

GLOBAL SCHOOL LEADERS
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2023 AND 2022

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CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

To the Board of Directors
Global School Leaders
Los Angeles, CA

Opinion

We have audited the accompanying financial statements of Global School Leaders, (a non-profit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Global School Leaders as of December 31, 2023 and 2022, 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. 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 Global School Leaders, 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 Global School Leaders' 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 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, 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 Global School Leaders' 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 Global School Leaders' 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.



Washington, DC
July 12, 2024

**GLOBAL SCHOOL LEADERS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022**

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and restricted cash:		
Cash	\$ 2,083,401	\$ 1,269,424
Restricted cash	90,972	329,225
Total Cash and Restricted Cash	2,174,373	1,598,649
Grants receivable, current portion	459,998	694,300
Accounts receivable	4,187	-
Prepaid expenses	60,078	682
Total Current Assets	2,698,636	2,293,631
NON-CURRENT ASSETS		
Grants receivable, net of current portion	-	200,000
Property and equipment, net	10,254	-
Total Non-Current Assets	10,254	200,000
TOTAL ASSETS	\$ 2,708,890	\$ 2,493,631
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 78,060	\$ 25,410
Accrued expenses	30,415	4,011
Deferred revenue	376,270	1,094,666
Total Current Liabilities	484,745	1,124,087
NET ASSETS		
Without donor restrictions	995,406	98,586
With donor restrictions	1,228,739	1,270,958
Total Net Assets	2,224,145	1,369,544
TOTAL LIABILITIES AND NET ASSETS	\$ 2,708,890	\$ 2,493,631

The accompanying notes are an integral part of these financial statements.

**GLOBAL SCHOOL LEADERS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and contributions	\$ 1,854,319	\$ 775,450	\$ 2,629,769
Service fees	262,231	-	262,231
Interest income	358	-	358
Gain on exchange rate	2,217	-	2,217
Net assets released from restrictions	817,669	(817,669)	-
Total Revenue and Support	2,936,794	(42,219)	2,894,575
EXPENSES			
Program Services	1,693,508	-	1,693,508
Support Services:			
General and administration	302,745	-	302,745
Fundraising expenses	43,721	-	43,721
Total Support Services	346,466	-	346,466
Total Expenses	2,039,974	-	2,039,974
CHANGE IN NET ASSETS	896,820	(42,219)	854,601
NET ASSETS, beginning of year	98,586	1,270,958	1,369,544
NET ASSETS, end of year	\$ 995,406	\$ 1,228,739	\$ 2,224,145

The accompanying notes are an integral part of these financial statements.

**GLOBAL SCHOOL LEADERS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants and contributions	\$ 426,155	\$ 1,194,507	\$ 1,620,662
Service fees	52,330	-	52,330
Interest income	137	-	137
Net assets released from restrictions	592,500	(592,500)	-
Total Revenue and Support	<u>1,071,122</u>	<u>602,007</u>	<u>1,673,129</u>
EXPENSES			
Program Services	1,031,381	-	1,031,381
Support Services:			
General and administration	116,791	-	116,791
Fundraising expenses	11,809	-	11,809
Total Support Services	<u>128,600</u>	<u>-</u>	<u>128,600</u>
Total Expenses	<u>1,159,981</u>	<u>-</u>	<u>1,159,981</u>
CHANGE IN NET ASSETS	(88,859)	602,007	513,148
NET ASSETS:			
Beginning of year	187,445	410,496	597,941
Prior period adjustment	-	258,455	258,455
Beginning of year, as restated	<u>187,445</u>	<u>668,951</u>	<u>856,396</u>
End of year	<u>\$ 98,586</u>	<u>\$ 1,270,958</u>	<u>\$ 1,369,544</u>

The accompanying notes are an integral part of these financial statements.

**GLOBAL SCHOOL LEADERS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023**

	Support Services			Total Support Services	TOTAL
	Program Services	General and Administration	Fundraising Expenses		
Personal Costs					
Salaries	\$ 492,568	\$ 45,916	\$ 15,366	\$ 61,282	\$ 553,850
Payroll taxes	10,509	1,981	1,201	3,182	13,691
Benefits	27,941	5,936	4	5,940	33,881
Total Personal Costs	531,018	53,833	16,571	70,404	601,422
Accounting	-	42,313	-	42,313	42,313
Bank service fees	118	265	-	265	383
Communications	3,746	-	-	-	3,746
Contractors	816,679	153,764	18,750	172,514	989,193
Depreciation	1,046	-	-	-	1,046
Dues and subscriptions	1,500	-	-	-	1,500
Equipment	8,772	1,063	-	1,063	9,835
Grants	260,753	-	-	-	260,753
Information technology	6,682	11,588	-	11,588	18,270
Insurance	-	5,437	-	5,437	5,437
Meals and entertainment	45	95	6	101	146
Office supplies	303	796	-	796	1,099
Outreach and communications	-	767	-	767	767
Professional fees	-	32,493	-	32,493	32,493
Training and development	332	331	-	331	663
Travel	62,514	-	8,394	8,394	70,908
Total Expenses	<u>\$ 1,693,508</u>	<u>\$ 302,745</u>	<u>\$ 43,721</u>	<u>\$ 346,466</u>	<u>\$ 2,039,974</u>

The accompanying notes are an integral part of these financial statements.

**GLOBAL SCHOOL LEADERS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022**

	Support Services			Total Support Services	TOTAL
	Program Services	General and Administration	Fundraising Expenses		
Personal Costs					
Salaries	\$ 140,790	\$ 54,468	\$ 3,736	\$ 58,204	\$ 198,994
Payroll taxes	11,889	4,375	299	4,674	16,563
Benefits	11,504	3,641	210	3,851	15,355
Total Personal Costs	164,183	62,484	4,245	66,729	230,912
Accounting	-	19,452	-	19,452	19,452
Bank service fees	136	115	-	115	251
Contractors	574,703	-	-	-	574,703
Dues and subscriptions	2,118	-	-	-	2,118
Grants	137,580	-	-	-	137,580
Information technology	7,577	8,182	-	8,182	15,759
Insurance	4,183	448	349	797	4,980
Meetings costs - board	-	6,791	-	6,791	6,791
Office supplies	82	996	-	996	1,078
Outreach and communications	-	31	-	31	31
Printing	1,035	-	-	-	1,035
Professional fees	86,582	9,277	7,215	16,492	103,074
Research	3,679	-	-	-	3,679
Taxes and fees	-	1,210	-	1,210	1,210
Travel	49,523	7,805	-	7,805	57,328
Total Expenses	<u>\$ 1,031,381</u>	<u>\$ 116,791</u>	<u>\$ 11,809</u>	<u>\$ 128,600</u>	<u>\$ 1,159,981</u>

The accompanying notes are an integral part of these financial statements.

**GLOBAL SCHOOL LEADERS
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 854,601	\$ 513,148
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	1,046	-
(Increase) decrease in assets:		
Grants receivable	434,302	(455,789)
Accounts receivable	(4,187)	-
Prepaid expenses	(59,396)	2,257
Increase (decrease) in liabilities:		
Accounts payable	52,650	(286)
Accrued expenses	26,404	(4,336)
Deferred revenue	(718,396)	1,094,666
Net Cash Provided by Operating Activities	587,024	1,149,660
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(11,300)	-
Net Cash Provided by Investing Activities	(11,300)	-
NET CHANGE IN CASH AND RESTRICTED CASH	575,724	1,149,660
CASH AND RESTRICTED CASH, beginning of year	1,598,649	448,989
CASH AND RESTRICTED CASH, end of year	\$ 2,174,373	\$ 1,598,649

The accompanying notes are an integral part of these financial statements.

**GLOBAL SCHOOL LEADERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE A – ORGANIZATION AND NATURE OF ACTIVITIES

Global School Leaders (“GSL”) is a non-profit organization that was incorporated in California in 2016 to advance the education of children by training and preparing school leaders, teachers and other educators. GSL is supported primarily through contributions and grants.

Global School Leaders is redefining what powerful school leadership can do for education systems in the Global South through the following Programs:

GSL is building partnerships and working directly with partners in Latin America, Africa, and Asia to support school leader training programs through curriculum development, implementation and technical support, including new programs in Philippines and Ghana. In India, GSL has built a gender equity program and continue to work on a randomized control trial to determine the impact of coaching on school leader development. In Ghana, GSL has started a program focused on supporting leaders in different regions across the country as well as studying gender in school leadership. In Indonesia GSL launched a program to study the impact of school leader training on the implementation of a teacher intervention. GSL continues to create dialogue to raise awareness about school leaders' potential to impact student outcome.

Additionally, GSL continues to study how best to support school leaders through studies, surveys and literature reviews, including publishing the Annual GSL PULS Survey.

In 2023, GSL launched the "Students First" video series featuring school leaders in India and Brazil, coordinated the UNESCO Teacher Task Force School Leadership Network and launched a storytelling lab for 50 school leaders to tell day-to-day stories of their work as a school leader.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements were prepared using the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned and expenses and related liabilities are recognized as the obligations are incurred.

Basis of Presentation

Financial statement presentation follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958, *Not-for-Profit Entities*. In accordance with Topic 958, net assets, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

GLOBAL SCHOOL LEADERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(continued)

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – continued

Basis of Presentation – continued

Accordingly, the net assets of GSL and changes therein, are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed restrictions that will be met by either actions of GSL and/or the passage of time, or that must be maintained in perpetuity by GSL. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Cash

GSL maintains its cash balances in bank deposit accounts which are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. At times, the accounts may exceed these limits. GSL believes it is not exposed to any significant credit risk on cash or cash equivalents.

Restricted cash

Restricted cash represents funds held for the India project, which is also insured by the FDIC up to \$250,000. Management believes that restricted cash is not exposed to any significant credit risk. As of December 31, 2023 and 2022, restricted cash totaled \$90,972 and \$329,225, respectively.

Property and Equipment

Property and equipment are stated at cost. GSL capitalizes all expenditures for property and equipment in excess of \$2,500 and a useful life when acquired of more than one year. Depreciation on property and equipment has been computed using the straight-line method over the estimated useful lives of the assets which range from three to seven years. Expenditures for repairs and maintenance are charged to expense as incurred.

GLOBAL SCHOOL LEADERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(continued)

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – continued

Accounts and Grants Receivable

Accounts and grants receivable consist primarily of amounts due from donors promised to give are stated at the amount management expects to collect from balances outstanding at year end. Annually, management determines if an allowance for doubtful accounts is necessary based upon management's ongoing review of outstanding receivables, historical collection information, and existing economic conditions. Accounts deemed uncollectible are charged off based on specific circumstances of the parties involved. Management believes all receivable are collectible within one year or less; therefore, no allowance for uncollectible accounts has been established.

Deferred Revenue

Deferred Revenue result from conditional grants and contributions for which funds have been received but the underlying revenue is not recognized until the fiscal year in which the related conditions are met. Deferred revenue as of the beginning of the year ended December 31, 2022, totaled \$0.

Revenue Recognition

Grants and Contributions

GSL recognizes grants and contributions when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions received with donor stipulations are recorded as contributions with donor restrictions based on the donor's intent. Unless otherwise stated by the donor, individual donations are recorded as contributions without donor restrictions. Contributions with donor restrictions that are met in the same reporting period as the contribution is received are reported as contributions with donor restrictions. Cash received in excess of revenue recognized is recorded as deferred revenue on the statements of financial position.

As of December 31, 2023, GSL had conditional promises to give in the total amount of \$2,069,148, that are expected to be fulfilled by the year ending December 31, 2025.

Service Fees

Service fees is recognized over time by allocating the fees to the related performance obligations and recognizing the related revenue as these obligations are accomplished. Cash received for program which relates to subsequent years is reflected as deferred revenue.

GLOBAL SCHOOL LEADERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(continued)

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – continued

Method Used for Allocation of Expenses for General and Administration Activities

The financial statements report certain categories of expenses that are attributable to more than one program or support function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include contractors, office supplies which are allocated based on salaries and related costs, and on the basis of estimates of time and effort expended.

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 certain reported amounts of revenue and expenses during the reporting periods and reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from those estimates

NOTE C – INCOME TAXES

GSL has been recognized as exempt from federal income tax by the Internal Revenue Service under the provisions of Section 501(c)(3) of the Internal Revenue Code and is classified as an organization that is not a private foundation.

GSL believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements or that would have an effect on its tax-exempt status. There are no unrecognized tax benefits or liabilities that need to be recorded.

GSL's information returns are subject to examination by the Internal Revenue Service ("IRS") for a period of three years from the date they were filed, except under certain circumstances. GSL's Form 990 returns for the years ended December 31, 2020 through 2022 are open for a tax examination by the IRS, although no request has been made as of the date of these financial statements.

GLOBAL SCHOOL LEADERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(continued)

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY

GSL’s management regularly monitors liquidity requirements to ensure that on-going operating needs and other contractual commitments are met. Timing of revenue receipts also ensures the availability of necessary operational funds. Sources of liquidity available to GSL include financial assets consisting of cash and restricted cash, and grants receivable.

As of December 31, 2023 and 2022, total financial assets held by GSL and the amounts of those financial assets that could readily be made available within one year of the statement of financial position date to meet general expenditures were as follows:

	<u>2023</u>	<u>2022</u>
Cash and restricted cash	\$ 2,174,373	\$ 1,598,649
Grants receivable	459,998	894,300
Accounts receivable	4,187	-
Total Financial Assets	<u>2,638,558</u>	<u>2,492,949</u>
Less: With donor restriction	<u>(1,228,739)</u>	<u>(1,270,958)</u>
Total Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 1,409,819</u>	<u>\$ 1,221,991</u>

NOTE E – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of December 31, 2023:

Software	\$ 11,300
Less: accumulated depreciation	<u>(1,046)</u>
Property and Equipment, Net	<u>\$ 10,254</u>

Depreciation expense for the years ended December 31, 2023 and 2022, totaled \$1,046 and \$0, respectively.

GLOBAL SCHOOL LEADERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(continued)

NOTE F – DONOR RESTRICTED NET ASSETS

As of December 31, 2023 and 2022, net assets with donor restrictions are as follows:

	<u>2023</u>	<u>2022</u>
Build resources for school leaders on Foundational Literacy and Numeracy	\$ 524,787	\$ 95,509
Gender equity school leadership program in India	366,184	653,962
Implement an ed tech program for school leaders	-	15,000
Support GSL research agenda	19,411	172,804
Support GSL work in Brazil	76,123	21,848
Support GSL work in Indonesia	22,530	43,004
Research project in Indonesia	31,851	-
Support research work in India	162,419	240,819
Support work on school leader development in Kenya	25,434	28,012
Total restricted grants	<u>\$ 1,228,739</u>	<u>\$ 1,270,958</u>

NOTE G – SUBSEQUENT EVENTS

GSL’s management has evaluated subsequent events for potential required disclosures through July 12, 2024, which is the date the financial statements are available to be issued. There were no additional events or transactions, that were discovered during the evaluation that required further recognition or disclosure.