

***GLOBAL PARTNERS FOR  
DEVELOPMENT***

Financial Report  
March 31, 2016

***VICTORIA MWANGI, CPA  
dba VM ACCOUNTING SERVICES***

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Victoria W. Mwangi, CPA  
dba VM Accounting Services

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

July 26, 2016

Board of Directors  
Global Partners for Development  
Rohnert Park, California

I have reviewed the accompanying financial statements of **Global Partners for Development** (a nonprofit organization), which comprise the statement of financial position as of March 31, 2016, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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, I do not express such an opinion.

**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 from material misstatement whether due to fraud or error.

**Accountant's Responsibility**

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

**Accountant's Conclusion**

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



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VM Accounting Services.  
Certified Public Accountant

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# **GLOBAL PARTNERS FOR DEVELOPMENT**

## **STATEMENT OF FINANCIAL POSITION MARCH 31, 2016**

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	<b><u>ASSETS</u></b>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 451,183	\$ 196,067	\$ 16,880	\$ 664,130
Contributions receivable	37,080	41,325	-	78,405
Total current assets	<u>488,263</u>	<u>237,392</u>	<u>16,880</u>	<u>742,535</u>
<b>OTHER ASSETS</b>				
Equipment and furniture, net	<u>1,201</u>	<u>-</u>	<u>-</u>	<u>1,201</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 489,464</u></u>	<u><u>\$ 237,392</u></u>	<u><u>\$ 16,880</u></u>	<u><u>\$ 743,736</u></u>

### **LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>				
Accounts payable & credit cards	\$ 11,388	\$ -	\$ -	\$ 11,388
Accrued payroll expenses	<u>6,045</u>	<u>-</u>	<u>-</u>	<u>6,045</u>
Total current liabilities	17,433	-	-	17,433
<b>NET ASSETS</b>	<u>472,031</u>	<u>237,392</u>	<u>16,880</u>	<u>\$ 726,303</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u><u>\$ 489,464</u></u>	<u><u>\$ 237,392</u></u>	<u><u>\$ 16,880</u></u>	<u><u>\$ 743,736</u></u>

See accompanying notes and accountant's report

## **GLOBAL PARTNERS FOR DEVELOPMENT**

### **STATEMENT OF ACTIVITIES YEAR ENDED MARCH 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>SUPPORT, REVENUE AND OTHER INCOME</b>				
Contributions, cash and non-cash	\$ 591,486	\$ 175,303	\$ -	\$ 766,789
Special events	30,207	96,020	-	126,227
Other income	(21,092)	-	-	(21,092)
Net assets released from restriction	<u>510,144</u>	<u>(510,144)</u>	<u>-</u>	<u>-</u>
<b>TOTAL SUPPORT, REVENUE, AND OTHER INCOME</b>	<u>1,110,745</u>	<u>(238,821)</u>	<u>-</u>	<u>871,924</u>
<b>EXPENSES</b>				
Program expenses	660,052	-	-	660,052
Management and general Development	56,821	-	-	56,821
Cost of direct benefits to donors	20,710	-	-	20,710
Development, other expenses	<u>74,798</u>	<u>-</u>	<u>-</u>	<u>74,798</u>
<b>TOTAL EXPENSES</b>	<u>812,381</u>	<u>-</u>	<u>-</u>	<u>812,381</u>
<b>CHANGE IN NET ASSETS</b>	298,364	(238,821)	-	59,543
<b>NET ASSETS, April 1, 2015</b>	<u>173,667</u>	<u>476,213</u>	<u>16,880</u>	<u>666,760</u>
<b>NET ASSETS, March 31, 2016</b>	<u>\$ 472,031</u>	<u>\$ 237,392</u>	<u>\$ 16,880</u>	<u>\$ 726,303</u>

See accompanying notes and accountant's report

## **GLOBAL PARTNERS FOR DEVELOPMENT**

### **STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2016**

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#### CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$	59,543
Adjustments to reconcile change in net assets to cash flows from operating activities		
Uncollectible contribution receivable		21,450
Non-cash contributions of real property and other assets		(351,176)
Loss on sale of real property		22,256
Depreciation		697
Increase in contributions receivable		11,551
Increase in accounts payable & credit card		(1,918)
Increase in payroll expenses		1,319

NET CASH USED BY OPERATING ACTIVITIES (236,278)

NET CASH INVESTING ACTIVITIES, proceeds from sale of real property

327,744

NET INCREASE IN CASH

91,466

CASH AND CASH EQUIVALENTS , April 1, 2015

572,664

CASH AND CASH EQUIVALENTS, March 31, 2016

\$ 664,130

See accompanying notes and accountant's report

## **GLOBAL PARTNERS FOR DEVELOPMENT**

### **STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED MARCH 31, 2016**

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		Support Services		
	<u>Programs</u>	<u>Fundraising</u>	<u>Administration</u>	<u>Total</u>
Wages and salaries	\$ 57,918	\$ 20,890	\$ 21,167	\$ 99,975
Other employee benefits	1,156	996	2,613	4,765
Payroll taxes	5,455	2,089	2,867	10,411
Program grants	565,035	-	-	565,035
Printing and postage	-	1,647	348	1,995
Office expense	129	906	2,760	3,795
Accounting fees	-	166	10,096	10,262
Bank and credit card fees	45	101	4,074	4,220
Insurance	844	319	4,172	5,335
Marketing	-	8,172	3,447	11,619
License	-	-	41	41
Rent	3,809	1,727	764	6,300
Events expenses	-	24,016	-	24,016
Travel	23,544	7,685	1,624	32,853
Depreciation	-	-	697	697
Telephone	240	273	1,742	2,255
Utilities	377	377	409	1,163
Real property sale exp	-	6,194	-	6,194
Bad debts	1,500	19,950	-	21,450
	<u>\$ 660,052</u>	<u>\$ 95,508</u>	<u>\$ 56,821</u>	<u>\$ 812,381</u>

See accompanying notes and accountant's report



# **GLOBAL PARTNERS FOR DEVELOPMENT**

## **NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2016**

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Note 1. Nature of activities and significant accounting policies

- a. Global Partners for Development (GPDF) mission is:  
To work hand-in hand with grassroots organizations in East Africa to provide individualized sustainable solutions to the most pressing problems in their communities. We focus on promoting community development by partnering with local people on projects related to education, health, water and women's empowerment.

Since 1979 GPDF has worked directly with East African community leaders to identify the needs of their village. By building these partnerships, real changes have been made. In addition the partnerships have promoted human dignity and assisted in breaking the traditional cycle of poverty. Management as well as donors travels to East Africa to see firsthand the progress of these projects and meet the people benefiting from this support. The following are the areas of focus:

Health & Nutrition – GPDF projects ensure access to basic medical care, prevention, and promote positive health. Communities are also provided with livestock and animal husbandry training.

Education – GPDF's goal is to allow more access to education. The projects include building classrooms and dormitories, providing school supplies and books. In addition, GPDF provides scholarships to young girls who would not otherwise be able to continue their studies. Scholarships fund education at secondary school, college and university.

Water – Lack of clean water is responsible for a myriad of health projects including dysentery and cholera. GPDF's projects ensure clean water is accessible to thousands in the rural areas.

GPDF relies on private grants and contributions to fund these projects and its operations.

- b. GPDF is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. Continuance of such exempt status is subject to compliance with laws and regulations of the taxing authorities.

# **GLOBAL PARTNERS FOR DEVELOPMENT**

## **NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2016**

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Note 1. Nature of business and significant accounting policies  
(Cont.)

- c. Accounting principles generally accepted in the United States of America require that GPFD report information regarding its financial position and activities according to three classes of net assets: Unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted – These are net assets and activities that are not subject to donors’ time or use restrictions. A portion of these net assets may be designated by the board of directors for specific purposes.

Temporarily restricted – These are net assets and activities restricted by donors for use in future periods or for specific purposes. 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 Statement of Activities as “Net assets released from restrictions”.

Permanently restricted – These are net assets and activities restricted by donors that they be maintained in perpetuity.

- d. Fair value measurement – Generally accepted accounting principles established a fair value measurement hierarchy that prioritizes the inputs to valuation techniques. This hierarchy consists of three broad levels: (i) Level 1 inputs consist of quoted prices in active markets for identical assets and have the highest priority, (ii) Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and (iii) Level 3 inputs consist of unobservable inputs and have the lowest priority.
- e. The carrying amounts of cash, contributions receivable and current liabilities approximate fair value because of the short maturity of these instruments.
- f. Fixed assets are stated at cost at the date of acquisition or estimated fair value at the date of donation in the case of gifts. Fixed assets additions with a cost exceeding \$500 are capitalized. Fixed assets include office equipment and buildings. Depreciation is computed on the straight-line method for all capitalized assets over the estimated useful service lives of the various classes of property and equipment. Office equipment is depreciated over estimated useful lives of 5 years.

# **GLOBAL PARTNERS FOR DEVELOPMENT**

## **NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2016**

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Note 1. Nature of business and significant accounting policies  
Cont.)

- g. GPFED reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the purpose or time of use of the 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 Statement of Activities as 'Nets assets released from restrictions'.

Contributions with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due. These contributions are recorded at fair value at the date of promise. The fair value is computed using risk-free interest rates applicable to the years in which the contributions are made. Amortization of the resulting discount is recognized as additional contribution revenue.

- h. Donated material and supplies are recorded as contributions at their estimated value on the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the materials or supplies to a specific purpose.
- i. The cost of the various programs and activities has been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among programs and supporting services based upon estimates and assumptions made by management which consider employee time spent on various functions, and other viable methods applicable to the various programs and support services.
- j. A substantial number of volunteers have contributed considerably to GPFED's program services, and fundraising campaigns during the year.
- k. 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 along with disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **GLOBAL PARTNERS FOR DEVELOPMENT**

### **NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2016**

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Note 2. Contributions receivable

Contributions receivable are measured at fair value upon receipt. These are unconditional promises to support one or more of GPFD's programs including administration services. The fair value of a promise that is collectible within one year is its net realizable value.

Contributions receivable include the following:

Due in less than one year	\$	67,200
Due in 1-5 years		<u>11,025</u>
	\$	<u>78,405</u>

Contributions receivable in more than one year were recognized at the promised amount because the discount amount is immaterial. Management evaluates the status of individual promises and charge to expense amounts considered uncollectible. For the year ended March 31, 2016, amounts expensed as uncollectible totaled \$21,450.

At March 31, 2016, approximately 57% of the receivable balance was from two donors.

Note 3. Equipment and furniture

Equipment and furniture	\$	15,719
Accumulated depreciation		<u>(14,518)</u>
	\$	<u>1,201</u>

Depreciation expense for the year ended March 31, 2016 was \$697.

Note 4. Accrued payroll expenses

Unpaid employee time-off benefits is recognized as liabilities of the GPFD. The value of accrued time-off at March 31, 2016 was \$3,302.

# **GLOBAL PARTNERS FOR DEVELOPMENT**

## **NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2016**

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Note 5. Restricted net assets

As discussed in Note 1, temporarily restricted net assets represent donor restricted contributions which will be used in the future as follows:

Program expenses	\$	237,392
Support services		-
		<hr/>
	\$	<u>237,392</u>

Permanently restricted net assets represent funds received to create a reserve fund that will eventually provide income to support GPFD programs.

Note 6. Operating lease

GPFD administers its programs and supporting activities from an office leased from an unrelated party. The lease is on a month to month basis. Total rent paid for the year ended March 31, 2016 was \$6,300.

Note 7. Uncertain income tax positions

Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. GPFD has analyzed tax positions taken for filing with the Internal Revenue Service and the State of California. GPFD believes that income tax filing positions would be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on GPFD's financial position, results of operations or cash flows. Generally tax returns remain open for federal examination for three years and for four years for the State of California, from the date of filing.

GPFD's policy is to classify income tax related interest and penalties, if any, in interest expense and other expenses, respectively.

# **GLOBAL PARTNERS FOR DEVELOPMENT**

## **NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2016**

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Note 8. Related party activity

The Organization receives contributions from Board members and officers in the normal course of business. For the year ended March 31, 2016 contributions received totaled \$43,939. At March 31, 2016 contributions receivable totaled \$2,490.

Note 9. In-kind contributions

A private donor contributed real property valued at \$350,000 at the date of donation. GPFDD sold this property for \$345,000 and realized a capital loss of \$22,256 which is included in Other Income, in the Statement of Activities.

During the year ended March 31, 2016, GPFDD recognized \$72,375 in contributed professional services benefiting various projects in East Africa.

Note 10. Concentration risk

GPFDD maintains cash in financial institutions where accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At March 31, 2016 cash balances were in excess of the insured limits by \$152,713. Management considers the financial institution to be reputable and financially capable and believes the Organization is not exposed to any significant credit risk.

Approximately 43% of the restricted support income received during the year was from one donor.

Note 11. Subsequent events

Subsequent events have been evaluated through July 26, 2016, which is the date the financial statements were available to be issued.