



**GLOBAL BIBLE INITIATIVE,
INC.**

FINANCIAL STATEMENTS

With Independent Auditor's Report

December 31, 2017 and 2016

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GLOBAL BIBLE INITIATIVE

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INDEPENDENT AUDITOR'S REPORT

**Board of Directors
Global Bible Initiative, Inc.
Grandville, Michigan**

I have audited the accompanying statements of financial position of Global Bible Initiative, Inc. (a nonprofit organization), as of December 31, 2017 and 2016, the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

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 of material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY


My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Global Bible Initiative, Inc. as of December 31, 2017 and 2016 and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


Wyoming, Michigan
August 2, 2018

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GLOBAL BIBLE INITIATIVE, INC.

Statements of Financial Position

	December 31,	
	2017	2016
ASSETS		
Cash and cash equivalents	\$ 4,120	\$ 230,242
Prepaid expenses	-	1,000
	4,120	231,242
Property and equipment		
Assets in development		
Chinese Standard Bible	-	270,334
Myanmar Standard Bible	-	22,528
Special projects	51,470	51,363
Technology	120,929	37,467
Website	53,545	53,545
Accumulated depreciation	(14,279)	(3,570)
	211,665	431,667
Total Assets	\$ 215,785	\$ 662,909
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 10,026	\$ 173,347
Accrued payroll and taxes	42,496	-
Total liabilities	52,522	173,347
Net Assets		
Unrestricted	163,263	489,562
Total Net Assets	163,263	489,562
Total Liabilities and Net Assets	\$ 215,785	\$ 662,909

See accompanying notes and independent auditor's report

GLOBAL BIBLE INITIATIVE, INC.

Statements of Activities

	For the Years Ended December 31,	
	2017	2016
	Unrestricted	Unrestricted
SUPPORT AND REVENUE		
Contributions	\$ 887,053	\$ 846,329
Interest income	327	-
Total Support and Revenue	<u>887,380</u>	<u>846,329</u>
EXPENSES		
Program services	1,058,297	287,015
Management and general	90,350	34,367
Fund-raising	<u>65,032</u>	<u>35,385</u>
Total Expenses	<u>1,213,679</u>	<u>356,767</u>
Change in Net Assets	(326,299)	489,562
Net Assets, Beginning of Year	<u>489,562</u>	<u>-</u>
Net Assets, End of Year	<u>\$ 163,263</u>	<u>\$ 489,562</u>

See accompanying notes and independent auditor's report

GLOBAL BIBLE INITIATIVE, INC.

Statements of Functional Expenses

For the Years Ended December 31,

	2017				2016			
	Program Services	Management and General	Fund-raising	Totals	Program Services	Management and General	Fund-raising	Totals
Compensation and benefits	\$ 66,556	\$ 44,754	\$ 41,633	\$ 152,943	\$ 44,767	\$ 17,906	\$ 26,859	\$ 89,532
Professional fees - legal	-	7,979	-	7,979	-	5,411	-	5,411
Professional fees - accounting	-	10,625	-	10,625	-	-	-	-
Contracted services	256,440	-	-	256,440	234,445	1,221	1,488	237,154
Release of responsibility of CSB and MSB development to GrapeCity	710,169	-	-	710,169	-	-	-	-
Advertising and promotion	1,316	-	2,032	3,348	2,374	-	1,608	3,982
Office	-	6,229	-	6,229	-	4,183	-	4,183
Information technology	-	3,283	-	3,283	-	868	-	868
Occupancy	-	800	-	800	-	-	-	-
Travel	12,800	2,845	12,801	28,446	4,639	1,032	4,639	10,310
Insurance	-	1,222	-	1,222	-	-	-	-
Depreciation	-	10,709	-	10,709	-	3,570	-	3,570
Meals and entertainment	8,566	1,904	8,566	19,036	790	176	791	1,757
Direct program	2,450	-	-	2,450	-	-	-	-
Total Expenses	<u>\$ 1,058,297</u>	<u>\$ 90,350</u>	<u>\$ 65,032</u>	<u>\$ 1,213,679</u>	<u>\$ 287,015</u>	<u>\$ 34,367</u>	<u>\$ 35,385</u>	<u>\$ 356,767</u>

See accompanying notes and independent auditor's report

GLOBAL BIBLE INITIATIVE, INC.

Statements of Cash Flows

	For the Years Ended December 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (326,299)	\$ 489,562
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	10,709	3,570
Release of responsibility for assets in development	292,862	-
Change in:		
Prepaid expenses	1,000	(1,000)
Accounts payable	(163,321)	173,347
Accrued payroll and payroll taxes	42,496	-
	(142,553)	665,479
Net Cash (Used) Provided by Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(83,569)	(435,237)
Net Cash Used By Investing Activities	(83,569)	(435,237)
Change in Cash and Cash Equivalents	(226,122)	230,242
Cash and Cash Equivalents, Beginning of Year	230,242	-
Cash and Cash Equivalents, End of Year	\$ 4,120	\$ 230,242

See accompanying notes and independent auditor's report

GLOBAL BIBLE INITIATIVE, INC.

Notes to Financial Statements

December 31, 2017 and 2016

1. NATURE OF ORGANIZATION

The vision of Global Bible Initiative (GBI) is expressed in Habakkuk 2:14: “The earth will be filled with the knowledge of the glory of the Lord as the waters cover the sea.” To ensure that everyone everywhere has access to God’s Word in their own language, GBI has developed a Bible translation software platform which, combined with its biblical and linguistic data, will enable translators around the world to end Bible poverty.

GBI is also committed to upgrading the Bible translations of languages with antiquated or inadequate Bible translations, which no longer speak effectively to today’s younger generations. GBI’s goal is to create “better seed” (readable, reliable translations) in these gateway languages resulting in a “bigger harvest” of people who place their faith in the Lord Jesus Christ and experience the transformation that comes from following Him. These majority language translations also provide a bridge to enable the completion of minority language translations of the Bible.

GBI was incorporated in July 2016 under the laws of the state of Michigan to operate as a charitable organization within the meaning of section 501(c)(3) of the Internal Revenue Code (code). It is exempt from federal and state income taxes, and contributions by the public are deductible within the limitations prescribed by the code. GBI has been classified as a public organization that is not a private foundation under section 509(a) of the code.

GBI is supported primarily through charitable contributions.

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared using the accrual basis of accounting. The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates. The more significant accounting policies are summarized below.

CASH AND CASH EQUIVALENTS

Cash consists of all cash on deposit and a money market account. Balances in the bank accounts may at times exceed federally insured limits. GBI has not experienced any losses in these accounts and management believes it is not exposed to any significant credit risk.

PREPAID EXPENSES

Prepaid expenses at December 31, 2016 consist of consulting fees which were paid prior to the end of the fiscal year but which benefit the following fiscal year.

PROPERTY AND EQUIPMENT

Property and equipment is reported at cost, estimated cost or fair value. Expenditures for property and equipment in excess of \$2,500 and having estimated useful lives of three years or more are capitalized at cost when purchased. Donated items are reported at their estimated fair values as of the date the gifts are received. Depreciation is reported using the straight-line method over the estimated useful lives of the assets, which is five years for website development costs. Depreciation expense was \$10,709 and \$3,570 for the years ended December 31, 2017 and 2016, respectively.

GLOBAL BIBLE INITIATIVE, INC.

Notes to Financial Statements

December 31, 2017 and 2016

2. SIGNIFICANT ACCOUNTING POLICIES, continued

PROPERTY AND EQUIPMENT, continued

Included in property and equipment are website development costs and translation software development costs. The design, images and videography for the GBI website (www.globalbibleinitiative.org) were provided by a separate entity over an eight-month period ending on September 1, 2016. These assets became the property of GBI upon payment of the invoices. The translation software development is ongoing. Up until December 2017, this work was being directed by GBI staff and executed by an external software development contractor, GrapeCity. GBI had exclusive rights to use the software and license it to others. Therefore, because it was anticipated that the money invested by GBI in the translation software would provide future benefits for GBI, the costs were being accumulated as assets in development. The agreement of GrapeCity continuing software development and GBI receiving rights to the Chinese Standard Bible and Myanmar Standard Bible was terminated in December 2017; therefore, GBI expensed the values of these two translation projects (\$710,169) as of December 31, 2017 since GBI released its responsibility for them. The Special Projects and Technology assets remain as GBI will continue ownership and development of the software for scalability and future project use.

NET ASSETS

The financial statements report amounts by class of net assets as follows:

UNRESTRICTED NET ASSETS are those currently available for ministry purposes under the direction of the board (undesigned net assets) and those designated by the board for specific use.

TEMPORARILY RESTRICTED NET ASSETS are those subject to donor-imposed stipulations that may or will be met either by actions of GBI or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. To date GBI has received no temporarily restricted contributions.

PERMANENTLY RESTRICTED NET ASSETS result from contributions whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be removed by actions of the GBI board or its management. To date GBI has received no permanently restricted contributions.

SUPPORT AND REVENUE

Contributions are recorded when cash is received, unconditional promises are made or when ownership of donated assets is transferred. All contributions are considered available for unrestricted use unless specifically restricted by the donor or subject to legal restrictions. Contributions are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Contributions of assets other than cash and services are reported at their estimated fair value. GBI reports donations of property and equipment as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Property and equipment donated with restrictions regarding their use and contributions of cash to acquire property are reported as restricted support. Absent any donor stipulations, these restrictions expire when the asset is acquired and placed in service, and a reclassification is made from temporarily restricted net assets to unrestricted net assets at that time.

All other revenues are recorded when earned.

GLOBAL BIBLE INITIATIVE, INC.

Notes to Financial Statements

December 31, 2017 and 2016

2. SIGNIFICANT ACCOUNTING POLICIES, continued

CONTRIBUTED SERVICES

GBI depends on volunteer support to perform administrative and clerical functions and participate on the board of directors and other committees. During the years ended December 31, 2017 and 2016, thirteen and eleven unpaid volunteers contributed an estimated 1,260 and 4,500 hours, respectively. For the years ended December 31, 2017 and 2016, management estimates the total value of volunteer services to be approximately \$25,200 and \$90,000, respectively. However, the value of these services is not reflected in the financial statements because the services do not meet the definition of donated professional services under generally accepted accounting principles.

FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are reported when incurred. The cost of providing the various program services and supporting activities have been presented on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities, benefitting from those expenditures.

ADVERTISING

GBI expenses advertising costs as they are incurred. Total advertising costs were \$2,032 and \$1,608 for the years ended December 31, 2017 and 2016, respectively.

3. LEASE

GBI leased office space effective September 2017 on a month-to-month basis, requiring monthly payments of \$200. Total lease expense for the year ended December 31, 2017 was \$800.

4. CONCENTRATION

For the years ended December 31, 2017 and 2016, the top five donors provided 96 and 90 percent of total contributions, respectively.

5. RELATED PARTY TRANSACTIONS

GBI utilized the services of a consulting organization owned by a member of GBI's Mission Board to help develop financial processes for the organization, to which GBI paid \$1,125 during the year ended December 31, 2017.

GBI utilized the services of a consultant, a member of GBI's Vision Board, for facilitating FLOW training for new employees, to which GBI paid \$2,000 during the year ended December 31, 2017.

GBI utilized the services of a consulting firm owned by a member of GBI's Vision Board to help with strategic direction, to which GBI paid \$1,000 and \$12,000 during the years ended December 31, 2017 and 2016, respectively.

6. SUBSEQUENT EVENTS

Management has evaluated for potential recognition or disclosure in these financial statements subsequent events and transactions occurring through August 2, 2018, the date these financial statements were available to be issued. No such significant events or transactions were identified.