

***GLOBAL PARTNERS FOR
DEVELOPMENT***

Financial Report
March 31, 2017 and 2016

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

CONTENTS

	Page
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statement of Activities Year Ending March 31, 2017	3
Statement of Activities Year Ending March 31, 2016	4
Statements of Cash Flows	5
Statement of Functional Expenses Year Ending March 31, 2017	6
Statement of Functional Expenses Year Ending March 31, 2016	7
Notes to the Financial Statements	8-14

Victoria W. Mwangi, CPA
dba VM Accounting Services

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

October 7, 2017

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 statements of financial position as of March 31, 2017 and 2016, and the related statements of activities, cash flows, and functional expenses for the years 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

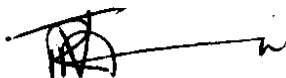
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and 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.



VM Accounting Services.
Certified Public Accountant

GLOBAL PARTNERS FOR DEVELOPMENT

STATEMENTS OF FINANCIAL POSITION MARCH 31, 2017 AND 2016

	<u>ASSETS</u>	
	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 830,035	\$ 664,130
Contributions receivable	19,248	67,200
	<u>849,283</u>	<u>731,330</u>
OTHER ASSETS		
Contributions receivable	21,900	11,205
Equipment and furniture, net	1,772	1,201
	<u>23,672</u>	<u>12,406</u>
TOTAL ASSETS	<u>\$ 872,955</u>	<u>\$ 743,736</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable & credit cards	\$ 10,777	\$ 11,388
Accrued payroll expenses	11,011	6,045
	<u>21,788</u>	<u>17,433</u>
NET ASSETS		
Unrestricted	398,818	472,031
Temporarily restricted	435,469	237,392
Permanently restricted	16,880	16,880
	<u>851,167</u>	<u>726,303</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 872,955</u>	<u>\$ 743,736</u>

See accompanying notes and accountant's report

GLOBAL PARTNERS FOR DEVELOPMENT

STATEMENT OF ACTIVITIES YEAR ENDED MARCH 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT, REVENUE AND OTHER INCOME				
Contributions, cash and non-cash	\$ 231,473	\$ 528,712	\$ -	\$ 760,185
Special events	22,864	133,054	-	155,918
Other income	30,123	-	-	30,123
Net assets released from restriction	<u>463,689</u>	<u>(463,689)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT, REVENUE, AND OTHER INCOME	<u>748,149</u>	<u>198,077</u>	<u>-</u>	<u>946,226</u>
EXPENSES				
Program expenses	650,976	-	-	650,976
Management and general Development	74,196	-	-	74,196
Cost of direct benefits to donors	20,012	-	-	20,012
Development, other expenses	<u>76,178</u>	<u>-</u>	<u>-</u>	<u>76,178</u>
TOTAL EXPENSES	<u>821,362</u>	<u>-</u>	<u>-</u>	<u>821,362</u>
CHANGE IN NET ASSETS	(73,213)	198,077	-	124,864
NET ASSETS, April 1, 2016	<u>472,031</u>	<u>237,392</u>	<u>16,880</u>	<u>726,303</u>
NET ASSETS, March 31, 2017	<u>\$ 398,818</u>	<u>\$ 435,469</u>	<u>\$ 16,880</u>	<u>\$ 851,167</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>
SUPPORT, REVENUE AND OTHER INCOME				
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>
 TOTAL SUPPORT, REVENUE, AND OTHER INCOME	<u>1,110,745</u>	<u>(238,821)</u>	<u>-</u>	<u>871,924</u>
 EXPENSES				
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>
 TOTAL EXPENSES	<u>812,381</u>	<u>-</u>	<u>-</u>	<u>812,381</u>
 CHANGE IN NET ASSETS	298,364	(238,821)	-	59,543
 NET ASSETS, April 1, 2015	<u>173,667</u>	<u>476,213</u>	<u>16,880</u>	<u>666,760</u>
 NET ASSETS, March 31, 2016	<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

STATEMENTS OF CASH FLOWS YEARS ENDED MARCH 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 124,864	\$ 59,543
Adjustments to reconcile change in net assets to cash flows from operating activities		
Uncollectible contribution receivable	12,550	21,450
Non-cash contributions of real property and other assets	-	(351,176)
Loss on sale of real property	-	22,256
Depreciation	736	697
Changing in operating assets and liabilities		
Contributions receivable	24,707	11,551
Accounts payable & credit card	(611)	(1,918)
Accrued payroll expenses	4,966	1,319
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	<u>167,212</u>	<u>(236,278)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of real property	-	327,744
Purchase of fixed assets	(1,307)	-
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	<u>(1,307)</u>	<u>327,744</u>
NET INCREASE IN CASH	165,905	91,466
CASH AND CASH EQUIVALENTS , beginning of year	<u>664,130</u>	<u>572,664</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 830,035</u>	<u>\$ 664,130</u>

See accompanying notes and accountant's report

GLOBAL PARTNERS FOR DEVELOPMENT

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED MARCH 31, 2017

		<u>Support Services</u>		
	<u>Programs</u>	<u>Fundraising</u>	<u>Administration</u>	<u>Total</u>
Wages and salaries	\$ 72,400	\$ 30,110	\$ 26,978	\$ 129,488
Other employee benefits	3,331	1,500	2,984	7,815
Payroll taxes	6,548	2,729	1,638	10,915
Program grants	486,280	-	-	486,280
Printing and postage	611	925	577	2,113
Office expense	6,634	1,627	2,287	10,548
Professional fees	42	173	6,787	7,002
Bank and credit card fees	510	35	5,661	6,206
Insurance	2,044	1,042	3,711	6,797
Marketing	4,038	5,065	5,160	14,263
License	-	-	41	41
Rent	4,240	1,765	1,046	7,051
Events expenses	3,060	41,850	-	44,910
Travel	59,109	8,138	1,846	69,093
Depreciation	-	-	736	736
Telephone	1,385	919	1,986	4,290
Utilities	744	312	208	1,264
Bad debts	-	-	12,550	12,550
	<u>\$ 650,976</u>	<u>\$ 96,190</u>	<u>\$ 74,196</u>	<u>\$ 821,362</u>

See accompanying notes and accountant's report

GLOBAL PARTNERS FOR DEVELOPMENT

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED MARCH 31, 2016

		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
Professional 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 YEARS ENDED MARCH 31, 2017 AND 2016

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 travel 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 YEARS ENDED MARCH 31, 2017 AND 2016

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 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 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 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. Depreciation is computed on the straight-line method over the estimated useful service lives which approximate 5 years.

GLOBAL PARTNERS FOR DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2017 AND 2016

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. 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 YEARS ENDED MARCH 31, 2017 AND 2016

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:

	<u>2017</u>	<u>2016</u>
Due in less than one year	\$ 19,248	\$ 67,200
Due in 1-5 years	21,900	11,205
	<u>\$ 41,148</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 years ended March 31, 2017 and 2016, amounts expensed as uncollectible totaled \$12,550 and \$21,450, respectively.

At March 31, 2017, approximately 73% of the receivable balance was from one donor.

Note 3. Equipment and furniture

	<u>2017</u>	<u>2016</u>
Computer & equipment	\$ 17,025	\$ 15,719
Accumulated depreciation	<u>(15,254)</u>	<u>(14,518)</u>
	<u>\$ 1,771</u>	<u>\$ 1,201</u>

Depreciation expense for the years ended March 31, 2017 and 2016 was \$736 and \$697, respectively.

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, 2017 and 2016 was \$7,376 and \$3,302, respectively.

GLOBAL PARTNERS FOR DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2017 AND 2016

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 for program expenses and support services.

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 a non related party. During the year the Organization relocated to a new office space which is under a lease agreement that expires May 31, 2019. The agreement requires monthly payments of \$700 which are adjusted annually, by a specific dollar amount.

Future minimum lease payments are as follows:

Years Ending March, 2018	\$	9,900
March, 2019		12,200
March, 2020		<u>2,100</u>
Total	\$	<u>24,200</u>

Annual rent expense for the years ended March 31, 2017 and 2016 was \$7,050 and \$6,300, respectively.

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 YEARS ENDED MARCH 31, 2017 AND 2016

Note 8. Related party activity

The Organization receives contributions from Board members and officers in the normal course of business. For the years ended March 31, 2017 and 2016, contributions received totaled \$16,950 and \$43,939, respectively. Amounts receivable at March 31, 2017 and 2016, totaled \$2,480 and \$2,490, respectively.

Note 9. In-kind contributions of materials and services

During the year ended March 31, 2017 and 2016, GPFD recognized \$90,509 and \$72,375, respectively, in contributed professional engineering services benefiting various projects in East Africa.

During the year ended March 31, 2016, a private donor contributed real property valued at \$350,000 at the date of donation. GPFD 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, a substantial number of volunteers have contributed considerably to GPFD's programs and fundraising campaigns. The value of this contributed time does not meet the criteria for recognition of contributed services and, accordingly, is not reflected in the accompanying financial statements. .

Note 10. Concentration risk

GPFD maintains cash in financial institutions where accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At March 31, 2017 cash balances were in excess of the insured limits by \$340,694. Management considers the financial institution to be reputable and financially capable and believes the Organization is not exposed to any significant credit risk.

Approximately 53% of the restricted support income received during the year was from one donor.

GLOBAL PARTNERS FOR DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2017 AND 2016

Note 11. Reclassification

Certain amounts in the 2016 financial statements have been reclassified to conform with the 2017 presentation with no effect on previously reported change in net assets.

Note 12. Subsequent events

Subsequent events have been evaluated through October 7, 2017, which is the date the financial statements were available to be issued.