

***GLOBAL PARTNERS FOR
DEVELOPMENT***

Financial Report
March 31, 2014

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

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Victoria W. Mwangi, CPA
dba VM Accounting Services

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

November 13, 2014

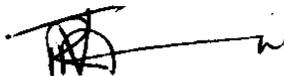
Board of Directors
Global Partners for Development
Rohnert Park, California

I have reviewed the accompanying Statement of Financial Position of **Global Partners for Development** (a California not-for-profit corporation) as of March 31, 2014, and the related statements of activities, cash flows, and functional expenses for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization 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 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

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 conformity with accounting principles generally accepted in the United States of America.



Victoria Mwangi,
Certified Public Accountant
dba VM Accounting Services

GLOBAL PARTNERS FOR DEVELOPMENT

STATEMENT OF FINANCIAL POSITION MARCH 31, 2014

| | <u>ASSETS</u> | | | |
|---------------------------------------|-----------------------|-----------------------------------|-----------------------------------|-----------------------|
| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | \$ 262,222 | \$ 21,477 | \$ 16,880 | \$ 300,579 |
| Contributions receivable | 64,680 | 54,825 | - | 119,505 |
| Total Current Assets | 326,902 | 76,302 | 16,880 | 420,084 |
| OTHER ASSETS | | | | |
| Contributions receivable, non-current | - | 89,581 | - | 89,581 |
| Equipment and furniture, net | 1,063 | - | - | 1,063 |
| | <u>1,063</u> | <u>89,581</u> | <u>-</u> | <u>90,644</u> |
| TOTAL ASSETS | <u>\$ 327,965</u> | <u>\$ 165,883</u> | <u>\$ 16,880</u> | <u>\$ 510,728</u> |

| <u>LIABILITIES AND NET ASSETS</u> | | | | |
|---|-----------------------|-----------------------|----------------------|-----------------------|
| Credit cards | \$ 1,349 | \$ - | \$ - | \$ 1,349 |
| Accrued payroll expenses | 3,860 | - | - | 3,860 |
| Total Liabilities | 5,209 | - | - | 5,209 |
| Net assets | 322,756 | 165,883 | 16,880 | 505,519 |
| TOTAL LIABILITIES & NET ASSETS | <u>\$ 327,965</u> | <u>\$ 165,883</u> | <u>\$ 16,880</u> | <u>\$ 510,728</u> |

See accompanying notes and independent accountant's review report

GLOBAL PARTNERS FOR DEVELOPMENT

STATEMENT OF ACTIVITIES YEAR ENDED MARCH 31, 2014

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|-----------------------------------|-------------------|
| SUPPORT, REVENUE AND OTHER INCOME | | | | |
| Contributions, cash and non-cash | \$ 341,984 | \$ 89,893 | \$ - | \$ 431,877 |
| Special events | 34,087 | 68,433 | - | 102,520 |
| Other income | 39,028 | - | - | 39,028 |
| Net assets released from restriction | <u>195,657</u> | <u>(195,657)</u> | <u>-</u> | <u>-</u> |
| Total Support, Revenue and Other Income | <u>610,756</u> | <u>(37,331)</u> | <u>-</u> | <u>573,425</u> |
| EXPENSES | | | | |
| Program expenses | 218,644 | - | - | 218,644 |
| Management and general | 45,165 | - | - | 45,165 |
| Development | | - | - | - |
| Cost of direct benefits to donors | 10,516 | - | - | 10,516 |
| Development, other expenses | <u>35,334</u> | <u>-</u> | <u>-</u> | <u>35,334</u> |
| Total Expenses | <u>309,659</u> | <u>-</u> | <u>-</u> | <u>309,659</u> |
| CHANGE IN NET ASSETS | 301,097 | (37,331) | - | 263,766 |
| Net Assets, April 1, 2013 | <u>21,659</u> | <u>203,214</u> | <u>16,880</u> | <u>241,753</u> |
| Net Assets, March 31, 2014 | <u>\$ 322,756</u> | <u>\$ 165,883</u> | <u>\$ 16,880</u> | <u>\$ 505,519</u> |

See accompanying notes and independent accountant's review report

GLOBAL PARTNERS FOR DEVELOPMENT

STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|-------------------|
| Change in net assets | \$ 225,728 |
| Adjustments to reconcile change in net assets to cash flows from operating activities | |
| Forgiven loan payable | (5,000) |
| Uncollected grants receivable | 10,034 |
| Depreciation | 341 |
| Increase in contributions receivable | (53,033) |
| Increase in credit card | 1,349 |
| Increase in payroll expenses | 821 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>180,240</u> |
| NET CASH INVESTING ACTIVITIES, purchase of fixed assets | (521) |
| NET CASH FINANCING ACTIVITIES, payment of loan | <u>(15,000)</u> |
| NET INCREASE IN CASH | 164,719 |
| CASH AND CASH EQUIVALENTS , April 1, 2013 | <u>135,860</u> |
| CASH AND CASH EQUIVALENTS, March 31, 2014 | <u>\$ 300,579</u> |

See accompanying notes and independent accountant's review report

GLOBAL PARTNERS FOR DEVELOPMENT

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED MARCH 31, 2014

| | <u>Programs</u> | <u>Fundraising</u> | <u>Administration</u> | <u>Total</u> |
|---------------------------|-------------------|--------------------|-----------------------|-------------------|
| Wages and salaries | \$ 23,045 | \$ 6,349 | \$ 21,409 | \$ 50,803 |
| Other employee benefits | 1,669 | 668 | 2,076 | 4,413 |
| Payroll taxes | 2,048 | 1,576 | 1,474 | 5,098 |
| Program grants | 138,310 | - | - | 138,310 |
| Printing and postage | - | 1,061 | 473 | 1,534 |
| Office expense | 283 | 164 | 2,744 | 3,191 |
| Legal and accounting fees | 761 | 283 | 8,523 | 9,567 |
| Bank and credit card fees | 168 | 4,373 | 253 | 4,794 |
| Insurance | 1,836 | 642 | 973 | 3,451 |
| Marketing | - | 3,403 | - | 3,403 |
| License | - | - | 41 | 41 |
| Rent | 1,956 | 734 | 2,201 | 4,891 |
| Events | - | 18,268 | 550 | 18,818 |
| Travel | 44,119 | 478 | 2,386 | 46,983 |
| Depreciation | - | - | 341 | 341 |
| Telephone | 990 | 487 | 1,094 | 2,571 |
| Utilities | 509 | 280 | 627 | 1,416 |
| Bad debts | 2,950 | 7,084 | - | 10,034 |
| | <u>\$ 218,644</u> | <u>\$ 45,850</u> | <u>\$ 45,165</u> | <u>\$ 309,659</u> |

See accompanying notes and independent accountant's review report

GLOBAL PARTNERS FOR DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2014

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 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.

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 its projects and 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.
- c. The carrying amounts of cash, contributions receivable and current liabilities approximate fair value because of the short maturity of these instruments.

GLOBAL PARTNERS FOR DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2014

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

- 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. 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. GPFD depreciates assets using the straight-line method of depreciation over estimated useful lives of 5 years.
- f. 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.

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 permanently.

GLOBAL PARTNERS FOR DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2014

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

- g. GPFD 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 GPFD's program services, and fundraising campaigns during the year. No amounts have been reflected in the financial statements for these donated services since the volunteer's time does not meet the criteria for recognition.
- 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, 2014

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 | \$ | 119,505 |
| Due in 1-5 years | | <u>89,581</u> |
| | \$ | <u>209,086</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, 2014, amounts expensed as uncollectible totaled \$10,304.

Note 4. Equipment and furniture

| | | |
|--------------------------|----|-----------------|
| Equipment and furniture | \$ | 14,543 |
| Accumulated depreciation | | <u>(13,480)</u> |
| | \$ | <u>1,063</u> |

Depreciation expense for the year ended March 31, 2014 was \$341.

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, 2014 was \$1,529.

Note 5. Restricted net assets

As discussed in Note 1, temporarily restricted net assets represent program-restricted contributions which will be used in the future to cover program expenses.

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

GLOBAL PARTNERS FOR DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2014

Note 6. Operating leases

GPDF 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, 2014 was \$4,890.

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. GPDF has analyzed tax positions taken for filing with the Internal Revenue Service and the State of California. GPDF 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 GPDF'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.

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

Note 8. Related party activity

The Organization receives contributions from Board members and officers in the normal course of business. Total contributions received and receivable at March 31, 2014 was \$64,657.

Note 9. Concentration risk

GPDF maintains cash in a financial institution where accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At March 31, 2014 cash balances were in excess of the insured limits by \$30,132. Management considers the financial institution to be reputable and financially capable and believes the Organization is not exposed to any significant credit risk on cash.

Note 10. Subsequent events

Subsequent events have been evaluated through November 13, 2014, which is the date the financial statements were available to be issued.