



**GLOBAL BIBLE INITIATIVE,
INC.**

FINANCIAL STATEMENTS

With Independent Auditor's Report

December 31, 2018 and 2017

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GLOBAL BIBLE INITIATIVE, INC.

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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, 2018 and 2017, 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, 2018 and 2017 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 27, 2019

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GLOBAL BIBLE INITIATIVE, INC.

Statements of Financial Position

	December 31,	
	2018	2017
ASSETS		
Cash and cash equivalents	\$ 5,664	\$ 4,120
Contributions receivable	1,261,496	-
Prepaid expense	9,533	-
	1,276,693	4,120
Property and equipment		
Assets in development	348,691	172,399
Website	53,545	53,545
Accumulated depreciation	(24,988)	(14,279)
	377,248	211,665
Total Assets	\$ 1,653,941	\$ 215,785
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 10,273	\$ 10,026
Accrued payroll and taxes	46,188	42,496
Total liabilities	56,461	52,522
Net Assets		
Without donor restrictions	397,480	163,263
With donor restrictions		
For 2019 fiscal year operations	1,200,000	-
Total Net Assets	1,597,480	163,263
Total Liabilities and Net Assets	\$ 1,653,941	\$ 215,785

See accompanying notes and independent auditor's report

GLOBAL BIBLE INITIATIVE, INC.

Statements of Activities

For the Years Ended December 31,

	2018			2017
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions
SUPPORT AND REVENUE				
Contributions	\$ 680,129	\$ 1,200,000	\$ 1,880,129	\$ 887,053
In-kind contributions	40,620	-	40,620	3,540
Interest income	5	-	5	327
Total Support and Revenue	720,754	1,200,000	1,920,754	890,920
EXPENSES				
Program services	193,556	-	193,556	1,058,297
Management and general	208,107	-	208,107	93,890
Fund-raising	84,874	-	84,874	65,032
Total Expenses	486,537	-	486,537	1,217,219
Change in Net Assets	234,217	1,200,000	1,434,217	(326,299)
Net Assets, Beginning of Year	163,263	-	163,263	489,562
Net Assets, End of Year	\$ 397,480	\$ 1,200,000	\$ 1,597,480	\$ 163,263

See accompanying notes and independent auditor's report

GLOBAL BIBLE INITIATIVE, INC.

Statements of Functional Expenses

For the Years Ended December 31,

	2018				2017			
	Program Services	Management and General	Fund-raising	Totals	Program Services	Management and General	Fund-raising	Totals
Compensation and benefits	\$ 106,396	\$ 136,794	\$ 60,797	\$ 303,987	\$ 66,556	\$ 44,754	\$ 41,633	\$ 152,943
Other employee benefits	9,806	12,607	5,603	28,016	-	-	-	-
Professional fees - legal	-	11,458	-	11,458	-	7,979	-	7,979
Professional fees - accounting	-	7,075	2,358	9,433	-	10,625	-	10,625
Contracted services	60,082	6,676	-	66,758	256,440	-	-	256,440
Release of responsibility of CSB and MSB development to Contractor	-	-	-	-	710,169	-	-	710,169
Advertising and promotion	-	-	2,592	2,592	1,316	-	2,032	3,348
Office	786	3,995	1,459	6,240	-	6,229	-	6,229
Information technology	-	4,649	2,428	7,077	-	3,283	-	3,283
Occupancy	-	14,378	-	14,378	-	4,340	-	4,340
Travel	5,140	4,284	7,711	17,135	12,800	2,845	12,801	28,446
Conferences, conventions and meetings	207	414	207	828	-	-	-	-
Interest	-	76	-	76	-	-	-	-
Insurance	-	3,553	-	3,553	-	1,222	-	1,222
Depreciation	10,709	-	-	10,709	-	10,709	-	10,709
Meals and entertainment	430	2,148	1,719	4,297	8,566	1,904	8,566	19,036
Direct program	-	-	-	-	2,450	-	-	2,450
Total Expenses	\$ 193,556	\$ 208,107	\$ 84,874	\$ 486,537	\$ 1,058,297	\$ 93,890	\$ 65,032	\$ 1,217,219

See accompanying notes and independent auditor's report

GLOBAL BIBLE INITIATIVE, INC.

Statements of Cash Flows

	For the Years Ended December 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,434,217	\$ (326,299)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	10,709	10,709
Release of responsibility for assets in development	-	292,862
Change in:		
Contributions receivable	(1,261,496)	-
Prepaid expenses	(9,533)	1,000
Accounts payable	247	(163,321)
Accrued payroll and payroll taxes	3,692	42,496
Net Cash Provided (Used) by Operating Activities	177,836	(142,553)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(176,292)	(83,569)
Net Cash Used By Investing Activities	(176,292)	(83,569)
Change in Cash and Cash Equivalents	1,544	(226,122)
Cash and Cash Equivalents, Beginning of Year	4,120	230,242
Cash and Cash Equivalents, End of Year	\$ 5,664	\$ 4,120

See accompanying notes and independent auditor's report

GLOBAL BIBLE INITIATIVE, INC.

Notes to Financial Statements

December 31, 2018 and 2017

1. NATURE OF ORGANIZATION

Global Bible Initiative, Inc. (GBI) is a Bible translation and technology organization that leverages innovations in computer science, linguistics and Biblical scholarship to accelerate Bible translation without compromising quality. GBI harnesses new technology through collaboration with other Bible translation agencies and empowers the Church to translate the Bible for themselves, but not by themselves. The vision of GBI is to enable the Church to fulfill its God-given stewardship of God's Word so that "the earth will be filled with the knowledge of the glory of the Lord as the waters cover the sea" Habakkuk 2:14.

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.

CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are recognized as income when made and reported at fair value based upon estimated future cash flows. Unconditional promises to give expected to be collected within one year are reported at net realizable value because the present value of estimated cash flows approximates net realizable value. Unconditional promises to give expected to be collected in future years are reported at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk free interest rates applicable to the years in which the promises are expected to be received. This discount rate is based on yields of U.S. treasury bills corresponding to the timing of the expected collection of contributions receivable. Amortization of the discount is included in contribution revenue in the statements of activities. Management believes the contribution receivable balance is fully collectible at December 31, 2018; there is, therefore, no allowance for doubtful promises to give.

GLOBAL BIBLE INITIATIVE, INC.

Notes to Financial Statements

December 31, 2018 and 2017

2. SIGNIFICANT ACCOUNTING POLICIES, continued

PREPAID EXPENSE

Prepaid expense at December 31, 2018 consists of insurance premiums 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 for the both years ended December 31, 2018 and 2017.

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. Up until December 2017, this work was being directed by GBI staff and executed by an external software development contractor. 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 with the contractor 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.

Translation software development is an integral element of GBI's program efforts and thus some program costs incurred throughout the year are capitalized. Total development costs capitalized during the years ended December 31, 2018 and 2017 were \$176,292 and \$500,876, respectively.

NET ASSETS

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes in net assets therein are classified as reported as follows:

NET ASSETS WITHOUT DONOR RESTRICTIONS are net assets available for use in general operations and not subject to donor or certain grantor-imposed restrictions. The governing board has not designated any net assets without donor restrictions for specific purposes.

NET ASSETS WITH DONOR RESTRICTIONS are net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource for which the resource was restricted has been fulfilled or both.

GLOBAL BIBLE INITIATIVE, INC.

Notes to Financial Statements

December 31, 2018 and 2017

2. SIGNIFICANT ACCOUNTING POLICIES, continued

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.

IN-KIND CONTRIBUTIONS

During the years ended December 31, 2018 and 2017, GBI recognized \$10,620 and \$3,540, respectively, as in-kind contributions, reflecting the difference between the fair market value of office space and the rent paid as per the rental agreement.

For the year ended December 31, 2018, contributed services requiring specialized skills are reflected in the statements of activities and the additions to property and equipment at their estimated fair value of \$30,000. These services include software consulting and coding and legal services.

GBI also depends on volunteer support to perform administrative and clerical functions and for participation on the board of directors and committees. During the years ended December 31, 2018 and 2017, eight and thirteen unpaid volunteers contributed an estimated 850 and 1,260 hours, respectively, having an estimated value approximately \$21,600 and \$32,000, 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, based on the use of facilities, level of support effort or the relative benefit received by each of the programs and supporting ministries.

ADVERTISING

GBI expenses advertising costs as they are incurred. Total advertising costs were \$2,591 and \$2,032 for the years ended December 31, 2018 and 2017, respectively.

GLOBAL BIBLE INITIATIVE, INC.

Notes to Financial Statements

December 31, 2018 and 2017

2. SIGNIFICANT ACCOUNTING POLICIES, continued

RECLASSIFICATIONS

Certain reclassifications, specifically changes in the functional allocation of expenses, have been made to the prior year's financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported activities or net assets.

CHANGE IN ACCOUNTING PRINCIPLE

On August 18, 2016, The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources and the lack of consistency in the type of information provided about expenses and investment return. GBI has adopted ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

LIQUIDITY AND AVAILABILITY

GBI has financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure as detailed below. The amounts shown below are net of financial assets required to meet donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

	December 31,	
	2018	2017
Cash	\$ 5,664	\$ 4,120
Contributions receivable	1,261,496	-
Less: net assets with donor restrictions	(1,200,000)	-
	<u>\$ 67,160</u>	<u>\$ 4,120</u>

GBI maintains bank checking and money market accounts for liquidity management.

3. CONTRIBUTIONS RECEIVABLE

During the year ended December 31, 2018, GBI received seven promises to give a total of \$1,261,496 to support operations during 2019. See Note 2 for a description of the accounting policy for contributions receivable. These promises to give are due to be collected during 2019 and are reported as contributions receivable in the accompanying statements of financial position.

4. LEASE

Effective September 2017, GBI is leasing office space on a month-to-month basis, requiring monthly payments of \$200. The fair market value of the lease is estimated at \$1,085 per month; thus, the difference is being recorded as a gift-in-kind. Total lease expense for the years ended December 31, 2018 and 2017 was \$13,020 and \$3,659, respectively

5. CONCENTRATION

For the years ended December 31, 2018 and 2017, the top five donors provided 97 and 96 percent of total contributions, respectively.

GLOBAL BIBLE INITIATIVE, INC.

Notes to Financial Statements

December 31, 2018 and 2017

6. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2018, GBI received and paid back short-term loans (less than 30 days) to members of the board for a total of \$30,000. There were no similar transactions during the year ended December 31, 2017.

GBI utilized the services of consulting organizations owned by members of GBI's Board to provide services such as strategic direction, financial processes and policies, and branding. These services in total were \$6,560 and \$15,125 for the years ended December 31, 2018 and 2017, respectively

7. SUBSEQUENT EVENTS

Management has evaluated for potential recognition or disclosure in these financial statements subsequent events and transactions occurring through August 27, 2019, the date these financial statements were available to be issued. No such significant events or transactions were identified.