\$ 1,772	\$ 30,275	\$ 30,115	\$ 160	\$ 1,932
Vocational Training	-	15,180	-	15,180	15,180
Dominican Republic	<u>6,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,742</u>
Total Net Assets With Donor Restrictions	<u>\$ 8,514</u>	<u>\$ 45,455</u>	<u>\$ 30,115</u>	<u>\$ 15,340</u>	<u>\$ 23,854</u>