



**FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**COMMUNITY PARTNERS INTERNATIONAL**

Contents  
December 31, 2024 and 2023

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## Independent Auditor's Report

To the Board of Directors of  
Community Partners International:

### **Opinion**

We have audited the financial statements of Community Partners International (a California corporation, not for profit) (the Organization) which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Community Partners International as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 the Organization'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**

Our 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 our 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 GAAS 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.

## **Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

In performing an audit in accordance with GAAS, we:

- 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 the Organization'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

*AAFCPA, Inc.*

Westborough, Massachusetts  
November 14, 2025

**COMMUNITY PARTNERS INTERNATIONAL**

 Statements of Financial Position  
 December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Assets</b>						
Current Assets:						
Cash and cash equivalents	\$ 561,016	\$ 1,755,202	\$ 2,316,218	\$ 4,129,046	\$ 2,022,881	\$ 6,151,927
Grants and contributions receivable	7,080,934	-	7,080,934	5,070,643	-	5,070,643
Short-term investments	4,365,964	-	4,365,964	4,115,044	-	4,115,044
Partner grant advances	2,334,081	-	2,334,081	1,079,134	-	1,079,134
Prepaid expenses and other	277,443	-	277,443	105,419	-	105,419
Total current assets	14,619,438	1,755,202	16,374,640	14,499,286	2,022,881	16,522,167
Right-of-Use Asset - Operating	58,747	-	58,747	218,363	-	218,363
Total assets	<u>\$ 14,678,185</u>	<u>\$ 1,755,202</u>	<u>\$ 16,433,387</u>	<u>\$ 14,717,649</u>	<u>\$ 2,022,881</u>	<u>\$ 16,740,530</u>
<b>Liabilities and Net Assets</b>						
Current Liabilities:						
Current portion of operating lease liability	\$ 49,673	\$ -	\$ 49,673	\$ 138,710	\$ -	\$ 138,710
Accounts payable and accrued expenses	2,938,945	-	2,938,945	4,140,941	-	4,140,941
Partner grants payable	1,738,427	-	1,738,427	2,519,671	-	2,519,671
Conditional grant advances	3,116,975	-	3,116,975	1,407,335	-	1,407,335
Total current liabilities	7,844,020	-	7,844,020	8,206,657	-	8,206,657
Operating Lease Liability, net of current portion	-	-	-	50,006	-	50,006
Total liabilities	7,844,020	-	7,844,020	8,256,663	-	8,256,663
Net Assets:						
Without donor restrictions	6,881,632	-	6,881,632	6,692,550	-	6,692,550
With donor restrictions	-	1,755,202	1,755,202	-	2,022,881	2,022,881
Cumulative adjustment for foreign currency translation	(47,467)	-	(47,467)	(231,564)	-	(231,564)
Total net assets	6,834,165	1,755,202	8,589,367	6,460,986	2,022,881	8,483,867
Total liabilities and net assets	<u>\$ 14,678,185</u>	<u>\$ 1,755,202</u>	<u>\$ 16,433,387</u>	<u>\$ 14,717,649</u>	<u>\$ 2,022,881</u>	<u>\$ 16,740,530</u>

The accompanying notes are an integral part of these statements.

**COMMUNITY PARTNERS INTERNATIONAL**

Statements of Activities and Changes in Net Assets  
For the Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Support and Revenue:</b>						
Foreign agency grants	\$ 42,329,650	\$ -	\$ 42,329,650	\$ 29,281,775	\$ -	\$ 29,281,775
Grants and contributions	3,740,351	1,452,185	5,192,536	3,999,361	1,514,556	5,513,917
Interest and other income	494,347	-	494,347	293,644	-	293,644
Net assets released from purpose restrictions	1,719,864	(1,719,864)	-	1,796,146	(1,796,146)	-
Total operating support and revenue	48,284,212	(267,679)	48,016,533	35,370,926	(281,590)	35,089,336
<b>Operating Expenses:</b>						
Program services	45,847,177	-	45,847,177	34,302,671	-	34,302,671
General and administrative	1,821,208	-	1,821,208	1,303,430	-	1,303,430
Fundraising	426,745	-	426,745	303,098	-	303,098
Total operating expenses	48,095,130	-	48,095,130	35,909,199	-	35,909,199
Changes in net assets from operations	189,082	(267,679)	(78,597)	(538,273)	(281,590)	(819,863)
<b>Other Revenue (Expense):</b>						
Gain (loss) on foreign currency exchange	184,097	-	184,097	(231,564)	-	(231,564)
Changes in net assets	373,179	(267,679)	105,500	(769,837)	(281,590)	(1,051,427)
<b>Net Assets:</b>						
Beginning of year	6,460,986	2,022,881	8,483,867	7,230,823	2,304,471	9,535,294
End of year	\$ 6,834,165	\$ 1,755,202	\$ 8,589,367	\$ 6,460,986	\$ 2,022,881	\$ 8,483,867

The accompanying notes are an integral part of these statements.

**COMMUNITY PARTNERS INTERNATIONAL**Statements of Cash Flows  
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities:</b>		
Changes in net assets	\$ 105,500	\$ (1,051,427)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Non-cash lease expenses	159,616	223,743
Changes in operating assets and liabilities:		
Grants and contributions receivable	(2,010,291)	(139,407)
Partner grant advances	(1,254,947)	517,873
Prepaid expenses and other	(172,024)	27,364
Accounts payable and accrued expenses	(1,201,996)	2,369,416
Partner grants payable	(781,244)	104,670
Conditional grant advances	1,709,640	(1,763,976)
Change in operating lease liabilities	(139,043)	(254,935)
Net cash provided by (used in) operating activities	(3,584,789)	33,321
<b>Cash Flows from Investing Activities:</b>		
Purchases of investments	(250,920)	(4,115,044)
<b>Net Change in Cash and Cash Equivalents</b>	(3,835,709)	(4,081,723)
<b>Cash and Cash Equivalents:</b>		
Beginning of year	6,151,927	10,233,650
End of year	<u>\$ 2,316,218</u>	<u>\$ 6,151,927</u>

**COMMUNITY PARTNERS INTERNATIONAL**

Statement of Functional Expenses  
 For the Year Ended December 31, 2024  
 (With Summarized Comparative Totals for the Year Ended December 31, 2023)

	2024							2023	
	Program Services				Total Program Services	General and Administrative	Fundraising	Total	Total
	Health System Strengthening	Emergency Response	Research	Sustainable Development					
<b>Personnel and Related Expenses</b>	\$ 3,868,469	\$ 376,994	\$ 183,147	\$ 1,126,036	\$ 5,554,646	\$ 1,235,132	\$ 329,060	\$ 7,118,838	\$ 6,151,142
<b>Other Expenses:</b>									
Grants	21,397,812	3,204,443	191,526	7,226,527	32,020,308	-	-	32,020,308	22,490,281
Medicines and medical supplies	3,054,222	10,321	11,295	51,121	3,126,959	-	-	3,126,959	1,959,304
Miscellaneous supplies	2,412,090	148,659	80,032	304,350	2,945,131	69,294	5,298	3,019,723	611,722
Professional services	556,383	168,551	172,050	265,192	1,162,176	193,828	45	1,356,049	798,033
Occupancy and utilities	386,655	30,025	8,346	59,995	485,021	232,190	40,822	758,033	678,743
Travel and conferences	199,013	37,879	37,344	53,096	327,332	86,599	29,563	443,494	432,411
Other	32,457	147,426	-	45,721	225,604	4,165	21,957	251,726	90,827
Project materials and supplies	-	-	-	-	-	-	-	-	2,696,736
Total other expenses	28,038,632	3,747,304	500,593	8,006,002	40,292,531	586,076	97,685	40,976,292	29,758,057
Total expenses	<u>\$ 31,907,101</u>	<u>\$ 4,124,298</u>	<u>\$ 683,740</u>	<u>\$ 9,132,038</u>	<u>\$ 45,847,177</u>	<u>\$ 1,821,208</u>	<u>\$ 426,745</u>	<u>\$ 48,095,130</u>	<u>\$ 35,909,199</u>

**COMMUNITY PARTNERS INTERNATIONAL**

Statement of Functional Expenses  
For the Year Ended December 31, 2023

	Program Services				Total Program Services	General and Adminis- trative	Fundraising	Total
	Health System Strengthening	Emergency Response	Research	Sustainable Development				
<b>Personnel and Related Expenses</b>	<u>\$ 3,234,721</u>	<u>\$ 749,738</u>	<u>\$ 322,902</u>	<u>\$ 778,856</u>	<u>\$ 5,086,217</u>	<u>\$ 857,608</u>	<u>\$ 207,317</u>	<u>\$ 6,151,142</u>
<b>Other Expenses:</b>								
Grants	12,662,386	4,314,353	548,270	4,965,272	22,490,281	-	-	22,490,281
Medicines and medical supplies	1,808,197	148,907	2,200	-	1,959,304	-	-	1,959,304
Miscellaneous supplies	137,884	14,752	8,889	429,979	591,504	17,636	2,582	611,722
Professional services	233,822	103,998	182,110	73,515	593,445	201,802	2,786	798,033
Occupancy and utilities	346,424	46,903	37,172	66,846	497,345	156,482	24,916	678,743
Travel and conferences	189,155	48,212	58,046	87,369	382,782	26,930	22,699	432,411
Other	1,502	1,836	1,537	182	5,057	42,972	42,798	90,827
Project materials and supplies	628,629	67,258	40,526	1,960,323	2,696,736	-	-	2,696,736
Total other expenses	<u>16,007,999</u>	<u>4,746,219</u>	<u>878,750</u>	<u>7,583,486</u>	<u>29,216,454</u>	<u>445,822</u>	<u>95,781</u>	<u>29,758,057</u>
Total expenses	<u>\$ 19,242,720</u>	<u>\$ 5,495,957</u>	<u>\$ 1,201,652</u>	<u>\$ 8,362,342</u>	<u>\$ 34,302,671</u>	<u>\$ 1,303,430</u>	<u>\$ 303,098</u>	<u>\$ 35,909,199</u>

## COMMUNITY PARTNERS INTERNATIONAL

Notes to Financial Statements  
December 31, 2024 and 2023

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### 1. OPERATIONS AND NONPROFIT STATUS

#### Operations

Community Partners International (the Organization or CPI) is a California not-for-profit organization incorporated in 2000 (originally known as the Foundation for the People of Burma). The organization has registered "Reach for Equity" as its Doing Business As (DBA) name in late 2023 to reduce the risk on CPI as the operation in Myanmar has been facing a lot of risks and challenges from the escalating scrutiny by the State Administration Council (SAC) after the military coup in 2021. CPI has to operate in a very low profile as the SAC does not support and allow international aid funding coming into the country. Thus, CPI uses its DBA name to perform a low-profile operation to continue supporting the activities in Myanmar via the office in Thailand named Reach. All CPI's support to sensitive project areas and working with partners that can be potentially sensitive to the military are operated under the name of Reach in Thailand to protect CPI and its staff based within the country, Myanmar.

The Organization works to empower communities in Asia to meet their essential health, humanitarian, and development needs by focusing on communities affected by conflict, violence, and displacement in remote, low-resource, and hard-to-reach areas that are marginalized through poverty and exclusion. The Organization's projects and community-based programs directly assist these severely affected communities.

The Organization works with local partners to improve health and education, led by and for the people of Myanmar. Partnership with local organizations is the core of the Organization's work to empower the potential and deep commitment within the communities to develop, own, and lead solutions to their challenges—solutions that are driven by local needs and priorities, designed for the context, and sustainable for the long term.

#### Nonprofit Status

The Organization is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization is also exempt from state income taxes. Donors may deduct contributions made to the Organization within IRC requirements.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The Organization prepares their financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

#### Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## COMMUNITY PARTNERS INTERNATIONAL

Notes to Financial Statements  
December 31, 2024 and 2023

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Foreign Currency Translation

Many of the Organization's disbursements are converted to local currency because the Organization funds its programs by transferring cash from the United States (U.S.) to certain foreign countries so that program expenses can be paid in local denominations (usually in the currency of the countries of Myanmar, Bangladesh and Thailand). All operating results reflected in the accompanying financial statements are reported in U.S. currency. This process requires management to convert amounts expended in other denominations into U.S. dollars utilizing an average exchange rate. This process is performed by the Organization on a regular basis throughout the year and results in a gain (loss) on foreign currency exchange which is included in other revenue (expense) in the accompanying statements of activities and changes in net assets.

#### Income Taxes

The Organization accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Organization has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at December 31, 2024 and 2023. The Organization's information returns are subject to examination by the Federal and state jurisdictions.

#### Fair Value Measurements

The Organization follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Organization would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Organization uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Organization. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

## COMMUNITY PARTNERS INTERNATIONAL

Notes to Financial Statements  
December 31, 2024 and 2023

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Fair Value Measurements (Continued)

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All qualifying assets and liabilities are valued using Level 1 inputs.

#### Cash and Cash Equivalents

For the purpose of the statements of cash flows, management considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

#### Grants and Contributions Receivable and Allowance

Grants and contributions receivable as of December 31, 2024 and 2023, consist of contributions and government and private grants committed to the Organization. Grants and contributions receivable are recorded at their net present value, less allowances for doubtful accounts, when unconditionally committed. There was no allowance for doubtful accounts recorded as of December 31, 2024 and 2023.

#### Short-Term Investments

The Organization's investments consisted entirely of U.S. Treasury bills classified as available-for-sale debt securities and money market funds that are presented in the financial statements at fair value (see Note 4). U.S. Government obligations have an active market with quoted prices and, as a result, the market price of identical securities (Level 1 inputs) is used to determine fair value.

#### Leases

The Organization assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of twelve months or less are not recorded on the statement of financial position. Lease expense is recognized by the Organization on a straight-line basis over the lease term.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The right-of-use (ROU) asset represents the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization uses the implicit rate when readily determinable. Since the Organization's operating leases do not provide an implicit rate, to determine the present value of lease payments, management uses the risk-free rate at the date of lease commencement. The Organization's lease terms may include options to extend or terminate the leases when it is reasonably certain that the option will be exercised.

For leases where it is the lessee, the Organization accounts for lease payments (lease component) and common area expense reimbursements (non-lease component) as one lease component under Topic 842. The Organization also includes the non-components of its leases, such as the reimbursement of utilities, insurance, and real estate taxes, within this lease component. These amounts are included in occupancy and utilities in the accompanying statements of functional expenses.

## COMMUNITY PARTNERS INTERNATIONAL

Notes to Financial Statements  
December 31, 2024 and 2023

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue Recognition

##### *Foreign Agency Grants and Grants and Contributions*

In accordance with ASC Subtopic 958-605, *Revenue Recognition* (Topic 958), the Organization must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or another measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Organization should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met. See Note 11 for disclosure of the Organization's conditional awards at December 31, 2024 and 2023.

Foreign agency grants and grants and contributions are recorded as services are provided and costs are incurred. Contributions with donor restrictions are recorded as revenues and net assets with donor restrictions when unconditionally received or pledged. Transfers are made to net assets without donor restrictions as costs are incurred or time restrictions or program restrictions have lapsed.

Interest and other income is recorded when earned.

#### Partner Grant Advances and Grants Payable

Partner grant advances represent amounts advanced to subrecipients under program grants where expenses have not yet been incurred. Partner grants payable represent amounts incurred by subrecipients under program grants which have not yet been paid out (see Note 9). Such amounts are to be relieved and disbursed during the subsequent fiscal year.

#### Expense Allocation

Expenses related directly to a program are distributed to that program, while other expenses are allocated to programs or support functions based upon management's estimate of the percentage attributable to each function. The financial statements contain certain categories of expenses that are attributable to program and supporting functions. The expenses which are allocated include personnel and related and occupancy and utilities and have been allocated based on estimates of time and effort and square footage utilized, respectively.

#### Net Assets

The Organization has grouped its net assets into the following categories:

*Without Donor Restrictions* - Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by the Organization.

*With Donor Restrictions* - The Organization receives grants and contributions that are designated by donors for specific purposes. These grants and contributions are recorded as net assets with donor restrictions until they are expended for their designated purposes. Net assets with donor restrictions include amounts restricted for time of \$500,000 and purpose of \$1,255,202 at December 31, 2024. Net assets with donor restrictions are purpose restricted at December 31, 2023.

## COMMUNITY PARTNERS INTERNATIONAL

Notes to Financial Statements  
December 31, 2024 and 2023

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Net Assets (Continued)

*Cumulative adjustment for foreign currency translation net assets* - These net assets represent the cumulative effect of translating the Myanmar financial activities and net position into the Organization's reporting currency (U.S. dollars).

#### Subsequent Events

Subsequent events have been evaluated through November 14, 2025, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

### 3. RELATED PARTY TRANSACTIONS

A member of the Organization's Board of Directors is a Board member of two agencies that provided grants to the Organization. Total grant awards received amounted to \$330,000 and \$300,000 for the years ended December 31, 2024 and 2023, respectively.

Multiple members of management are Board members of various agencies that the Organization provided grants to. Total grant awards amounted to \$3,016,382 and \$1,885,518 for the years ended December 31, 2024 and 2023, respectively.

### 4. SHORT-TERM INVESTMENTS

The Organization's short-term investments consisted of money market and U.S. Government obligations as of December 31, 2024, which mature at various dates throughout 2025. Short-term investments are presented in the accompanying financial statements at fair value (see Note 2):

<u>2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and equivalents:				
Money market	\$ 65,964	\$ -	\$ -	\$ 65,964
Fixed income:				
U.S. Government obligations (available-for-sale)	<u>4,300,000</u>	<u>-</u>	<u>-</u>	<u>4,300,000</u>
Total short-term investments	<u>\$ 4,365,964</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,365,964</u>
<u>2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and equivalents:				
Money market	\$ 123,191	\$ -	\$ -	\$ 123,191
Fixed income:				
U.S. Government obligations (available-for-sale)	<u>3,991,853</u>	<u>-</u>	<u>-</u>	<u>3,991,853</u>
Total short-term investments	<u>\$ 4,115,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,115,044</u>

## COMMUNITY PARTNERS INTERNATIONAL

Notes to Financial Statements  
December 31, 2024 and 2023

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### 4. SHORT-TERM INVESTMENTS (Continued)

There was no investment return recognized during 2024 as it was not deemed material to the financial statements. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements.

### 5. OPERATING LEASES

The Organization entered into lease agreements for office space located in Myanmar, Thailand and the United States in August 2021, expiring at various dates through November 2025. The Organization is required to make annual and/or monthly payments on these leases. Lease payments require monthly or annual (in advance) rental payments made with U.S. dollars, local currency of Baht (Thailand), and MMK (Myanmar Kyat). Annual payments range from \$186,000 to \$192,000. Monthly payments are due on the first day of the month and range from \$833 to \$3,736. The Organization is also responsible for its share of utilities under certain operating lease agreements (CAM charges).

In accordance with ASC Topic 842, *Leases*, the Organization records rent expense for the operating leases on a straight-line basis over the term of the leases. CAM charges are variable and were \$22,392 and \$9,567 for the years ended December 31, 2024 and 2023, respectively. Base rent of \$163,588 and \$204,066 was recognized for the years ended December 31, 2024 and 2023, respectively, and is included with CAM charges as occupancy and utilities expense in the accompanying statements of functional expenses. Occupancy and utilities expense includes short-term lease costs of approximately \$126,000 and \$38,000 for the years ended December 31, 2024 and 2023, respectively.

The following summarizes the weighted-average remaining lease term and discount rate as of December 31:

	<u>2024</u>	<u>2023</u>
<b>Weighted-Average Remaining Lease Term:</b>		
Operating leases	1.15 years	1.23 years
<b>Weighted-Average Discount Rate:</b>		
Operating leases	4.53%	4.56%

As of December 31, 2024, there were no material leases that have been executed by the Organization but have not yet commenced.

The following summarizes cash flow information related to leases included in the measurement of lease liabilities for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	<u>\$ 143,016</u>	<u>\$ 232,438</u>
ROU assets obtained in exchange for lease obligations:		
Operating leases	<u>\$ -</u>	<u>\$ 38,029</u>

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### 5. OPERATING LEASES (Continued)

Future minimum cash lease payments for the non-cancellable portion of the lease, excluding CAM charges, as of December 31, 2024, are \$49,673 for calendar year 2025.

### 6. FOREIGN OPERATIONS

The Organization has operations in Myanmar, Bangladesh and Thailand. Foreign operations are subject to the risks inherent in operating under different legal systems and various political and economic environments. Following the Myanmar coup on February 1, 2021, the operations of non-profits in the country have been facing various risks and challenges which immensely impacted the continuation of the support to the community. Among these risks are changes in existing tax laws, frequent changes on banking regulations, restrictions and strict scrutiny on non-profits' fund flow and activities, possible limitations on foreign investment and income repatriation, government price of foreign exchange controls, political unrest, restrictions on currency exchange, and possible failure of the Myanmar economy.

### 7. FUNDING AND CONCENTRATIONS

Concentrations of grants and contributions receivable and total operating support and revenue as of December 31, 2024 and 2023, are as follows:

	2024		2023	
	<u>Grants and Contributions Receivable</u>	<u>Total Operating Support and Revenue</u>	<u>Grants and Contributions Receivable</u>	<u>Total Operating Support and Revenue</u>
Private Funder A	54%	36%	46%	48%
Private Funder B	35%	5%	49%	7%

The Organization also maintains cash balances in a U.S. bank. The Federal Deposit Insurance Corporation (FDIC) insures balances at each bank up to certain amounts. At times during the year, cash balances exceeded the insured amounts. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on its operating cash balances.

Approximately 88% and 76% of the Organization's partner grant advances are due from two partners as of December 31, 2024 and 2023, respectively.

### 8. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available within one year from the statements of financial position date for general operating expenses are as follows as of December 31:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 2,316,218	\$ 6,151,927
Grants and contributions receivable	7,080,934	5,070,643
Short-term investments	<u>4,365,964</u>	<u>4,115,044</u>
	13,763,116	15,337,614
Less - net assets with donor restrictions (see Note 2)	<u>(1,755,202)</u>	<u>(2,022,881)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 12,007,914</u>	<u>\$ 13,314,733</u>

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### 8. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

The Organization has a policy to structure its financial assets to be available and liquid as its obligations become due. As of December 31, 2024 and 2023, the Organization has financial assets equal to approximately four months of operating expenses. The majority of operating expenses are funded by donor-restricted grants which are made available for operations as expenses are incurred.

### 9. PARTNERSHIP GRANTS IN SUBGRANTEES

The Organization has entered into agreements with certain other organizations in order to fulfill its obligations under various foreign organizations and other grants. Amounts are awarded and paid to subgrantees upon the Organization's approval, review of project-related expenditures by subrecipients, and upon meeting terms and conditions outlined in the subgrantee award document. Amounts are reflected as grants in the accompanying statements of functional expenses.

### 10. CONTINGENCIES

The Organization is operating in a period of political, financial and social disruption (see Note 6). The financial impact to the Organization, if any, cannot be reasonably estimated at this time.

### 11. CONDITIONAL GRANTS

During 2024 and 2023, the Organization was awarded \$75,208,239 and \$75,329,907, respectively, of various contributions from third-party organizations and government sources. The full amount of these grants is conditional upon the Organization overcoming certain barriers such as stipulations that limit discretion by the Organization on the activities conducted with the grant funds, as defined in the grant agreements. The Organization recognizes these grants and contracts when conditions are met. For the years ended December 31, 2024 and 2023, the Organization recognized \$34,559,641 and \$30,083,790, respectively, of these third-party and government grants and contracts. Conditional grants total \$40,648,599 and \$45,246,117 as of December 31, 2024 and 2023, respectively, and consist of grants that are conditional upon the Organization meeting certain milestones.

Conditional grant advances are comprised of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Total conditional grants awarded	\$ 75,208,239	\$ 75,329,907
Cash received	\$ 37,676,616	\$ 31,491,125
Less - amount recognized	<u>(34,559,641)</u>	<u>(30,083,790)</u>
Conditional grant advances	<u>\$ 3,116,975</u>	<u>\$ 1,407,335</u>