

***GLOBAL PARTNERS FOR  
DEVELOPMENT***

Financial Report  
March 31, 2020  
(With Summarized Totals for March 31, 2019)

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

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## INDEPENDENT ACCOUNTANT'S REPORT

September 17, 2020

Board of Directors  
Global Partners for Development  
Rohnert Park, California

I have reviewed the accompanying financial statements of **Global Partners for Development** (a nonprofit corporation), which comprise the statements of financial position as of March 31, 2020 and the related statements of activities, functional expenses and cash flows 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.

INDEPENDENT ACCOUNTANT'S REPORT

September 17, 2020

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**Summarized Comparative Information**

I previously reviewed Global Partner for Development's 2019 financial statements and in my conclusion dated November 7, 2019, state that based on my review, I was not aware of any material modifications that should be made to the 2019 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. I am not aware of any material modification that should be made to the summarized comparative information presented herein as of and for the year ended March 31, 2019, for it to be consistent with the reviewed financial statements from which it was derived.

A handwritten signature in black ink, consisting of a stylized initial 'V' followed by a horizontal line and a small flourish.

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VM Accounting Services.  
Certified Public Accountant

**GLOBAL PARTNERS FOR DEVELOPMENT**

**STATEMENTS OF FINANCIAL POSITION  
MARCH 31, 2020 AND 2019**

	<b><u>ASSETS</u></b>	
	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 245,395	\$ 598,346
Investments	225,201	100,000
Contributions receivable	173,875	105,085
Prepaid expenses	38,026	22,429
Equipment & furniture, net	<u>257</u>	<u>257</u>
TOTAL ASSETS	<u>\$ 682,754</u>	<u>\$ 826,117</u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
 LIABILITIES		
Accounts payable & credit cards	\$ 4,906	\$ 19,943
Travel advances	-	16,850
Accrued payroll expenses	<u>12,032</u>	<u>18,769</u>
TOTAL LIABILITIES	<u>16,938</u>	<u>55,562</u>
 NET ASSETS		
Net assets without donor restrictions	367,668	161,630
Net assets with donor restrictions	<u>298,148</u>	<u>608,925</u>
	<u>665,816</u>	<u>770,555</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 682,754</u>	<u>\$ 826,117</u>

See accompanying notes and accountant's report

## GLOBAL PARTNERS FOR DEVELOPMENT

### STATEMENT OF ACTIVITIES YEAR ENDED MARCH 31, 2020 (With Summarized Totals for March 31, 2019)

	Assets without donor restrictions	Assets with donor restrictions	2020 Total	2019 Total
SUPPORT, REVENUE AND OTHER INCOME				
Contributions, cash and non-cash	\$ 327,668	\$ 649,288	\$ 976,956	\$ 1,074,964
Special events	15,201		15,201	81,800
Service fees	16,850	-	16,850	37,720
Interest & other income	3,450	-	3,450	5,204
Net assets released from restrictions	960,065	(960,065)	-	-
TOTAL SUPPORT, REVENUE, AND OTHER INCOME	1,323,234	(310,777)	1,012,457	1,199,688
EXPENSES				
Program expenses	1,002,939	-	1,002,939	947,328
Management and general	67,542	-	67,542	85,435
Development - direct event expenses	5,929	-	5,929	22,515
Development - other expenses	40,786	-	40,786	85,453
TOTAL EXPENSES	1,117,196	-	1,117,196	1,140,731
CHANGE IN NET ASSETS	206,038	(310,777)	(104,739)	58,957
NET ASSETS, April 1, 2019	161,630	608,925	770,555	711,598
NET ASSETS, March 31, 2020	<u>\$ 367,668</u>	<u>\$ 298,148</u>	<u>\$ 665,816</u>	<u>\$ 770,555</u>

See accompanying notes and accountant's report

## GLOBAL PARTNERS FOR DEVELOPMENT

### STATEMENTS OF CASH FLOWS YEARS ENDED MARCH 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (104,739)	\$ 58,957
Adjustments to reconcile change in net assets to cash flows from operating activities		
Depreciation	-	758
Decrease/(increase) in current assets		
Contributions receivable	(68,790)	(64,640)
Prepaid expenses	(15,597)	40,648
Increase/(Decrease) in current liabilities		
Accounts payable & credit card	(15,037)	3,323
Travel advances	(16,850)	16,850
Accrued payroll expenses	<u>(6,737)</u>	<u>(155)</u>
 NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	 <u>(227,750)</u>	 <u>55,741</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase/(sell) of investments - Cert. of deposit	<u>(125,201)</u>	<u>139,819</u>
 NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	 (352,951)	 195,560
 CASH AND CASH EQUIVALENTS, beginning of year	 <u>598,346</u>	 <u>402,786</u>
 CASH AND CASH EQUIVALENTS, end of year	 <u>\$ 245,395</u>	 <u>\$ 598,346</u>

See accompanying notes and accountant's report

**GLOBAL PARTNERS FOR DEVELOPMENT**

**STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED MARCH 31, 2020  
(With Summarized Totals for March 31, 2019)**

	<u>Programs</u>	<u>Support Services</u>		<u>2020</u>	<u>2019</u>
		<u>Fundraising</u>	<u>Administration</u>	<u>Total</u>	<u>Total</u>
Wages & salaries	\$ 158,244	\$ 15,237	\$ 13,239	\$ 186,720	\$ 199,706
Employee benefits	11,367	2,773	3,570	17,710	16,243
Payroll taxes	24,138	2,346	2,012	28,496	21,150
Employee training	11,793	399	499	12,691	12,534
Program grants	642,096	-	-	642,096	514,686
Printing and postage	775	858	231	1,864	4,513
Office expense	2,845	316	6,431	9,592	13,484
Professional services	1,987	-	18,409	20,396	103,554
Bank & credit card fees	1,626	-	4,015	5,641	8,476
Insurance	-	-	7,208	7,208	5,891
Marketing	10,119	6,578	3,221	19,918	18,354
Rent	7,560	3,150	1,890	12,600	11,695
Event expenses	-	6,979	-	6,979	37,824
Travel	126,736	7,499	1,951	136,186	162,677
Depreciation	-	-	-	-	757
Telephone	2,788	333	4,742	7,863	7,919
Utilities	865	247	124	1,236	1,268
	<u>\$ 1,002,939</u>	<u>\$ 46,715</u>	<u>\$ 67,542</u>	<u>\$ 1,117,196</u>	<u>\$ 1,140,731</u>

See accompanying notes and accountant's report

# **GLOBAL PARTNERS FOR DEVELOPMENT**

## **NOTES TO FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2020 AND 2019**

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Note 1. Nature of activities and significant accounting policies:

- a. Global Partners for Development's (GPF) mission: Advancing community-owned development in East Africa. GPF's Vision: We envision a world where every community has the capacity to implement dynamic, sustainable solutions to problems they face.

Since 1979, GPF has worked directly with East African leaders, organizations, and communities to identify their goals and needs and implement interventions that generate lasting change for local people. GPF believes community leadership is the key to responsible and sustainable development and that local people have the right to drive change in their communities and schools. GPF staff, board members, and donors travel to East Africa to see firsthand the progress of these projects and meet the people benefiting from this support. GPF relies on private grants and contributions to fund its projects and operations.

The following are the areas of focus:

Education – Education is exceedingly important in the fight against poverty. Accordingly, GPF mobilizes low performing schools and their communities and funds projects that impact attendance, as well as other education and health outcomes that are identified, implemented, and planned by the communities. Examples of these projects include new classrooms that are conducive to learning and teacher housing that enables teachers to better support students. In addition, GPF 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 – In East Africa, water-borne illnesses such as diarrhea, skin and eye diseases, and parasitic infections are common. Globally, diarrhea causes the deaths of more young children than AIDS, malaria, and tuberculosis combined. Lack of clean water is a health crisis that can be easily prevented. Introduction of clean water systems not only improves individual health but also gives women and children freedom from walking long distances to retrieve water. When released from this task and the burden of disease, families can devote themselves to educational and economic ventures that improve the household's well-being and help communities become self-sustaining. GPF responds to communities with water needs through a wide range of WASH (water, sanitation, and hygiene) projects.

# GLOBAL PARTNERS FOR DEVELOPMENT

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2020 AND 2019

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

Health & Nutrition – GPFDD’s projects have included setting up local clinics that provide treatment for common illnesses and injuries as well as family planning and obstetric services. These clinics are in rural areas where people do not have access to urban medical care.

In addition, GPFDD partners with other organizations whose missions and projects align with and are complimentary to GPFDD’s mission in an effort to expand its impact in East African communities.

- b. Comparative Financial Information – The financial statements included prior-year summarized comparative information in total but not by program or supporting services. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization’s reviewed financial statements for the year ended March 31, 2019, from which the summarized information was derived.
- c. Income taxes - GPFDD is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code 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.
- d. Basis of Presentation - GPFDD reports revenues, expenses, gains/losses and net assets based on the existence or absence of donor restrictions. The following classifications are used:
- Without donor restrictions* – net assets not subject to donor-imposed stipulations.
  - With donor restrictions* – net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or passage of time. Donor stipulations could also require the assets to be maintained permanently by the Organization.
- e. 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.

# GLOBAL PARTNERS FOR DEVELOPMENT

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2020 AND 2019

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

- f. Cash and cash equivalents – Cash and cash equivalents include cash in checking and savings accounts, and those highly liquid investments with original maturities of ninety days or less.
- g. Investments - The Organization’s investments include certificates of deposit and are carried at fair value. Donated investments are valued at estimated fair value at the date of donation. Interest earned is recorded as income in the Statement of Activities.
- h. Fixed assets - 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 \$1,000 are capitalized. Fixed assets include office equipment and furniture. Depreciation is computed on the straight-line method over the estimated useful service lives which approximate 5 years.
- i. Support and other revenue - GPDF records contributions as support increasing either net assets without donor restrictions or net assets with donor restrictions depending on the existence of donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, these net assets are reclassified to contributions without donor restrictions and reported in the Statement of Activities as ‘Nets assets released from restrictions.’

Donated services and supplies are recorded as contributions at their estimated value on the date of receipt. Such donations are considered to be available for use unless the donor has restricted the materials or supplies to a specific purpose. Contributed services are recognized as support if the services create or enhance nonfinancial assets or require specialized skills and are provided by individuals possessing those skills. The fair value is based on documentation from the service providers.

- j. New Accounting Pronouncements – In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. GPDF adopted the provisions of this new standard during the year ended March 31, 2019. Consequently, the three category classification of net assets (i.e. unrestricted, temporarily, and permanently restricted) have been replaced with two categories: “net assets without donor restrictions” and “net assets with donor restrictions.” In addition, the new standard requires disclosures regarding liquidity and availability of resources, presentation of expenses by natural and functional basis, and expansion of the information on the functional allocation of expenses.

# GLOBAL PARTNERS FOR DEVELOPMENT

## **NOTES TO FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2020 AND 2019**

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

- k. Allocation of expenses - The cost of the various programs and activities has been summarized on a functional basis in the Statement of Functional Expenses. 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, office space, and other factors applicable to the various programs and support services. The expenses that are allocated include payroll and payroll related expenses, employee benefits, occupancy costs, office supplies and expenses.
- l. Use of estimates - 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.

Note 2. Contributions receivable

Contributions receivable include pledges collectible over more than one year. These are unconditional promises to support one or more of GPFD's programs including support services. The fair value of a promise that is collectible within one year is its net realizable value. Contributions receivable include the following:

	<u>2020</u>	<u>2019</u>
Due in one year or less	\$ 113,875	\$ 15,085
Due in 1-5 years	<u>60,000</u>	<u>90,000</u>
	<u>\$ 173,875</u>	<u>\$ 105,085</u>

Contributions receivable in more than one year were recognized at the promised amount because the discount amount is immaterial. Management believes all contributions receivable at March 31, 2020 and 2019, are fully collectible. Accordingly, no allowance for doubtful accounts is calculated.

On March 31, 2020 and 2019, approximately 69% and 71%, respectively, of the receivable balance was from three donors.

# GLOBAL PARTNERS FOR DEVELOPMENT

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2020 AND 2019

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Note 3. Investments

Investments include two certificates of deposit. At March 31, 2020 and 2019, the fair value was \$225,201 and \$100,000 (level 2 of fair value hierarchy), respectively. The fair value is determined using the expected contractual cash flows and is considered safe by management and intends to hold the certificates to their maturity.

Note 4. Fixed assets

	2020	2019
Office equipment & furniture	\$ 17,026	\$ 17,026
Less Accumulated depreciation	<u>(16,769)</u>	<u>(16,769)</u>
	<u>\$ 257</u>	<u>\$ 257</u>

Depreciation expense for the years ended March 31, 2020 and 2019, was \$0 and \$758, respectively.

Note 5. Accrued payroll expenses

Unpaid employee vacation time benefits are recognized as liabilities of the Organization. The value of accrued time-off at March 31, 2020 and 2019, was \$7,689 and \$12,925, respectively.

Note 6. Net assets with donor restrictions

At March 31, 2020, net assets with donor restrictions include \$281,268 which will be used in the future for program expenses, that is, these assets are purpose restricted. In addition, \$16,880 of the net assets represent funds received to create a perpetual reserve fund that will eventually provide income to support GPFD programs.

During the year ended March 31, 2020 net assets totaling \$960,065, were released from donor restrictions by incurring expenses meeting the purpose restrictions.

# GLOBAL PARTNERS FOR DEVELOPMENT

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2020 AND 2019

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Note 7. Operating lease

GPF D administers its programs and supporting activities from an office leased from a non related party. The lease expires May 31, 2022. It requires monthly payments of \$1,050 which will be adjusted annually by the higher of 3% or the US Consumer Index for the San Francisco Bay Area. Future minimum lease payments are as follows:

For the year ending March 31, 2021	\$	12,920
2022		13,304
2023		<u>2,228</u>
	\$	<u>28,452</u>

Rent expense for the years ended March 31, 2020 and 2019, was \$12,600 and \$11,695, respectively.

Note 8. 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. GPF D has analyzed tax positions taken for filing with the Internal Revenue Service and the State of California. GPF D 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 GPF D'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.

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

Note 9. Related party activity

The Organization receives contributions from Board members and officers in the normal course of business. For the years ended March 31, 2020 and 2019, Board member cash and non-cash contributions totaled \$179,967 and \$67,000, respectively.

## GLOBAL PARTNERS FOR DEVELOPMENT

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2020 AND 2019

Note 10. In-kind contributions

GPFD receives products and professional services that contribute significantly to its operations in East Africa. In-kind contributions received included:

	2020	2019
Professional services – engineering & midwifery	\$ 162,300	\$ 81,680
Computers	35,700	-
	\$ 198,000	\$ 81,680

In addition, 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 11. Liquidity and availability of resources

The following reflects GPFD's financial assets as of March 31, 2020 and 2019, reduced by amounts not available for general use within one year. Financial assets are considered unavailable due to donor-imposed restrictions or the governing board has set aside funds for internal designations. Amounts available include donor-restricted funds that will meet purpose or time restrictions within the next twelve months from the statement of financial position.

	2020	2019
Cash and cash equivalents	\$ 245,395	\$ 598,346
Contributions receivable	173,875	105,085
Investments	225,201	100,000
	644,471	803,431
Less assets unavailable for general use:		
Contributions receivable, after one year	(60,000)	(90,000)
Assets with donor restrictions	(298,148)	(608,925)
	\$ 286,323	\$ 104,506

GPFD works with a balanced budget and anticipates covering its general expenditures by maintaining and expanding relationships with the community that supports them through donations and pledges.

# **GLOBAL PARTNERS FOR DEVELOPMENT**

## **NOTES TO FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2020 AND 2019**

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### Note 12. Concentration risk

GPDF maintains cash in financial institutions where accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At March 31, 2020 and 2019, cash balances were in excess of the insured limit by \$0 and \$56,499, respectively. Management considers the financial institution to be reputable and financially capable and believes the Organization is not exposed to any significant credit risk.

### Note 13 Reclassification

Certain amounts as previously reported in the 2019 financial statements have been reclassified to conform to the 2020 presentation. Such reclassifications have no effect on reported amounts of net assets or change in net assets.

### Note 14. Subsequent events

Subsequent events have been evaluated through September 17, 2020, which is the date the financial statement were available to be issued.

Since December 2019, the spread of COVID-19 has severely impacted the U.S. economy and disrupted businesses worldwide, resulting in an economic slowdown. Financial markets in particular have experienced great volatility and a significant weakening. Measures taken to contain the spread of the virus, including limitations on international travel, are expected to continue and this will impact the rate of economic recovery. Consequently, it is not possible to reliably estimate the duration and severity of COVID-19 consequences to the GPDF's operations for future periods.