GLOBAL PARTNERS FOR DEVELOPMENT

Financial Report
March 31, 2023

VICTORIA MWANGI, CPA
dba VM ACCOUNTING SERVICES

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Victoria W. Mwangi, CPA
dba VM Accounting Services

ACCOUNTANT'S REPORT

December 14, 2023

Board of Directors
Global Partners for Development
Rohnert Park, California

Management is responsible for the accompanying financial statements of **Global Partner for Development** (a nonprofit organization), which comprise the statement of financial position as of March 31, 2023 , 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 accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. I do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

I am not independent with respect to Global Partners for Development.

VM Accounting Services.
Certified Public Accountant

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GLOBAL PARTNERS FOR DEVELOPMENT

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2023

ASSETS

Cash and cash equivalents	$	140,618
Certificates of deposit		367,456
Contributions receivable		128,115
Other receivables		7,650
Prepaid expenses & other assets		5,519
Event items		39,650
Endowment assets		16,880
Website, net		4,500
Right-of-use asset		35,792
TOTAL ASSETS	$	746,180

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable & credit cards	$	10,466
Accrued employee expenses		19,961
Operating Lease		36,360
Loan, Small Business Admin		22,824
TOTAL LIABILITIES		89,611
NET ASSETS		
Net assets without donor restrictions		633,199
Net assets with donor restrictions		23,370
		656,569
TOTAL LIABILITIES & NET ASSETS	$	746,180

The accompnaying notes are an integral part of these statements

GLOBAL PARTNERS FOR DEVELOPMENT

STATEMENT OF ACTIVITIES
MARCH 31, 2023

	Assets without donor restrictions	Assets with donor restrictions	Total
SUPPORT, REVENUE AND OTHER INCOME			
Contributions, cash	$ 246,390	$ 318,230	$ 564,620
Contributions, non-cash	116,607	16,625	133,232
Service fees	86,715		86,715
Special events	26,054		26,054
Interest & other income	8,380	-	8,380
Net assets released from restrictions	469,116	(469,116)	-
TOTAL SUPPORT, REVENUE, AND OTHER INCOME	953,262	(134,261)	819,001
EXPENSES			
Program expenses	860,500	-	860,500
Management and general	129,842	-	129,842
Fundraising			
Development - direct event expenses	39,811	-	39,811
Development - other expenses	64,370	-	64,370
TOTAL EXPENSES	1,094,523	-	1,094,523
CHANGE IN NET ASSETS	(141,261)	(134,261)	(275,522)
NET ASSETS, April 1, 2022	774,460	157,631	932,091
NET ASSETS, March 31, 2023	$ 633,199	$ 23,370	$ 656,569

The accompanying notes are an integral part of these statements

GLOBAL PARTNERS FOR DEVELOPMENT

STATEMENT OF CASH FLOWS
MARCH 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$	(275,522)
Adjustments to reconcile change in net assets to cash flows from operating activities		
Amortization expense		1,500
Right-of-use asset		(35,792)
Discount on grants receivable		(5,260)
In-kind donations		(16,992)
Decrease/(increase) in current assets		
Contributions receivable		61,225
Other receivable		10,797
Prepaid expenses		17,856
Increase/(Decrease) in current liabilities		
Accounts payable & credit card		(5,357)
Deposit for event		(1,100)
Accrued payroll expenses		10,304
Operating lease liability		36,360
NET CASH USED BY OPERATING ACTIVITES		(201,981)
CASH FLOWS FROM INVESTING ACTIVITIES		
Website creation		(6,000)
Purchase of certificates of deposit		(24,958)
NET CASH USED BY INVESTING ACTIVITIES		(30,958)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on SBA Loan		(1,155)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(234,094)
CASH AND CASH EQUIVALENTS, beginning of year		374,712
CASH AND CASH EQUIVALENTS, end of year	$	140,618

The accompanying notes are an integral part of these statements

GLOBAL PARTNERS FOR DEVELOPMENT

STATEMENT OF CASH FLOWS
MARCH 31, 2023

	Programs	Support Services Administration	Support Services Fundraising	2023 Total
Wages & salaries	$ 142,739	$ 28,417	$ 32,990	$ 204,146
Employee benefits	22,261	4,432	5,145	31,838
Payroll taxes	10,895	2,169	2,518	15,582
Employee training	2,775	2,978	225	5,978
Program expenses	476,398	-	-	476,398
Printing and postage	11	850	-	861
Office expense	8,806	11,136	2,798	22,740
Professional services	70,315	29,128	-	99,443
Bank & credit card fees	1,160	4,396	-	5,556
Insurance	5,794	2,228	891	8,913
Marketing	8,361	6,636	4,803	19,800
Occupancy	12,709	2,530	2,937	18,176
Event expenses	-	-	69,536	69,536
Travel	93,433	6,817	6,880	107,130
Amortization expense	-	1,500	-	1,500
Telephone	4,843	964	1,119	6,926
	$ 860,500	$ 104,181	$ 129,842	$ 1,094,523

The accompanying notes are an integral part of these statements

GLOBAL PARTNERS FOR DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

Note 1. Nature of activities and significant accounting policies:

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

Since 1989, GPFD 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. GPFD 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. GPFD 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. GPFD 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, GPFD 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, GPFD 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 than 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. GPFD 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
YEAR ENDED MARCH 31, 2023

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

Health & Nutrition – GPFD'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, GPFD partners with other organizations whose missions and projects align with and are complimentary to GPFD's mission in an effort to expand its impact in East African communities.

b. Income taxes - GPFD 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.

c. Basis of Presentation - GPFD 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.

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. 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.

GLOBAL PARTNERS FOR DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

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

f. Investments – GPFD receives donated investments which are valued at estimated fair value at the date of donation. GPFD's policy is to dispose donated stock and invest the funds in certificates of deposit. Interest earned is recorded as income in the Statement of Activities.

g. 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 live which approximate 5 years. At March 31, 2023, these assets were fully depreciated and no expense was recognized in the Statement of Activities. Website amortization expense totaled $1,500 at March 31, 2023.

h. Support and other revenue - GPFD 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 withut 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.

i. Contract revenues - GPFD provides technical expertise on water system issues under contracts with other organizations. The performance obligations are identified within the contract and so is the expected revenues. Performance obligations are satisfied by performing the specified services and generating project reports. No specific outcome is required for the performance obligations to be fulfilled. Therefore, GPFD recognizes revenues as staff time is utilized and supplies are consumed. Management expects that the time lapse between when the GPFD's performs the services and when payment is received is one year or less. Therefore, the GPFD has elected the practical expedient not to adjust the promised amount of consideration for the effects of a significant financing component. In addition, management believes refund obligations arising from services performed are not material. There were no unsatisfied performance obligations at March 31, 2023.

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

j. Special events - GPFD hosts an annual fundraising event. Supporters donate items to be auctioned or used during the event. Items received prior to the event are recorded at fair value on the Statement of Financial Position at year end. Revenues generated comprise an exchange element based upon the direct benefits donors receive and a contribution element for the difference

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:

Receivable in less than one year ss	$	21,475
Receivable in one to five years		100,275
Receivable in over five years		15,900
		137,650
Discount to present value		(9,535)
	$	128,115

On March 31, 2023, approximately 95% of the receivable balance was from four donors.

Note 3. Certificates of deposit

GPFD invests extra funds in certificates of deposit. At March 31, 2023, the fair value was $367,456 (level 1 of fair value hierarchy).

Note 4. Accrued payroll expenses

Unpaid employee vacation time benefits are recognized as liabilities by GPFD. Accrued vacation at March 31, 2021 was $15,143 and is included in accrued employee expenses in the Statements of Financial Position.

Note 5. Economic injury disaster loan

In May 2020, GPFD obtained a $24,500 Economic Injury Disaster Loan (EIDL) provided for by the Coronovirus Aid, Relief, and Economic Security Act (CARES Act), administered by Small Business Administration (SBA). Final payment is due April 2050. Monthly payments of $105 including interest at 2.75% are required.

Future maturities are as follows:

For the fiscal year ending March 30, 2024	$	640
2025		658
2026		677
2027		695
2028		715
Thereafter		19,439
		22,824
Less current portion of loan leases		(640)
	$	22,184

Cash paid for interest expense during the years ended March 31, 2023, was $645.

Note 6. Operating lease

GPFD office lease agreement commenced June 1, 2022 and will end June 20, 2025. The lease agreement provides for one renewal option for 3 years. GPFD is not certain it will renew the lease agreement. Lease payments are adjusted at the anniversary of the agreement based on a specific amount. In determining the right-of-use asset and lease liabilities GPFD uses its incremental borrowing rate as the discount rate for the lease. The incremental borrowing rate is the rate of interest GPFD would have to pay on a borrowing from a financial institution. The incremental rate used is 5%.

Future minimum lease payments are as follows:

	Principal	Interest	Net
Years ending March 31,			
2024	$ 16,030	$ 1,366	$ 14,664
2025	18,301	689	17,612
2026	4,116	32	4,084
	38,447	2,087	36,360
Less current portion of lease obligations	(16,030)	(1,366)	(14,664)
Long-term portion	$ 22,417	$ 721	$ 21,696

For the year ended March 31, 2023 total rent paid was $16,173.

Note 7. Net assets with donor restrictions

At March 31, 2023, net assets with donor restrictions include the following:

Water projects	$ 5,714
Education projects	776
	6,490
Permanently restricted endowment, with interest income appropriated by board of directors	16,880
	$ 23,370

Note 7. Net assets with donor restrictions
(Cont).

During the year ended March 31, 2023 net assets totaling $960,065, were released from donor restrictions by incurring expenses meeting the purpose restrictions as follows:

Education projects	$	71,773
Health projects		55,159
Water projects		7,329
	$	134,261

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. 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 miscellaneous expenses, respectively.

Note 9. In-kind contributions

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

Professional services – engineering & water program development consulting services	$	66,875
Stock		6,588
Event auction items		39,650
Event facilities & supplies		20,119
	$	133,232

GLOBAL PARTNERS FOR DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

Note 9. In-kind contributions
(cont).

In addition, a substantial number of volunteers have contributed considerably to GFPD'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. Liquidity and availability of resources

The following reflects GPFD's financial assets as of March 31, 2023 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 for general use include:

Cash and cash equivalents	$	143,396
Contributions receivable, one year or less		21,475
Certificates of deposit		364,677
		529,548
Less assets unavailable for general use:		
Assets with donor restrictions		(23,370)
Assets available for general use within one year	$	506,178

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.

Note 11. Related party activity

The Organization receives contributions from Board members and officers in the normal course of business. Some donors have outstanding contributions receivable totaling $66,075 at March 31, 2023. During the year ended March 31, 2023, donations from board members totaled $35,000.

Note 12. Subsequent events

Subsequent events have been evaluated through December 14, 2023, which is the date the financial statement were available to be issued.