

GLOBAL DEVELOPMENT NETWORK, INC.

FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT AUDITORS

JUNE 30, 2023

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GLOBAL DEVELOPMENT NETWORK, INC.

**FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT AUDITORS**

JUNE 30, 2023 and 2022

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REPORT OF INDEPENDENT AUDITORS

Board of Directors
Global Development Network, Inc.

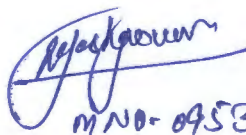
We have audited the accompanying statements of financial position of Global Development Network, Inc. (GDN Inc.) as of June 30, 2023 and 2022, and the related statements of activities and cash flow for the years then ended. These financial statements are the responsibility of GDN Inc.'s management. Our 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 an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Global Development Network, Inc. as of June 30, 2023 and 2022, and changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was done for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information on functional expenses and contribution received and utilized is presented for purposes of additional analysis and is not a required part of the basic financial statements. That information is the responsibility of GDN Inc.'s management. Such information has been subjected to auditing procedures applied in audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

New Delhi, India


M No- 095305



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Global Development Network, Inc.

Statements of Financial Position

June 30, 2023 and 2022

	2,023	2022
Assets	Amount (US\$)	Amount (US\$)
Current assets		
Cash and cash equivalents	213,338	278,358
Contributions receivable	54,649	50,038
Total current assets	267,987	328,396
Property and equipment, net	0	0
Total assets	267,987	328,396
Liabilities and Net Assets		
Current liabilities		
Grants payable	1,603	16,112
Accounts payable	189,113	263,372
Total liabilities	190,716	279,484
Net assets		
Unrestricted	77,271	21,595
Temporarily restricted	0	27,318
Total net assets	77,271	48,913
Total liabilities and net assets	267,987	328,396

See accompanying notes to the financial statements.



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Global Development Network, Inc.

Statements of Activities

Years Ended June 30, 2023 and 2022

	2023			2022		
	Unrestricted Amount (US\$)	Temporarily Restricted Amount (US\$)	Total Amount (US\$)	Unrestricted Amount (US\$)	Temporarily Restricted Amount (US\$)	Total Amount (US\$)
Support and revenue						
Grants, contracts, and contributions	54,999	230,323	285,322	(18,326)	515,093	496,767
Interest income	678	-	678	516	-	516
Foreign currency exchange gain / (loss)	-	-	-	875	-	875
Other income	-	-	-	-	-	-
Net assets released from restrictions	257,641	(257,641)	-	591,400	(591,400)	-
Total support and revenue	313,317	(27,318)	285,999	574,465	(76,307)	498,158
Expenses						
Program services						
Annual Conference	42,778	-	42,778	-	-	-
Research & Capacity Building Program	213,620	-	213,620	590,796	-	590,796
Other programs - GlobalDev (blog)	-	-	-	-	-	-
Total program	256,398	-	256,398	590,796	-	590,796
Supporting services						
Donor coordination and fundraising	-	-	-	-	-	-
Secretariat (indirect costs)	1,242	-	1,242	604	-	604
Total expenses	257,641	-	257,641	591,400	-	591,400
Change in net assets	55,676	(27,318)	28,359	(16,935)	(76,307)	(93,242)
Net assets (deficit)						
Beginning of period	21,595	27,318	48,911	38,530	103,625	142,153
End of period	77,271	0	77,269	21,595	27,318	48,911

See accompanying notes to the financial statements.



Jeetu Arora

Rajesh Kumar



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Global Development Network, Inc.

Statements of Cash Flows

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
	Amount (US\$)	Amount (US\$)
Cash flows from operating activities		
Contributions, grants, and contract payments received	280,711	578,542
Interest income received	678	516
Other revenue / (loss)	-	875
Payments to grantees, vendors, and employees	<u>(346,409)</u>	<u>(756,448)</u>
Net cash provided by operating activities	(65,020)	(176,516)
Cash flows from investing activities		
Purchases of property and equipment	<u>-</u>	<u>-</u>
Net cash from (used) investing activities	-	-
Net increase in cash and cash equivalents	(65,020)	(176,516)
Cash and cash equivalents		
Beginning of period	<u>278,358</u>	<u>454,874</u>
End of year	<u>213,338</u>	<u>278,358</u>
Actual Cash	<u>213,338</u>	<u>278,358</u>
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	28,359	(93,242)
Depreciation and amortization	-	-
Contributions receivable	(4,611)	81,775
Prepaid expenses and security deposits	-	-
Grants payable	(14,509)	(41,582)
Accounts payable and accrued expenses	<u>(74,259)</u>	<u>(123,466)</u>
Other Payable		
Net cash provided by operating activities	<u>(65,020)</u>	<u>(176,516)</u>

See accompanying notes to the financial statements.



Janendra Singh

Rajesh Kumar



GLOBAL DEVELOPMENT NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 and 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation - Financial statement presentation follows the guidance contained in Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Accordingly, the Global Development Network, Inc. (GDN Inc.) reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on existence and/or nature of donor restrictions, if any.

Cash and Cash Equivalents - Cash consists of monies held in demand deposit and money market accounts. Cash equivalents are all highly liquid investments with initial maturity dates of three months or less.

Investments- Current investments are carried at the lowest of cost of quoted/fair value computed category wise. Long-term investments are stated at the fair market value.

Property and Equipment - Property and equipment are recorded at cost. Major additions are capitalized while replacements, maintenance, and repairs that do not improve or extend the lives of the respective assets are expensed currently. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose or for use in a future period. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets. The cost of property and equipment retired or disposed off is removed from the accounts along with the related accumulated depreciation or amortization, and any gain or loss is reflected in income. The property and equipments that are purchased specifically from the donor funds for any particular projects are recorded at a nominal value of \$1 per asset to keep a track of the assets. The balance is expensed off in the year of acquisition.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign Currency - GDN Inc. records pledges received in foreign currencies at the exchange rate on the date of the pledge. In case of Multiyear Foreign Currency Funding, the rate prevalent on the first day of the financial year is taken to accrue the pledge relevant to that year. Increases or decreases due to fluctuations in exchange rates, whether realized or remaining unrealized as at the end of the financial year are included in "foreign currency exchange gain" in the Statement of Activities.

NOTE 2. ORGANIZATION AND TAX STATUS

The Global Development Network Inc. is an evolving network of research and policy institutes working together to address problems of national and regional development. Launched in 1999 by the World Bank, GDN Inc. was incorporated as a not-for-profit organization in March 2001. GDN Inc. is governed by a 5-member international governing body of renowned researchers and policymakers from around the world.

GDN Inc. (a Delaware non-profit corporation), is exempt from Federal and District of Columbia income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 47-1802.1 of the District of Columbia Code, respectively, and is classified as a publicly-supported organization by the Internal Revenue Service.

GDN Inc. is global. It:

- Supports multidisciplinary research in the social sciences and mobilizes resources around the world.
- Produces policy-relevant knowledge on a global scale.
- Promotes the application of global knowledge through its local "reinvention."

GDN Inc. is for *development*. It:

- Builds research capacity to advance development and alleviate poverty.
- Fosters research in developing and transition economies.
- Disseminates development knowledge to the public and policymakers.
- Bridges the gap between ideas and policies.

GDN Inc. is a *network*. It:

- Links research institutes from 10 regions and more than 100 countries.
- Coordinates research and strengthens partnerships worldwide.
- Facilitates knowledge sharing among researchers and policymakers.
- Promotes multidisciplinary collaboration among researchers.

GDN Inc. activities are designed to meet the needs of research institutes, as determined through surveys and direct consultations, as well as to provide policymakers with relevant and timely information. These activities include:



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NOTE 2. ORGANIZATION AND TAX STATUS (CONTINUED)

Research and Capacity Building Project (RCBP):- This project supports quality research in many countries, involving local research teams from across the world. The multi-country studies allow for both comprehensive and comparative perspective across regions and countries. Global Development Award Competition previously was a standalone activity and has now been allocated under RCBP from this financial period.

Global Development Awards Competition

● **Japan Social Development Fund Award**

The Global Development Awards Competition is an award scheme administered by GDN, funded under the Policy and Human Resources Development Fund (PHRD) trust fund managed by the World Bank, and generously supported by the Ministry of Finance, Government of Japan. It has included three award categories: the Japanese Award on Outstanding Research on Development (ORD), the Japanese Award for Most Innovative Development Project (MIDP), and the Japan Social Development Fund Award (JSDF). From 2022, a Connector Grant (CF) category was added for close collaborations between ORD and MIDP/JSDF winners on impact and its determinant. This makes for a great variety of activities in the competition, making it GDN's only program to involve both researchers and development practitioners. The Awards Competition recognizes excellence in policy-oriented research, identifies talents, supports the career advancement of researchers in developing countries, and funds innovative social development projects implemented by NGOs and benefiting marginalized groups in the developing world.

Currently, the program is funded through 2 grants (one of them at signature stage), each grant funding 3 consecutive editions of the Awards. Up to 3 MIDP and ORD awards are given out per category in each edition, and finalists from the MIDP award compete for the JSDF award after one year of implementation. From the 2022 editions onwards, 3 additional grants from the CF award will be granted. Accordingly, starting with the 2022 edition, 8 awards will be provided and implemented as grants over a period of minimum 3 years after each competition.

7 grants are currently open:

- 3 ORD projects: 1st from the 2020 edition, 1st and 2nd prizes from the 2021 edition,
- 4 MIDP projects from the 2021 edition (the 2019 and 2020 editions of the MIDP had been postponed and 3 parallel competitions took place in 2021 in agreement with the World Bank.

3 JSDF projects were recently selected and will be issued over November 2023.

5 grants pending to be issued as soon as the contract with the WB is signed:

- 3 ORD projects: all prizes from the 2022 edition
- 2 MIDP projects from the 2022 edition: one of the 1st prize winners, 2nd prize winner. MIDP 1st prize MIDP awardees will compete after 12 months of implementation for the JSDF award.



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NOTE 2. ORGANIZATION AND TAX STATUS (CONTINUED)

• **Equity Budgeting Tools**

The FP&D program signed an agreement with GIZ's Good Financial Governance program and the Policy for Sustainable Development to develop and enhance GIZ's Equity Budget Tool (EBT). The baseline EBT, which was developed by GIZ in between 2017 and 2019, generates impressions of when and how equity principles of equity are taken into account during budget formulation and execution of expenditures. The enhanced EBT or EBT+ will also include (1) results from CEQ Assessments or other fiscal incidence analysis tools and (2) diagnosis and qualitative conclusions regarding if and how equity concerns are taken into account during the formulation and debate over revenue policies. The EBT+, which was produced in January 2023, will link the primarily quantitative analysis from CEQ Assessments with the process-based analysis in the EBT to provide a more holistic picture of the entire budget cycle, from policy debate and formulation through to budget execution and social impact. The EBT+ approach to policy analysis is currently being piloted in Ghana, Guatemala, and Namibia. Trainings were implemented in Guatemala and Namibia in November and December 2023. The project closed in March 2023..

Over \$ 213,000 in 2023 and \$590,000 in 2022 were spent on Research and Capacity Building Program (RCBP)

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2023 and 2022, consists of the following:

Particulars	2023	2022
	Amt (In US\$)	Amt (In US\$)
COMPUTER EQUIPMENT	617	617
FURNITURE AND FIXTURES	NIL	NIL
VEHICLE	NIL	NIL
OFFICE EQUIPMENT	NIL	NIL
LESS ACCUMULATED DEPRECIATION	(617)	(617)
TOTAL	NIL	NIL

NOTE 4. NET ASSETS

Unrestricted Net Assets - Unrestricted net assets represent amounts available to carry out general operations of GDN without restriction imposed by donors.

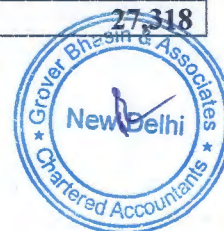
Restricted Net Assets - GDN has received contributions to support specific programs, which have resulted in temporary restrictions on its net assets. The net assets will be released when expenses are incurred that satisfy the purpose restrictions.

Temporarily Restricted Net Assets - Temporarily restricted net assets as at the end of the year are available for the following purposes:

Particulars	2023	2022
	Amt (In US\$)	Amt (In US\$)
RCBP - Global Development Awards	NIL	NIL
RCBP – Equity Budgeting Tools	NIL	27,318
Total	NIL	27,318



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NOTE 4. NET ASSETS (CONTINUED)

Net Assets released from Donor Restrictions - Net assets were released from donor restrictions by incurring expenses satisfying restricted purposes or by occurrence of other events specified by the donors.

Purpose restrictions accomplished for the years ended June 30, 2023, and June 30, 2022, were:

Particulars	2023	2022
	Amt (In US\$)	Amt (In US\$)
Global Annual Conference	40,000	NIL
RCBP - Global Development Awards	149,683	423,606
RCBP - Doing Research	NIL	87,684
RCBP - Least Developed Countries	NIL	NIL
RCBP - Equity Budgeting Tools	50,067	61,208
Secretariat	17,891	18,902
Total	257,641	591,400

NOTE 5. OPERATING LEASES

GDN Inc. renewed the hosting agreement with CliftonLarsonAllen LLP, based at Arlington, USA to virtually host GDN. The extension is till December 31, 2023.

Future minimum annual rental payments required under this operating lease as of June 30, 2023 is as follows:

Particulars	Amount (In US\$)
Period Ending December 31, 2023	2,750
Total	2,750

NOTE 6. UNINSURED CASH BALANCE

GDN Inc. maintains its cash accounts in the USA. The banks in the USA are insured by Federal Deposit Insurance Corporation for the first \$250,000 of the deposit. On June 30, 2023 the balance at bank was \$213,338 hence fully insured and secured. In 2022, GDN Inc. had balances exceeded the federally insured amount by approximately \$ 0.028 million. There was no Cash in hand at the year end i.e. June 30, 2023. GDN Inc. has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 7. CONCENTRATION OF CONTRIBUTIONS

GDN Inc. received approximately 76% of its total support and revenue from a single contributor for the year ended June 30, 2023.



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NOTE 8. CONDITIONAL PROMISES TO GIVE

There are two entities which have made conditional promises to give grant to GDN Inc., revenue from which will be recognized when the respective conditions are met in future years. Details of these conditional grants are:

1. Grantor agency's promise to give is conditioned upon GDN Inc. working on provision of 21 awards for 2018, 2019 and 2020 rounds of the Global Development Awards competitions, including the advertisement of the event, selection and evaluation of proposals, management of the event, and knowledge dissemination related activities. The original grant was for USD 1,657,977 over 3 years ending June 30, 2026. As of June 30, 2023, this conditional promise to receive grants totaled approximately USD 1,125,418

NOTE 9. GLOBAL DEVELOPMENT NETWORK'S RETIREMENT PLANS

GDN Inc. doesn't have any staff working in the US".



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ADDITIONAL INFORMATION

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Global Development Network, Inc.

Schedule of Functional Expenses

Year Ended June 30, 2023

Particulars	2023				
	Annual Global Conference	Research & Capacity Building Programs		Secretariat (Indirect Costs)	Total
		Global Development Awards	Equity Budgeting Tool-GIZ		
	Amount(US\$)	Amount(US\$)	Amount(US\$)	Amount(US\$)	Amount(US\$)
Salaries	-	-	-	-	-
Payroll Taxes & Benefits	-	-	-	-	-
Accounting & Auditing	-	-	-	6,174	6,174
Bank Charges	-	-	-	4,897	4,897
Consulting	-	83,463	38,690	-	122,152
Dues & Subscriptions	-	1,318	-	563	1,881
Hotel Facilities	-	-	1,217	-	1,217
Meetings & Seminars	-	-	5,758	-	5,758
Grants	40,000	64,500	-	-	104,500
Rent	-	-	-	5,391	5,391
Supplies	-	399	-	-	399
Telephone	-	3	-	866	870
Travel	-	-	4,402	-	4,402
Other Expenses	-	-	-	-	-
	40,000	149,682	50,067	17,891	257,641
Allocation of Secretariat expense	2,778	10,394	3,477	(16,649)	-
Total Expenses	42,778	160,077	53,543	1,242	257,641

See auditors' report to the financial statements.



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Global Development Network, Inc.

Schedule of Functional Expenses

Year Ended June 30, 2022

2022						
Research & Capacity Building Programs						
Particulars		Global Development	Equity Budgeting	Doing Research	Secretariat	Total
		Awards	Tool-GIZ		(Indirect Costs)	
		Amount(US\$)	Amount(US\$)	Amount(US\$)	Amount(US\$)	Amount(US\$)
Salaries	a	-	-	-	-	-
Payroll Taxes & Benefits	b	-	-	-	-	-
Accounting & Auditing	c	-	-	-	5,341	5,341
Bank Charges	f	-	-	-	6,949	6,949
Communications & Internet Service	g	14,822	-	-	-	14,822
Consulting	h	216,226	61,208	48,311	-	325,745
Dues & Subscriptions	j	1,002	-	107	542	1,650
Hotel Facilities	o	-	-	507	-	507
Grants	t	178,362	-	31,620	-	209,982
Printing & Reproduction	v	453	-	1,844	-	2,297
Rent	w	-	-	-	5,221	5,221
Supplies	z	241	-	-	-	241
Telephone	aa	-	-	-	848	848
Travel	ac	-	-	2,295	-	2,295
Other Expenses	ae	12,500	-	3,000	-	15,500
		423,606	61,208	87,684	18,902	591,400
Allocation of Secretariat expense		13,539	1,956	2,802	(18,298)	-
Total Expenses		437,145	63,165	90,486	604	591,400

See auditors' report to the financial statements.



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Global Development Network, Inc.

Administrative Expenses other than Staff Costs

Year Ended June 30, 2023

Particulars	Amount (US\$)
Accounting & Auditing	6,174
Bank Charges	4,897
Dues & Subscriptions	563
Rent	5,391
Telephone	866
Total Administrative Expenses	17,891



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Global Development Network, Inc.

Schedule of Revenue by Fund

Year Ended June 30, 2023
(all figures in USD)

DONOR NAME	PROGRAMS			Secretariat	Unrestricted	Total
	Global Development Award	Annual Global Conference	Equity Budgeting Tool-GIZ			
Temporary Restricted Net Assets - Beginning of Year	-		27,318		21,595	48,913
PHRD, JAPAN	190,762		-	25,511	-	216,273
WILLIAM FLORA HEWLETT FOUNDATION		40,000	-	-		40,000
DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ)			25,936	3,112		29,049
INTEREST INCOME			-	678	-	678
UNRESTRICTED FUND TRF	(41,079)		(3,187)	(11,410)	55,676	-
CURRENCY GAIN/(LOSS)	-		-	-		-
Annual conference in-kind						-
Total Revenue	149,683	40,000	22,749	17,891	55,676	285,999
Temporary Restricted Net Assets - Before Expenses	149,683	40,000	50,067	17,891	77,272	334,912
Direct Expenses - 5 major programs	149,683	40,000	50,067			239,750
Other Direct Expenses						-
Payroll- Allocated (% from salaries allocation schedule)						-
Benefits- Allocated (% from salaries allocation schedule)						-
Other Secretariat				17,891.10		17,891
Total Expenses	149,683	40,000	50,067	17,891	-	257,641
Subtotal	149,683	40,000	50,067	17,891	-	257,641
Net Assets Released from Restrictions	149,683	40,000	50,067	17,891	-	257,641
						-
Increase/ (Decrease) in Net Assets						28,359
Total Net assets released	149,683	40,000	50,067	17,891	-	257,641
Transfer of Reserve						
NET ASSETS AS ON JUNE 30, 2023	-	-	-	-	77,272	77,272



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