

Partnerships for Change
Financial Statements
for the year ended June 30, 2014



Independent Auditor's Report

To the Board of Directors
Partnerships for Change
San Francisco, California

We have audited the accompanying financial statements of Partnerships for Change (a nonprofit organization), which comprise the statement of assets and net assets - cash basis and the related statement of revenue, expenses and changes in net assets - cash basis, as of June 30, 2014, 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 the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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 statements, 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 circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Partnerships for Change as of June 30, 2014, and its revenue collected, expenses paid and net assets for the year then ended in accordance with the cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California
October 20, 2015

Partnerships for Change
Statement of Assets and Net Assets -
Cash Basis
June 30, 2014

Assets		
<u>Cash</u>		<u>\$ 1,195,150</u>
Net Assets		
<u>Net assets</u>		
Unrestricted		\$ 188,067
Temporarily restricted		<u>1,007,083</u>
Total net assets		<u>\$ 1,195,150</u>

See accompanying notes.

Partnerships for Change
Statement of Revenue, Expenses and Changes in Net Assets -
Cash Basis
for the year ended June 30, 2014

	Unrestricted	Temporarily Restricted	Total
<u>Revenue and support:</u>			
Public support	\$ -	\$ 2,153,077	\$ 2,153,077
Corporate contributions	25,000	-	25,000
Grant income	-	422,094	422,094
Release of restriction	1,608,699	(1,608,699)	-
Total revenue and support	1,633,699	966,472	2,600,171
<u>Expenses:</u>			
Program expenses	1,437,512	-	1,437,512
Management expenses	22,003	-	22,003
Fundraising	7,335	-	7,335
Total expenses	1,466,850	-	1,466,850
Income from operations	166,849	966,472	1,133,321
<u>Interest income</u>	824	-	824
Change in net assets	167,673	966,472	1,134,145
<u>Net assets, beginning of year</u>	20,394	40,611	61,005
<u>Net assets, end of year</u>	\$ 188,067	\$ 1,007,083	\$ 1,195,150

See accompanying notes.

Partnerships for Change
Notes to Financial Statements
June 30, 2014

Note 1: Summary of Significant Accounting Policies:

The following items comprise the significant accounting policies of Partnerships for Change (the Organization). The policies reflect industry practices and conform to the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Organization's Activities:

The Organization is a team of social impact strategists and practitioners. The Organization disrupts the status quo and implements lasting change. Since 1990, PFC has harnessed the power of stories and partnerships to accelerate change through direct action projects with all forms of media. The Organization continues to perfect the craft of transformation. The Organization strategically engages and mobilizes filmmakers, authors, artists, political advocates, broadcast and print journalists, social media, web and mobile platform architects to bring change.

The Organizations sustainable foray goal is to advance compassion and abolish cruelty to people, animals and the environment by accelerating economic, social and health empowerment projects, and awaken the conscience from these compelling stories, to build advocacy for policy change to realize these goals.

Signature Projects with Brief Description following:

- Samarpan Foundation
- Children's Education Development (C.E.D.) Society
- Artemis Rising Invisible War Recovery Program
- Games of E3OZ, Gamification for Social Action
- Fiscal sponsor for the film, The Hunting Ground

Lead Partner: Samarpan Foundation

- Place: Sundarbans (Sea level delta, Northeastern India)
- Land, Building, and Initial Medical Personnel in place
- Budget
- Expanded Medical Care support - Candidates - Johns Hopkins Hospital, University of California San Francisco, Kolkata, India
- Infrastructure for Telemedicine
- Telemedicine via Tiatros
- Possible Funding sources: Family Planning 2020 via the Bloomberg Foundation with the U. N. Foundation
- Economic development
 - Women's Economic Cooperative producing products, “Trash for Cash”
 - Sustainable Dairy
 - Innovative technology integrated for water, heat, and recycled materials for buildings

Partnerships for Change
Notes to Financial Statements, continued
June 30, 2014

Note 1: Summary of Significant Accounting Policies, continued:

Organization's Activities, continued:

Lead Partner: The Children's Educational Development (C.E.D.) Society

- Girl's Institute For Technology (G.I.F.T.)
- Place: Dehradun, India (Northern India) - Serving disabled girls and women
- M.A.H.A. Women's Clinic (Himalayan High Altitude Region of Upper Dolpo, Nepal)
- Land in place
- Budget
- Medical Personnel and Support
- Internet and Telemedicine Infrastructure
- Provide loving environment for children that were neglected and treated as a negative omen due to disability or cultural norms in Upper Dolpo
- Provide boarding and education from kindergarten through college
- Trained in self-sufficiency
- Running of Business
- Operation of Orphanage

Lead Partners: Artemis Rising Foundation and the Invisible War Recovery Program

- PFC incubated through 5 programs offered to victims of sexual assault in the military, a non-pharmaceutical recovery and transformation program
- The Recovery Program was inspired from an Oscar nominated film, the Invisible War, relaying the stories of victims and the failure of the system to provide justice.

Lead Partner: Partnerships For Change with Ecological Prosperity Developments (EPD)

- *Gamification for Social Action: Games of E3OZ*
 - Designing the Games of E3OZ for participants to play to win and drive collective action to beat global warming
 - Creating stories and archetypal characters to host the Games. These characters connect to individuals and motivates greater personal accountability

Lead Partner: Chain Camera Pictures

- PFC served as a fiscal sponsor for The Hunting Ground. The film, produced by an Oscar nominated team, depicts the epidemic of sexual assaults on college campuses around the country and the alarming and systematic cover-ups that have occurred that deny justice to these victims.

Partnerships for Change
Notes to Financial Statements, continued
June 30, 2014

Note 1: Summary of Significant Accounting Policies, continued:

Financial Statement Presentation:

The Organization follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Organizations*. ASC 958 establishes standards for financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally-imposed restrictions. Descriptions of the three net asset categories are as follows:

- *Unrestricted net assets* have no grantor-imposed restrictions.
- *Temporarily restricted net assets* have grantor-imposed restrictions that are satisfied either by the passage of time or expenditures that meet the donor-specified purpose.
- *Permanently restricted net assets* have grantor-imposed restrictions that do not expire.

There were no permanently restricted net assets as of June 30, 2014.

Basis of Accounting:

The accounting records are maintained using the cash basis method of accounting. Under the cash basis of accounting revenue is recorded when received rather than when earned, and expenses are recognized when cash is disbursed rather than when the obligation is incurred.

Use of Estimates:

The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect the reported allocation of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash:

The Organization considers all cash and investments purchased with a maturity of three months or less to be cash and cash equivalents.

Partnerships for Change
Notes to Financial Statements, continued
June 30, 2014

Note 1: Summary of Significant Accounting Policies, continued:

Contributions:

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions that are temporarily restricted are then reclassified to unrestricted net assets upon satisfaction of the restriction. Restricted contributions whose restrictions are met within the same reporting period are classified as unrestricted support.

Contributions of services are recognized if the services received create nonfinancial assets or require specialized skills. Donated goods, warehouse space and other noncash contributions are recorded at their estimated fair values at the date of donation.

Income Taxes:

Under applicable laws and regulations, the Organization has been determined to be exempt from federal and California income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code and Section 23701(a) of the State Revenue and Taxation Code. Accordingly, no provision for income taxes has been recorded in these financial statements.

Uncertain Tax Positions:

FASB ASC Topic 740, *Accounting for Uncertainty in Income Taxes*, prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. For the years ended June 30, 2014, the Organization has no material uncertain tax positions to be accounted for in the financial statements under these rules. The Organization recognizes interest and penalties, if any, related to unrecognized tax benefits in general and administrative expenses. The federal and state income tax returns of the Organization for 2013, 2012, 2011, and 2010 are subject to examination by the taxing authority, generally for three and four years, respectively, after the due date.

Concentration of Credit Risk:

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

Subsequent Events:

Management has evaluated subsequent events through October 20, 2015, the date on which the financial statements were available to be issued.