



**GLOBAL BIBLE INITIATIVE,  
INC.**

**FINANCIAL STATEMENTS**

**With Independent Auditors' Report**

**December 31, 2019 and 2018**

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INC.**

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# GLOBAL BIBLE INITIATIVE, INC.

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of Global Bible Initiative, Inc. (a nonprofit organization), as of December 31, 2019 and 2018, 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.

### AUDITORS' RESPONSIBILITY

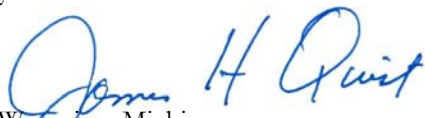
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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 auditors' 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 auditors consider 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our 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, 2019 and 2018 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  
September 2, 2020

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# GLOBAL BIBLE INITIATIVE, INC.

## Statements of Financial Position

	December 31,	
	2019	2018
ASSETS		
Cash and cash equivalents	\$ 251,037	\$ 5,664
Contributions receivable	916,738	1,261,496
Prepaid expense	12,817	9,533
	1,180,592	1,276,693
Property and equipment		
Assets in development	1,020,488	348,691
Equipment	3,448	-
Website	53,545	53,545
Accumulated depreciation	(35,927)	(24,988)
	1,041,554	377,248
Total Assets	\$ 2,222,146	\$ 1,653,941
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 20,134	\$ 10,273
Accrued payroll and taxes	53,287	46,188
Total liabilities	73,421	56,461
Net Assets		
Without donor restrictions	1,238,725	397,480
With donor restrictions		
For operations	910,000	1,200,000
Total Net Assets	2,148,725	1,597,480
Total Liabilities and Net Assets	\$ 2,222,146	\$ 1,653,941

See accompanying notes and independent auditors' report

## GLOBAL BIBLE INITIATIVE, INC.

### Statements of Activities

For the Years Ended December 31,

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 271,903	\$ 910,000	\$ 1,181,903	\$ 680,129	\$ 1,200,000	\$ 1,880,129
In-kind contributions	19,120	-	19,120	40,620	-	40,620
Fund-raisers	32,211	-	32,211	-	-	-
Interest income	1,634	-	1,634	5	-	5
Total Support and Revenue	324,868	910,000	1,234,868	720,754	1,200,000	1,920,754
RECLASSIFICATIONS						
Net assets released for satisfaction of purpose restrictions	1,200,000	(1,200,000)	-	-	-	-
Total Support, Revenue and Reclassifications	1,524,868	(290,000)	1,234,868	720,754	1,200,000	1,920,754
EXPENSES						
Program services	178,782	-	178,782	193,556	-	193,556
Management and general	212,619	-	212,619	208,107	-	208,107
Fund-raising	292,222	-	292,222	84,874	-	84,874
Total Expenses	683,623	-	683,623	486,537	-	486,537
Change in Net Assets	841,245	(290,000)	551,245	234,217	1,200,000	1,434,217
Net Assets, Beginning of Year	397,480	1,200,000	1,597,480	163,263	-	163,263
Net Assets, End of Year	\$ 1,238,725	\$ 910,000	\$ 2,148,725	\$ 397,480	\$ 1,200,000	\$ 1,597,480

See accompanying notes and independent auditors' report

# GLOBAL BIBLE INITIATIVE, INC.

## Statements of Functional Expenses

For the Years Ended December 31,

	2019				2018			
	Program Services	Management and General	Fund-raising	Totals	Program Services	Management and General	Fund-raising	Totals
Compensation and benefits	\$ 88,085	\$ 113,985	\$ 187,471	\$ 389,541	\$ 106,396	\$ 136,794	\$ 60,797	\$ 303,987
Other employee benefits	28,421	36,777	60,488	125,686	9,806	12,607	5,603	28,016
Professional fees - legal	-	-	-	-	-	11,458	-	11,458
Professional fees - accounting	-	10,028	-	10,028	-	7,075	2,358	9,433
Contracted services	26,666	10,529	82	37,277	60,082	6,676	-	66,758
Advertising and promotion	-	-	2,809	2,809	-	-	2,592	2,592
Office	664	1,212	903	2,779	786	3,995	1,459	6,240
Information technology	5,636	9,999	8,404	24,039	-	4,649	2,428	7,077
Occupancy	3,703	9,535	-	13,238	-	14,378	-	14,378
Travel	11,913	11,914	10,211	34,038	5,140	4,284	7,711	17,135
Conferences, conventions and meetings	2,148	143	573	2,864	207	414	207	828
Interest	-	271	-	271	-	76	-	76
Insurance	-	5,191	-	5,191	-	3,553	-	3,553
Depreciation	10,939	-	-	10,939	10,709	-	-	10,709
Meals and entertainment	607	3,035	3,946	7,588	430	2,148	1,719	4,297
Fundraisers	-	-	17,335	17,335	-	-	-	-
<b>Total Expenses</b>	<b>\$ 178,782</b>	<b>\$ 212,619</b>	<b>\$ 292,222</b>	<b>\$ 683,623</b>	<b>\$ 193,556</b>	<b>\$ 208,107</b>	<b>\$ 84,874</b>	<b>\$ 486,537</b>

See accompanying notes and independent auditors' report

# GLOBAL BIBLE INITIATIVE, INC.

## Statements of Cash Flows

	For the Years Ended December 31,	
	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 551,245	\$ 1,434,217
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,939	10,709
Change in:		
Contributions receivable	344,758	(1,261,496)
Prepaid expense	(3,284)	(9,533)
Accounts payable	9,861	247
Accrued payroll and payroll taxes	7,099	3,692
	920,618	177,836
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(675,245)	(176,292)
	(675,245)	(176,292)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loans	-	30,000
Loan principal payments	-	(30,000)
	-	-
Change in Cash and Cash Equivalents	245,373	1,544
Cash and Cash Equivalents, Beginning of Year	5,664	4,120
Cash and Cash Equivalents, End of Year	\$ 251,037	\$ 5,664

See accompanying notes and independent auditors' report



# GLOBAL BIBLE INITIATIVE, INC.

## Notes to Financial Statements

December 31, 2019 and 2018

### 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, 2019 and 2018; there is, therefore, no allowance for doubtful promises to give.

#### PREPAID EXPENSE

Prepaid expense at December 31, 2019 and 2018 consists of insurance premiums which were paid prior to the end of the fiscal year but which benefit the following fiscal year.

# GLOBAL BIBLE INITIATIVE, INC.

## Notes to Financial Statements

December 31, 2019 and 2018

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### 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 \$10,939 and \$10,709, respectively, for the years ended December 31, 2019 and 2018.

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, 2019 and 2018 were \$671,797 and \$176,292, 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.

#### 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, 2019 and 2018

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### IN-KIND CONTRIBUTIONS

During the year ended December 31, 2019, GBI received an in-kind contribution of office equipment having an estimated fair value of \$1,500.

During both years ended December 31, 2019 and 2018, GBI recognized \$10,620 as in-kind contributions, reflecting the difference between the estimated fair value of office space and the rent paid as per the rental agreement.

For the years ended December 31, 2019 and 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 \$7,000 and \$30,000, respectively. These services include software consulting and advertising services during the year ended December 31, 2019 and software consulting, coding and legal services during the year ended December 31, 2018.

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, 2019 and 2018, eleven and eight unpaid volunteers contributed an estimated 1,200 and 850 hours, respectively, having an estimated value approximately \$30,700 and \$21,600, 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, that is, when the purchased goods or services have been received.

The costs of program, management and fund-raising activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program, management and fund-raising activities benefitting from those expenditures.

Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. At GBI, the methods used to allocate costs among program and support functions vary depending upon the nature of the expense category. Compensation related expenses are allocated based on proportional estimates of paid time spent in each functional area of performance. Occupancy and depreciation costs are allocated to each functional area based on proportional estimates of facility and equipment usage. Other expenses are allocated based on the guidelines defining the nature of the program, management or fund-raising expenses and the associated estimates of time and effort.

#### ADVERTISING

GBI expenses advertising costs as they are incurred. Total advertising costs were \$170 and \$2,591 for the years ended December 31, 2019 and 2018, respectively.

# GLOBAL BIBLE INITIATIVE, INC.

## Notes to Financial Statements

December 31, 2019 and 2018

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### 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,	
	2019	2018
Cash and cash equivalents	\$ 251,037	\$ 5,664
Contributions receivable	916,738	1,261,496
Less: net assets with donor restrictions	<u>(910,000)</u>	<u>(1,200,000)</u>
	<u>\$ 257,775</u>	<u>\$ 67,160</u>

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

### 3. CONTRIBUTIONS RECEIVABLE

During the years ended December 31, 2019 and 2018, GBI received fourteen and six promises to give totaling \$916,738 and \$1,261,496, respectively, to support operations in the following year. These promises to give are expected to be received within twelve months of the fiscal year-end. See Note 2 for a description of the accounting policy for contributions receivable.

### 4. NET ASSETS WITH DONOR RESTRICTIONS

Changes in and year-end balances of net assets with donor restrictions are as follows:

	December 31,	Contributions	Released	December 31,
	2017		From	2018
Operations (time restricted)	<u>\$ -</u>	<u>\$ 1,200,000</u>	<u>Restriction</u>	<u>\$ 1,200,000</u>
	December 31,	Contributions	Released	December 31,
	2018		From	2019
Operations (time restricted)	<u>\$ 1,200,000</u>	<u>\$ 901,200</u>	<u>Restriction</u>	<u>\$ 910,000</u>

### 5. LEASE

GBI leases office space on a month-to-month basis, requiring monthly payments of \$200. The estimated fair value of the lease is estimated to be \$1,085 per month; thus, the difference is being recorded as an in-kind contribution. Total lease expense for both years ended December 31, 2019 and 2018 was \$13,020.

# GLOBAL BIBLE INITIATIVE, INC.

## Notes to Financial Statements

December 31, 2019 and 2018

### 6. EMPLOYEE BENEFIT PLANS

Effective July 2019, GBI adopted a 401(k) defined contribution retirement plan for its employees, contributing into the plan a match of up to four percent of employee compensation. During the year ended December 31, 2019, GBI made an additional one-time only one percent contribution to the plan. Total contributions to the plan during the year ended December 31, 2019 were \$19,437.

### 7. CONCENTRATION

For the years ended December 31, 2019 and 2018, the top five donors provided 94 and 97 percent of total contributions, respectively.

### 8. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year ended December 31, 2019.

During the year ended December 31, 2018, GBI received and paid back short-term loans (less than 30 days) totaling \$30,000 to members of the board.

During the year ended December 31, 2018, GBI paid a total of \$6,560 to consulting organizations owned by members of GBI's Board for services related to strategic direction, financial processes and policies and branding.

### 9. SUBSEQUENT EVENTS

Management has evaluated for potential recognition or disclosure in these financial statements subsequent events and transactions occurring through September 2, 2020, the date these financial statements were available to be issued.

The COVID-19 pandemic has cast uncertainty over virtually everything. Because of this uncertainty, GBI applied for and received \$81,000 from the federal Paycheck Protection Program in an effort to bolster cash flow as well as to continue to provide ongoing compensation to GBI's employees. While the long-term effects of the pandemic could negatively affect GBI's financial position, cash flows and results of activities, any such effects cannot be reasonably estimated at this time.