

**PARTNERS INTERNATIONAL, INC.**  
**FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**  
**Years Ended June 30, 2025 and 2024**

PARTNERS INTERNATIONAL, INC.  
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## **Independent Auditors' Report**

Board of Directors  
Partners International, Inc.  
Oklahoma City, OK

### ***Opinion***

We have audited the financial statements of Partners International, Inc. (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2025 and 2024 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 accompanying financial statements present fairly, in all material respects, the financial position of Partners International, Inc. as of June 30, 2025 and 2024 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Partners International, Inc. 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 Partners International, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

### *Auditors' 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 auditors' 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.

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 Partners International, Inc.'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 Partners International, Inc.'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.

*Mersereau, Lazenby & Rockas, LLC*

Mersereau, Lazenby & Rockas, LLC  
Certified Public Accountants  
Suwanee, Georgia  
November 14, 2025

PARTNERS INTERNATIONAL, INC.  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2025 and 2024

ASSETS	2025	2024
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 986,409	\$ 688,794
Investments - short-term	198,730	256,401
Other receivables	-	23,386
Prepaid expenses	29,170	30,848
Total current assets	1,214,309	999,429
<b>PROPERTY AND EQUIPMENT</b>		
Property and equipment, net	9,579	14,583
<b>OTHER ASSETS</b>		
Investments - long-term	853,055	1,727,070
TOTAL ASSETS	2,076,943	2,741,082
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	102,878	162,554
<b>OTHER LIABILITIES</b>		
Gift annuities	26,223	27,192
TOTAL LIABILITIES	129,101	189,746
<b>NET ASSETS</b>		
Without donor restrictions		
Without donor restrictions - expendable	1,055,533	1,363,785
Without donor restrictions - net investment in property and equipment	9,579	14,583
Total net assets without donor restrictions	1,065,112	1,378,368
With donor restrictions	882,730	1,172,968
TOTAL NET ASSETS	1,947,842	2,551,336
TOTAL LIABILITIES AND NET ASSETS	\$ 2,076,943	\$ 2,741,082

See auditors' report and accompanying notes to the financial statements

PARTNERS INTERNATIONAL, INC.  
STATEMENTS OF ACTIVITIES  
Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Contributions	\$ 1,155,171	\$ 2,351,093	\$ 3,506,264	\$ 1,257,952	\$ 2,719,200	\$ 3,977,152
Annuity distributions, net	970	-	970	1,421	-	1,421
Investment gains	129,448	-	129,448	182,207	-	182,207
Other income	529	-	529	418	-	418
	<u>1,286,118</u>	<u>2,351,093</u>	<u>3,637,211</u>	<u>1,441,998</u>	<u>2,719,200</u>	<u>4,161,198</u>
Net assets released from restrictions:						
Satisfaction of program restrictions	2,641,331	(2,641,331)	-	2,742,255	(2,742,255)	-
	<u>3,927,449</u>	<u>(290,238)</u>	<u>3,637,211</u>	<u>4,184,253</u>	<u>(23,055)</u>	<u>4,161,198</u>
<b>EXPENSES</b>						
Program services	3,208,923	-	3,208,923	3,301,717	-	3,301,717
Management and general	568,347	-	568,347	743,506	-	743,506
Fundraising	463,435	-	463,435	437,055	-	437,055
	<u>4,240,705</u>	<u>-</u>	<u>4,240,705</u>	<u>4,482,278</u>	<u>-</u>	<u>4,482,278</u>
CHANGE IN NET ASSETS	(313,256)	(290,238)	(603,494)	(298,025)	(23,055)	(321,080)
NET ASSETS, Beginning of year	<u>1,378,368</u>	<u>1,172,968</u>	<u>2,551,336</u>	<u>1,676,393</u>	<u>1,196,023</u>	<u>2,872,416</u>
NET ASSETS, End of year	<u>\$ 1,065,112</u>	<u>\$ 882,730</u>	<u>\$ 1,947,842</u>	<u>\$ 1,378,368</u>	<u>\$ 1,172,968</u>	<u>\$ 2,551,336</u>

See auditors' report and accompanying notes to the financial statements

PARTNERS INTERNATIONAL, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
Years Ended June 30, 2025 and 2024

	2025				2024			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Partnership grants	\$ 1,746,706	\$ -	\$ -	\$ 1,746,706	\$ 1,843,376	\$ -	\$ -	\$ 1,843,376
Compensation and benefits	1,207,037	219,692	377,208	1,803,937	1,186,309	351,513	320,681	1,858,503
Accounting and audit	-	123,250	-	123,250	-	129,925	-	129,925
Advertising	25,379	4,697	7,809	37,885	70,942	-	47,295	118,237
Banking	-	59,176	-	59,176	-	72,294	-	72,294
Board and leadership	878	2,889	472	4,239	2,758	11,309	1,808	15,875
Insurance	-	25,320	-	25,320	-	18,754	-	18,754
Outside services	90,514	32,994	32,279	155,787	106,188	24,281	42,424	172,893
Printing	33,688	7,961	10,365	52,014	-	-	-	-
Technology	37,198	78,893	12,577	128,668	15,208	91,408	9,171	115,787
Travel	59,305	4,643	18,412	82,360	63,319	20,439	12,014	95,772
Other expenses	8,218	8,832	4,313	21,363	13,617	23,583	3,662	40,862
	<u>\$ 3,208,923</u>	<u>\$ 568,347</u>	<u>\$ 463,435</u>	<u>\$ 4,240,705</u>	<u>\$ 3,301,717</u>	<u>\$ 743,506</u>	<u>\$ 437,055</u>	<u>\$ 4,482,278</u>
<i>Percentage of total expenses</i>	<i>76%</i>	<i>13%</i>	<i>11%</i>	<i>100%</i>	<i>74%</i>	<i>17%</i>	<i>9%</i>	<i>100%</i>

See auditors' report and accompanying notes to the financial statements

PARTNERS INTERNATIONAL, INC.  
STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2025 and 2024

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (603,494)	\$ (321,080)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	5,004	417
Net investment income	(129,448)	(182,207)
Decrease (increase) in assets:		
Other receivables	23,386	(22,652)
Prepaid expenses	1,678	(381)
(Decrease) increase in liabilities:		
Accounts payable	(30,803)	33,301
Accrued expenses	(28,873)	(8,706)
Other liabilities	(969)	(1,421)
	(763,519)	(502,729)
<b>CASH USED FOR OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	-	(15,000)
Net investment proceeds	1,062,104	268,671
	1,062,104	253,671
<b>CASH PROVIDED BY INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Gift annuity distributions	(970)	(1,421)
	(970)	(1,421)
<b>CASH USED FOR FINANCING ACTIVITIES</b>		
<b>NET INCREASE (DECREASE) IN CASH</b>	297,615	(250,479)
<b>CASH AND CASH EQUIVALENTS, Beginning of year</b>	688,794	939,273
<b>CASH AND CASH EQUIVALENTS, End of year</b>	\$ 986,409	\$ 688,794

See auditors' report and accompanying notes to the financial statements

PARTNERS INTERNATIONAL, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
Years Ended June 30, 2025 and 2024

**NOTE 1: NATURE OF THE ORGANIZATION**

Partners International, Inc. (the “Organization”) was incorporated in 1961 in California as a not-for-profit corporation, and subsequently, in 2018 in Washington. The Organization reincorporated in 2021 in Georgia.

The Organization exists to build the Church in the least reached places by partnering with indigenous ministries and connecting followers of Christ. Currently, more than three billion people have little or no access to the gospel. The Organization identifies indigenous leaders with a vision to advance the gospel to the least reached and partners with them to accelerate their vision. This is accomplished by connecting them to global capital including financial, relational, knowledge and prayer. The Organization is currently working with indigenous leaders in more than 30 countries. Support is primarily received as contributions from interested individuals and businesses.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Presentation*

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These amounts are currently available at the discretion of the board of directors for use in operations and those resources invested in property and equipment.

Net assets with donor restrictions are subject to stipulations imposed by donors. Some donor restrictions are temporary in nature and will be met by actions of the Organization or with the passage of time. Net assets in this class include contributions and gifts for restricted purposes. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. All net assets with donor restrictions are restricted for program purposes.

*Basis of Accounting*

The accompanying financial statements are presented on the accrual basis of accounting in accordance with US GAAP, and, accordingly, reflect all significant receivables, payables and other liabilities.

*Affiliated Organizations*

The Organization is affiliated with several organizations which are not included in these financial statements because they are not under common control. Partners International, Inc. and these organizations do participate together in outreaches in many foreign countries but are considered to be separate entities for purposes of financial presentation.

PARTNERS INTERNATIONAL, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
Years Ended June 30, 2025 and 2024

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Cash and Cash Equivalents*

Cash includes all monies in banks and deposits in transit. All cash and cash equivalents held in investment brokerage accounts are included in investments on the statements of financial position. Accounts maintained by banks are insured by the Federal Deposit Insurance Corporation up to \$250,000. Deposits in excess of federally insured limits were approximately \$559,000 and \$319,000 at June 30, 2025 and 2024, respectively. Management believes it is not exposed to any significant credit risk on cash, although its balances have, at times, exceeded federally insured limits.

*Investments*

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments set aside to fund gift annuities and endowment agreements are classified as long-term investments. See Note 5 for a detailed investment disclosure and Note 7 for discussion of fair value measurements.

*Gift Annuities*

The Organization has established a gift annuity plan whereby donors may contribute assets to the organization in exchange for the right to receive a fixed dollar annual return during their lifetimes. This transaction provides for a portion of the transfer to be considered a charitable contribution for income tax purposes.

The difference between the amount contributed for the gift annuity and liability for future payments, determined on an actuarial basis, is recognized as income at the date of the gift and is reflected on the statement of activities and changes in net assets as contributions from new gift annuities. The difference between assets in trust and liabilities is reported on the statement of financial position as net assets without donor restrictions.

The liability for future payments to annuitants, or commensurate value, is calculated annually based upon actuarially computed present values to comply with state legal reserve requirements. The changes in the commensurate value, net of investment income, payments to annuitants and terminations is reflected on the statement of activities and changes in net assets as changes in value of split-interest agreements.

The commensurate value of gift annuities was \$26,233 and \$27,192 as of June 30, 2025 and 2024, respectively.

*Property and Equipment*

Items capitalized as property and equipment are stated at cost or, if donated, at fair market value on the date of donation. The Organization generally capitalizes and reports property and equipment acquisitions in excess of \$3,000, and expenses purchases of computers. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years.

PARTNERS INTERNATIONAL, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
Years Ended June 30, 2025 and 2024

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Revenue Recognition*

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets are transferred to the Organization. Contributions are recorded as support with or without donor restrictions when an unconditional promise to give is received, depending on the existence and/or nature of any donor restrictions. Conditional promises to give are not recognized until they become unconditional, and those with measurable performance or other barrier and a right of return are not recognized until the condition on which they depend have been met.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

For contributions restricted by donors for the acquisition of property and other long-lived assets, the restriction is considered to be met when the property or other long-lived asset is placed in service.

*Contributed Services*

Volunteers occasionally contribute their time to activities of the Organization. However, since these contributions do not create or enhance nonfinancial assets or require specialized skills, or are insignificant, they do not meet the requirements for recognition under ASC 958, and the value of the contributed services is not recorded in the financial statements.

*Donated Assets*

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Goods given to the Organization that do not have an objective basis for valuation are not recorded.

*Agency Transactions*

The Organization receives gifts in kind and functions as an agent or intermediary with respect to these gifts. Therefore, these gifts in kind are not reported as noncash gifts and related expenses in the financial statements.

*Advertising*

All costs for advertising are expensed in the period they are incurred. Total advertising expense for the years ended June 30, 2025 and 2024 were \$37,885 and \$118,237 respectively.

*Income Taxes*

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) (the "Code") and the Georgia Revenue and Taxation Code. The Organization has been classified as a publicly supported organization, which is not a private foundation, under Section 509(a) of the Code. The Organization has not recognized any liability for unrecognized tax benefits, as it has no

PARTNERS INTERNATIONAL, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
Years Ended June 30, 2025 and 2024

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Income Taxes (continued)*

known uncertain tax positions that would subject it to any material income tax exposure.

*Use of Estimates*

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Depreciation is estimated using the straight-line method in accordance with US GAAP. Certain amounts included in the statement of functional expenses are allocated based on actual use estimated by each program. Actual results could differ from those estimates.

*Functional Allocation of Expenses*

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Costs incurred are reported according to the function (program, management and general, and fundraising) which they benefit.

<u>Functional Expense</u>	<u>Allocation Method</u>
Compensation and benefits	Usage
Advertising	Usage
Board and leadership	Usage
Outside services	Usage
Printing	Usage
Technology	Usage
Travel	Usage
Other expenses	Usage

PARTNERS INTERNATIONAL, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
Years Ended June 30, 2025 and 2024

**NOTE 3: AVAILABILITY AND LIQUIDITY**

The following represents the Organization's financial assets available for general expenditures within one year of June 30:

	2025	2024
Financial assets at year-end		
Cash	\$ 986,409	\$ 688,794
Investments (short-term and long-term)	1,051,785	1,983,471
Other receivables	-	23,386
Financial assets at year-end	2,038,194	2,695,651
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions: restricted by donor with time or purpose restrictions		
Investments (long-term)	(853,055)	(1,727,070)
Net assets with donor restrictions	(782,730)	(1,072,968)
Financial assets available to meet general expenditures over the next twelve months	\$ 402,409	\$ (104,387)

The Organization regularly monitors liquidity required to meet its operating needs and other commitments. Management anticipates collecting sufficient revenue to cover general expenditures which are not funded by donor restricted resources with unrestricted contributions.

Operating cash for meeting expenditures over the next twelve months subsequent to the year ending June 30, 2025 is positive. Although it was negative in the prior year, the Organization has long-term investments available, if considered necessary, to fund current operating needs.

**NOTE 4: PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of June 30:

	2025	2024
Computers and software	\$ -	\$ 26,425
Website	15,000	15,000
	15,000	41,425
Less accumulated depreciation and amortization	(5,421)	(26,842)
Total property and equipment	\$ 9,579	\$ 14,583

Total depreciation and amortization expense was \$5,004 and \$417 for the years ended June 30, 2025 and 2024, respectively.

PARTNERS INTERNATIONAL, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
Years Ended June 30, 2025 and 2024

**NOTE 5: INVESTMENTS**

Investments consisted of the following at June 30:

Short-term investments:	2025	2024
Cash and money market accounts	\$ 8,265	\$ 27,900
Mutual, bond and exchange traded funds	190,465	228,501
Total short-term investments	<u>198,730</u>	<u>256,401</u>
Long-term investments:		
Assets set aside to fund gift annuities:		
Cash and money market accounts	115,100	234,746
Mutual, bond and exchange traded funds	737,955	1,492,324
Total long-term investments	<u>853,055</u>	<u>1,727,070</u>
Total investments	<u>\$ 1,051,785</u>	<u>\$ 1,983,471</u>

Investment income consisted of the following for the years ended June 30:

	2025	2024
Interest and dividends	\$ 62,148	\$ 67,259
Annuity distributions, net	970	1,421
Realized and unrealized gains	67,300	114,948
Total investment income	<u>\$ 130,418</u>	<u>\$ 183,628</u>

**NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions have the following time and purpose restrictions:

	Year Ended June 30, 2025			
	Balance 6/30/2024	Restricted Revenue	Restrictions Satisfied	
Ministry Partner Support	\$ 777,739	\$ 1,748,759	\$ (2,010,971)	\$ 515,527
Other Global Initiatives	295,229	602,334	(630,360)	267,203
Permanently Restricted	100,000	-	-	100,000
Total net assets with donor restrictions	<u>\$ 1,172,968</u>	<u>\$ 2,351,093</u>	<u>\$ (2,641,331)</u>	<u>\$ 882,730</u>

PARTNERS INTERNATIONAL, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
Years Ended June 30, 2025 and 2024

**NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS (continued)**

	Year Ended June 30, 2024			Balance 6/30/2024
	Balance 6/30/2023	Restricted Revenue	Restrictions Satisfied	
Ministry Partner Support	\$ 906,916	\$ 2,003,486	\$ (2,132,663)	\$ 777,739
Other Global Initiatives	189,107	715,714	(609,592)	295,229
Permanently Restricted	100,000	-	-	100,000
Total net assets with donor restrictions	<u>\$ 1,196,023</u>	<u>\$ 2,719,200</u>	<u>\$ (2,742,255)</u>	<u>\$ 1,172,968</u>

**NOTE 7: FAIR VALUE MEASUREMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. US GAAP establishes a hierarchy of inputs to valuation of that price using three levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets for identical assets or liabilities, or model-derived valuations which rely on significant observable inputs.

Level 3 - Valuation techniques that rely on significant unobservable inputs.

The following sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2025 and 2024:

	2025			
	Level 1	Level 2	Level 3	Total
Cash and money market accounts	\$ 123,365	\$ -	\$ -	\$ 123,365
Mutual, bond & exchange traded funds	928,420	-	-	928,420
Total assets at fair value	<u>\$ 1,051,785</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,051,785</u>
	2024			
	Level 1	Level 2	Level 3	Total
Cash and money market accounts	\$ 262,646	\$ -	\$ -	\$ 262,646
Mutual, bond & exchange traded funds	1,720,825	-	-	1,720,825
Total assets at fair value	<u>\$ 1,983,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,983,471</u>

**NOTE 8: REVENUE FROM CONTRACTS WITH CUSTOMERS**

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 – *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on

PARTNERS INTERNATIONAL, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
Years Ended June 30, 2025 and 2024

**NOTE 8: REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)**

a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

The disaggregation of revenue by type is depicted on the face of the statements of activities. No contract assets or contract liabilities (or changes thereto) were recorded for the periods ending June 30, 2025 or 2024. For further information, see Note 2 Significant Accounting Policies: Revenue Recognition.

**NOTE 9: LEASE COMMITMENTS**

The Organization implemented Accounting Standards Update (ASU) No. 2016-02 – *Leases (Topic 842)*, which supersedes previous guidance on leases provided by US GAAP. The standard was adopted as of July 1, 2022 and was not retrospectively applied. The Organization has elected not to record leases with an initial term of 12 months or less on the statements of financial position.

The Organization had one lease for office space with a term of 12 months which required monthly payments of \$1,750. This lease commenced in May of 2023 and ended in May of 2024 and was not renewed. The lease does not require recognition on the statements of financial position and payments were recorded directly to rent expense.

Rent expense for the years ended June 30, 2025 and 2024 was \$238 and \$15,046, respectively.

**NOTE 10: RETIREMENT BENEFITS**

Effective January 1, 2022, the Organization established a 401(k) plan that covers all qualified employees. The Organization provided a matching contribution up to 3% of employee earnings. In April 2025 this matching contribution was suspended. The Organization's matching contributions totaled \$24,919 and \$30,252 for the years ending June 30, 2025 and 2024, respectively.

**NOTE 11: RECLASSIFICATIONS**

Certain prior year amounts have been reclassified to conform with current year presentation. Total changes in net assets were not affected.

**NOTE 12: SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through November 14, 2025, which is the date the financial statements were available to be issued.