

GLOBAL PARTNERS FOR DEVELOPMENT

FINANCIAL STATEMENTS

Year Ended March 31, 2022

TABLE OF CONTENTS

	Page No.
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 17

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Global Partners for Development

Opinion

I have audited the accompanying financial statements of Global Partners for Development (a not-for-profit organization), which comprise the statement of financial position as of March 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Global Partners for Development and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Global Partners for Development's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

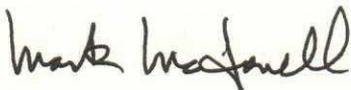
Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Global Partner for Development's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Global Partners for Development's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.



October 28, 2022

GLOBAL PARTNERS FOR DEVELOPMENT
STATEMENT OF FINANCIAL POSITION
March 31, 2022

ASSETS	
Cash and cash equivalents	\$374,712
Investments, net of endowment fund investments	342,498
Receivables	
Contributions receivable	184,080
Contracts receivable	13,584
Other receivables	4,863
Prepaid expenses	21,290
Wine donated for upcoming fund-raising event	22,658
Total current assets	<u>963,685</u>
Endowment fund investments	16,880
Other assets	2,085
Office equipment and furniture, net	-
TOTAL ASSETS	<u><u>\$982,650</u></u>
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts payable, including credit card liabilities	\$15,823
Accrued employee-related expenses	9,657
Deposits for upcoming fund-raising event	1,100
Current portion of long-term debt	600
Total current liabilities	<u>27,180</u>
Economic injury disaster loan, net of current portion	<u>23,379</u>
Total liabilities	<u>50,559</u>
Net assets	
Without donor restrictions	774,460
With donor restrictions	157,631
Total net assets	<u>932,091</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$982,650</u></u>

See accompanying notes.

GLOBAL PARTNERS FOR DEVELOPMENT
STATEMENT OF ACTIVITIES
Year Ended March 31, 2022

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Totals</u>
REVENUES AND SUPPORT			
Contributions in cash and other financial assets	\$430,203	\$262,985	\$693,188
Contributions in-kind			
Services	122,875	12,000	134,875
Goods	22,658	-	22,658
Contract revenues	94,780	-	94,780
Forgiven loans under the Paycheck Protection Program	44,759	-	44,759
Interest income	661	-	661
Gains (losses) on investments	(235)	-	(235)
Other	6,020	-	6,020
Net assets released from restrictions	<u>556,487</u>	<u>(556,487)</u>	<u>-</u>
Total revenues and support	<u>1,278,208</u>	<u>(281,502)</u>	<u>996,706</u>
EXPENSES			
Program services	775,279	-	775,279
Supporting services:			
General and administrative	163,366	-	163,366
Fund-raising	<u>59,457</u>	<u>-</u>	<u>59,457</u>
Total expenses	<u>998,102</u>	<u>-</u>	<u>998,102</u>
CHANGE IN NET ASSETS	280,106	(281,502)	(1,396)
BEGINNING NET ASSETS			
As originally reported	506,354	439,133	945,487
Adjustment (see Note 15)	<u>(12,000)</u>	<u>-</u>	<u>(12,000)</u>
As adjusted	<u>494,354</u>	<u>439,133</u>	<u>933,487</u>
ENDING NET ASSETS	<u><u>\$774,460</u></u>	<u><u>\$157,631</u></u>	<u><u>\$932,091</u></u>

See accompanying notes.

GLOBAL PARTNERS FOR DEVELOPMENT
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended March 31, 2022

	Program Services	General & Administ- rative	Fund- raising	Totals
Grants				
Program grants	\$359,645	\$ -	\$ -	\$359,645
On-site program management in Africa	120,307	-	-	120,307
Salaries and wages	135,591	17,020	25,373	177,984
Donated services	73,875	61,000	-	134,875
Professional services	26,994	35,188	-	62,182
Marketing	1,326	13,833	7,092	22,251
Office expenses	4,558	12,019	4,484	21,061
Employee benefits	13,473	1,691	2,521	17,685
Payroll taxes	12,874	1,615	2,408	16,897
Travel	1,033	5,794	7,812	14,639
Rent	9,865	1,238	1,846	12,949
Uncollectible contributions receivable	-	8,100	-	8,100
Insurance	4,973	1,687	795	7,455
Employee training	5,050	634	945	6,629
Event expenses	-	-	5,301	5,301
Telephone	3,930	493	736	5,159
Bank & credit card fees	1,017	2,578	-	3,595
Utilities	768	96	144	1,008
Interest	-	358	-	358
Depreciation	-	22	-	22
	<u>\$775,279</u>	<u>\$163,366</u>	<u>\$59,457</u>	<u>\$998,102</u>

See accompanying notes.

GLOBAL PARTNERS FOR DEVELOPMENT
STATEMENT OF CASH FLOWS
Year Ended March 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	(\$1,396)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Paycheck Protection Program loan forgiven	(44,759)
Wine donated for upcoming fund-raising event	(22,658)
Depreciation	22
(Increase) decrease in:	
Receivables	(146,046)
Prepaid expenses	(12,789)
Other assets	(2,085)
Increase (decrease) in:	
Accounts payable, including credit card liabilities	(799)
Accrued employee-related expenses	(6,111)
Deposits	1,100
Net cash from operating activities	<u>(235,521)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investments	(57,349)
Net cash from investing activities	<u>(57,349)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of Economic Injury Disaster Loan	(521)
Net cash from financing activities	<u>(521)</u>

CHANGE IN CASH AND CASH EQUIVALENTS (293,391)

BEGINNING CASH AND CASH EQUIVALENTS 668,103

ENDING CASH AND CASH EQUIVALENTS \$374,712

See accompanying notes.

GLOBAL PARTNERS FOR DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

Note 1 – Organization and Nature of Programs

Formed in 1979, Global Partners for Development works directly with communities in Kenya, Tanzania, and Uganda to identify and implement development projects in the areas of education and public health.

Our vision We envision a world in which every East African community has the capacity to implement dynamic, sustainable solutions to the challenges they face.

Our mission is advancing community-led initiatives that improve education and public health in East Africa.

Our partnerships are essential to the realization of our mission. In our experience, working directly with local communities not only promotes human dignity, but also empowers people to break the vicious cycle of poverty. We value the insight of community leaders and school management committees on the real needs at hand and the best methods for tackling them.

Our approach is to partner with local communities to identify, implement, and sustain projects that improve education and public health in rural East Africa.

COVID-19 pandemic impacts – We traditionally offer educational trips to visit our East African projects, but due to Covid-19, such trips were suspended in our fiscal year ended March 31, 2022. Nevertheless our community-led initiatives to improve education and public health in East Africa have continued, only slightly abated by the pandemic.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting – Our financial statements are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

GLOBAL PARTNERS FOR DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Basis of Presentation – We report information regarding financial position and activities in two classes of net assets:

Net Assets without Donor Restrictions: Net assets not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

Net Assets with Donor Restrictions: Net assets subject to donor-imposed stipulations that may be fulfilled by actions of Global Partners to meet the stipulations, or that become unrestricted at the date specified by the donor.

Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose restrictions.

Contributed Services – Contributed services are recognized when received if such services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

Contributed Goods – Contributed goods are recorded at their estimated fair values.

Revenue Recognition – Generally accepted accounting principles require contract revenue to be recognized through five steps consisting of identifying a contract with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to performance obligations, and recognizing revenue as performance obligations are satisfied. Our contract revenue is earned and recorded as reimbursable costs are incurred and is typically collected within one month. Receivables from our customer contracts generally do not bear interest. Contracts receivable as of March 31, 2021, the beginning of the year presented in these financial statements, was \$10,882.

We earn contract revenue from collaborations with other organizations on two projects:

GLOBAL PARTNERS FOR DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued) –

Water and Development Alliance (WADA) – This project will increase water access to more than 70,000 rural Tanzanians currently without sustainable, reliable access to clean water. This will be achieved by installing or rehabilitating water points and installing solar-powered water systems across 27 villages identified by the Tanzanian Ministry of Water and Irrigation. The sustainability of the water systems will be ensured through capacity building and governance support of village leadership. Global Partners provides technical expertise to complete community and water organization training at select sites. In addition, Global Partners is evaluating the impact of these new water systems across Tanzania through site assessments, development of a robust and comprehensive monitoring and evaluation plan, and baseline and endline data reporting.

Governance Research on Water Systems (GROWS) – The goal of the GROWS project is to identify and disseminate innovative governance models and tools that will help accelerate eliminating extreme poverty in sub-Saharan Africa. By evaluating water system governance in Tanzania, Kenya, and Uganda, Global Partners’ services will help managers continually learn about and from the internal and external realities of the GROWS program, thus building an iterative learning process into GROWS systems. To support this project, Global Partners is conducting a mixed-methods assessment using a quantitative difference-indifference methodology as well as qualitative results from remote key informant surveys and surveys distributed through SMS technology to determine the added value of using additional technologies and innovative management strategies in addition to traditional service providers on governance outcomes.

Receivables - Receivables are reported at net realizable value, management’s estimate of the amount that will ultimately be collected. Uncollectible receivables are charged to operations using the allowance method. The allowance for doubtful accounts is based on the identification of potentially uncollectible accounts, the level of delinquent accounts based on contractual terms, and our historical collection experience. Management performs a review as of the end of each fiscal year to identify delinquent receivables. When efforts to collect delinquent receivables fail, receivables are written off. Management believes receivables at March 31, 2022 will be fully collected. Accordingly, no allowance for doubtful receivables was recorded.

GLOBAL PARTNERS FOR DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents – For purposes of these statements, we consider all highly liquid investments with a maturity of three months or less to be cash equivalents.

Cash and cash equivalents accounts at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000.

Investments – Investments are stated at fair value with unrealized and realized gains and losses reported in our statement of activities.

Office Equipment and Furniture – We generally capitalize office equipment and furniture if cost equals or exceeds \$1,000. Office equipment and furniture are carried at cost or at estimated fair market value at date of donation. Depreciation is calculated using the straight-line method over the estimated useful life of the asset. The estimated useful life of office equipment and furniture is 5 years.

Office equipment and furniture as of March 31, 2022 is summarized as follows:

Office equipment and furniture	\$17,026
Accumulated depreciation	(17,026)
Office equipment and furniture, net	<u>\$ -</u>

Income Taxes – Global Partners is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. Management has processes in place to ensure the maintenance of Global Partners’ tax-exempt status. Our federal returns are subject to examination for up to three years, our California returns are subject to examination for up to four years.

Estimates – The preparation of financial statements in conformity of generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

GLOBAL PARTNERS FOR DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Functional Expense Allocation - Our expenses are presented on a functional basis (i.e., program, administrative, or fund-raising). Certain categories of expenses are attributable to more than one function and must be allocated on a reasonable and consistent basis. Compensation and benefits are allocated on the basis of estimates of time and effort; facilities costs, including utilities, insurance and depreciation are allocated on the basis of estimated usage. The allocations are presented in the accompanying statement of functional expenses.

Fair Value Measurements – Generally accepted accounting principles classifies fair value measurements within these levels:

- Level 1: Measurement is based on quoted market prices in active markets for identical assets or liabilities.
- Level 2: Measurement is based on observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Measurement is based on unobservable inputs that are not corroborated by market data.

Our fair value measurements for investments are Level 1 measurements. Our fair value measurements for donated goods and services are Level 2 measurements based on costs of similar goods and services.

Date of Management’s Review - Subsequent events were evaluated through October 28, 2022, which is the date the financial statements were available to be issued.

**GLOBAL PARTNERS FOR DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022**

Note 3 – Program Grants in the Fiscal Year Ended March 31, 2022

Description	Community Served	Amount
	Kenya:	
	Ringa Girls Secondary School	\$52,831
	Daraja Primary School	37,567
	Kibugu Primary School	37,420
	Agage Primary School	30,523
	Lake Primary School	20,899
Implementation of WASH (water, sanitation, and hygiene) and infrastructure projects	Kodida Primary School	19,939
	Obalwanda Primary School	19,552
	Atono Primary School	19,248
	Nyabondo Boys High School	17,500
	Ruga Kwabai Primary School	15,911
	Naymos Primary School	15,687
	Utajo Primary School	15,354
Development of educational programs and construction of sanitation facilities	Arkaria Village Community Center	22,089
	Burundi:	
Development of youth educational curriculum	Menya	11,278
	Uganda:	
Sponsored new organization providing financial education and services to African women	WomenSaves	9,419
Sponsored mentorship camp experiences for African youth		6,881
Other		7,547
		<u>\$359,645</u>

In the fiscal year ended March 31, 2022, WomenSaves obtained its 501(c)(3) tax-exempt status becoming an autonomous entity with no financial or administrative ties to Global Partners. Global Partners distributed its WomenSaves net assets with donor restrictions to the newly-formed entity.

GLOBAL PARTNERS FOR DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

Note 4 – Contributions Receivable

Generally accepted accounting principles require pledges to be discounted to present value by imputing interest at a fair rate – 3.0% was used for this purpose. The year-end present values of contributions receivable are summarized as follows:

Receivable in less than one year	\$40,600
Receivable in one to five years	116,775
Receivable in more than five years	<u>41,500</u>
Total contributions receivable	198,875
Discount to present value	<u>(14,795)</u>
Net contributions receivable	<u><u>\$184,080</u></u>

As of March 31, 2022, 92% of contributions receivable were concentrated in five donors.

Note 5 – Investments

Our investment balances as of March 31, 2022 were derived from:

General resources	\$342,498
Endowment fund	<u>16,880</u>
Total investments	<u><u>\$359,378</u></u>

Our investments consisted of the following certificates of deposit:

	<u>Fair Value</u>	<u>Cost</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
SAFRA National Bank	\$119,930	\$120,000	0.15%	December 23, 2022
Goldman Sachs Bank	119,782	120,000	0.70%	December 23, 2022
Goldman Sachs Bank	<u>\$119,666</u>	<u>120,000</u>	0.15%	September 8, 2022
	<u><u>\$359,378</u></u>	<u><u>\$360,000</u></u>		

GLOBAL PARTNERS FOR DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

Note 6 – Accrued Earned Time Off Benefits

Accumulated unpaid employee earned time off benefits are recognized as a liability. At March 31, 2022, the liability was \$6,568.

Note 7 – Economic Injury Disaster Loan

In May 2020, we obtained a \$24,500 Economic Injury Disaster Loan (EIDL) provided for by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Monthly payments of \$105 including 2.75% interest must begin by November 2022 and continue for 30 years.

Future maturities are as follows:

<u>Fiscal year ending March 31,</u>	
2023	\$600
2024	600
2025	600
2026	600
2027	700
Thereafter	20,879
	<u>\$23,979</u>

Note 8 – Forgiven Loan Under Paycheck Protection Program

On February 16, 2021, we received loan proceeds in the amount of \$44,759 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying entities for amounts up to 2.5 times of an entity’s average monthly payroll expenses. The loan and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness is reduced if the borrower terminates employees or reduces salaries during the eight-week period. We used our PPP loan for eligible purposes and were notified September 13, 2021 that our loan was fully forgiven.

GLOBAL PARTNERS FOR DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

Note 9 – Net Assets With Donor Restrictions

Net assets released from donor restrictions either by incurring expenses that satisfied restricted purposes or by occurrence of the passage of time specified by donors totaled \$556,487 in the fiscal year ended March 31, 2022. It primarily consists of amounts expended on our educational projects.

As of March 31, 2022, net assets with donor restrictions were comprised of the following purpose or time restrictions:

Educational projects	\$72,549
Health projects	55,159
Water projects	13,043
Permanently restricted endowment, investment earnings are appropriated by Global Partners' board of directors	16,880
	\$157,631

Note 10 – Office Lease

Our office lease requires monthly payments of \$1,400, adjusted annually, and expires June 20, 2025. Future minimum lease payments are as follows:

Year ending March 31,	
2023	\$16,100
2024	17,500
2025	18,380
2026	3,088
Total	\$55,068

Rent expense for the year ended March 31, 2022 was \$12,949.

Note 11 – Major Donor

For the year ended March 31, 2022, 11% of contributions in cash and other financial assets were concentrated in one major donor.

**GLOBAL PARTNERS FOR DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022**

Note 12 – Contributed Services and Goods

For the year ended March 31, 2022, contributed services consisted of engineering services on rural East African communities’ construction projects with an estimated value of \$73,875 and legal services including legal research and consultation with our Board of Directors with an estimated value of \$61,000.

Contributed goods consisted of wine contributed for an April 2022 fundraising event. The estimated value of the wine, \$22,658, is included in current assets on our March 31, 2022 statement of financial position.

Note 13 – Related Party Transactions

The in-kind engineering and legal services contributions covered in Note 12 were made by members of our Board of Directors. For the year ended March 31, 2022, approximately 17% of contributions in cash and other financial assets were made by members of our Board of Directors. And as of March 31, 2022, approximately 42% of our contributions receivable were pledges made by members of our Board of Directors.

Note 14 – Liquidity Management

The following information reflects our financial assets reduced by amounts not available for general expenditures within one year due to either contractual or donor-imposed restrictions or board designations.

Financial assets at March 31, 2022	
Cash and cash equivalents	\$374,712
Investments	359,378
Receivables:	
Contributions due in less than one year	40,600
Contract receivables	13,584
Other receivables	4,863
Total financial assets	<u>793,137</u>
Less those unavailable for general expenditures within one year due to:	
Donor restrictions	<u>(157,631)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$635,506</u></u>

GLOBAL PARTNERS FOR DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

Note 14 – Liquidity Management (continued)

Global Partners operates with a balanced budget and anticipates covering general expenditures by maintaining and expanding existing relationships with donors who have provided donations without restrictions and are willing to continue their support.

Note 15 – Prior Year Adjustment

Our financial statements for the year ended March 31, 2021 have been adjusted to correct contributions receivable. The affected accounts are summarized as follows:

	As Originally Reported	Adjustment	As Adjusted
<u>Statement of Financial Position as of March 31, 2021</u>			
Contributions receivable	\$57,600	(\$12,000)	\$45,600
Net assets without donor restrictions	\$506,354	(\$12,000)	\$494,354

The prior year adjustment had no effect on the change in net assets reported for the year ended March 31, 2021.