

***GLOBAL PARTNERS FOR  
DEVELOPMENT***

Financial Report  
March 31, 2015

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

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Victoria W. Mwangi, CPA  
dba VM Accounting Services

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INDEPENDENT AUDITOR'S REPORT

October 5, 2015

Board of Directors  
Global Partners for Development  
Rohnert Park, California

I have audited the accompanying statement of financial position, of **Global Partners for Development** (a California not-for-profit corporation), which comprise the statement of financial position as of March 31, 2015 and the related statements of activities and cash flows for the year 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 from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers 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 circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

INDEPENDENT AUDITOR'S REPORT

October 5, 2015

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**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Global Partners for Development** as of March 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to be "Vicky", written over a horizontal line.

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VM Accounting Services.  
Certified Public Accountant



## **GLOBAL PARTNERS FOR DEVELOPMENT**

### **STATEMENT OF ACTIVITIES YEAR ENDED MARCH 31, 2015**

	<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	\$ 98,320	\$ 458,757	\$ -	\$ 557,077
Special events	36,422	88,356	-	124,778
Other income	5,701	-	-	5,701
Net assets released from restriction	<u>236,783</u>	<u>(236,783)</u>	<u>-</u>	<u>-</u>
<b>TOTAL SUPPORT, REVENUE, AND OTHER INCOME</b>	<u>377,226</u>	<u>310,330</u>	<u>-</u>	<u>687,556</u>
<b>EXPENSES</b>				
Program expenses	398,547	-	-	398,547
Management and general Development	44,574	-	-	44,574
Cost of direct benefits to donors	16,938	-	-	16,938
Development, other expenses	<u>66,256</u>	<u>-</u>	<u>-</u>	<u>66,256</u>
<b>TOTAL EXPENSES</b>	<u>526,315</u>	<u>-</u>	<u>-</u>	<u>526,315</u>
<b>CHANGE IN NET ASSETS</b>	(149,089)	310,330	-	161,241
<b>NET ASSETS, April 1, 2014</b>	<u>322,756</u>	<u>165,883</u>	<u>16,880</u>	<u>505,519</u>
<b>NET ASSETS, March 31, 2015</b>	<u>\$ 173,667</u>	<u>\$ 476,213</u>	<u>\$ 16,880</u>	<u>\$ 666,760</u>

See accompanying notes and auditor's report

## **GLOBAL PARTNERS FOR DEVELOPMENT**

### **STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2015**

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CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 161,241
Adjustments to reconcile change in net assets to cash flows from operating activities	
Uncollected contribution receivable	37,335
Depreciation	341
Increase in contributions receivable	60,345
Increase in accounts payable & credit card	11,957
Increase in payroll expenses	866
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>272,085</u>
NET CASH INVESTING ACTIVITIES	-
NET CASH FINANCING ACTIVITIES	<u>-</u>
NET INCREASE IN CASH	272,085
CASH AND CASH EQUIVALENTS , April 1, 2014	<u>300,579</u>
CASH AND CASH EQUIVALENTS, March 31, 2015	<u><u>\$ 572,664</u></u>

See accompanying notes and auditor's report

# **GLOBAL PARTNERS FOR DEVELOPMENT**

## **STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED MARCH 31, 2015**

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		Support Services		
	Programs	Fundraising	Administration	Total
Wages and salaries	\$ 41,866	\$ 24,502	\$ 16,873	\$ 83,241
Other employee benefits	1,862	1,702	1,283	4,847
Payroll taxes	4,088	2,278	936	7,302
Program grants	298,578	-	-	298,578
Printing and postage	-	197	813	1,010
Office expense	2,344	828	3,896	7,068
Accounting fees	-	-	4,595	4,595
Bank and credit card fees	369	1,867	3,093	5,329
Insurance	524	524	2,629	3,677
Marketing	2,182	7,428	4,315	13,925
License	-	-	41	41
Rent	2,520	1,260	2,520	6,300
Events	3,406	19,625	677	23,708
Travel	20,125	4,356	596	25,077
Depreciation	-	-	341	341
Telephone	639	492	1,737	2,868
Utilities	429	415	229	1,073
Bad debts	19,615	17,720	-	37,335
	<u>\$ 398,547</u>	<u>\$ 83,194</u>	<u>\$ 44,574</u>	<u>\$ 526,315</u>

See accompanying notes and auditor's report



# **GLOBAL PARTNERS FOR DEVELOPMENT**

## **NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2015**

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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 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 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.

# **GLOBAL PARTNERS FOR DEVELOPMENT**

## **NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2015**

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

# **GLOBAL PARTNERS FOR DEVELOPMENT**

## **NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2015**

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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. 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, 2015**

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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	\$	50,206
Due in 1-5 years		<u>61,200</u>
	\$	<u>111,406</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, 2015, amounts expensed as uncollectible totaled \$37,335.

At March 31, 2015, approximately 58% of the receivable balance was from two donors.

Note 3. Equipment and furniture

Equipment and furniture	\$	14,543
Accumulated depreciation		<u>(13,821)</u>
	\$	<u>722</u>

Depreciation expense for the year ended March 31, 2015 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, 2015 was \$1,838.

# **GLOBAL PARTNERS FOR DEVELOPMENT**

## **NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2015**

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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	\$	416,013
Support services		<u>60,200</u>
	\$	<u>476,213</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 leases

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, 2015 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, 2015**

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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, 2015 was \$21,209.

Note 9. Concentration risk

GPFD maintains cash in a financial institution where accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At March 31, 2015 cash balances were in excess of the insured limits by \$239,176. 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 10. Subsequent events

Subsequent events have been evaluated through October 5, 2015, which is the date the financial statements were available to be issued.