THE UNIVERSITY OF FONDWA, USA, Inc.

Financial Statements Together with Report of Independent Public Accountants

For the Year Ended December 31, 2020

SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

DECEMBER 31, 2020

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

Board of Directors
The University of Fondwa, USA, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The University of Fondwa, USA, Inc. (uFondwa USA), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, 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 accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal controls 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 from 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 controls 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 controls. 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.

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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 accompanying statements present fairly, in all material respects, the financial position of uFondwa USA as of December 31, 2020, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Owings Mills, Maryland
December 15, 2021

SB + Company, LLC

THE UNIVERSITY OF FONDWA, USA, INC.

Statement of Financial Position
As of December 31, 2020

ASSETS		
Cash	**$**	**7,709**
Accounts receivable, related party		**12,145**
Total Assets	**$**	**19,854**
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	**$**	**775**
Net Assets		
Net assets without donor restrictions		**19,079**
Total Liabilities and Net Assets	**$**	**19,854**

The accompanying notes are an integral part of this financial statement.

THE UNIVERSITY OF FONDWA, USA, INC.

Statement of Activities and Change in Net Assets
For the Year Ended December 31, 2020

NET ASSETS WITHOUT DONOR RESTRICTIONS	
Revenue and Other Support	
Contributions and support	**$ 313,996**
Expenses	
Program services	**272,140**
General & administrative	**48,638**
Fundraising	**55,000**
Total Expenses	**375,778**
Change in net assets without donor restrictions	**(61,782)**
Net assets, beginning of year	**80,861**
Net Assets, End of Year	**$ 19,079**

The accompanying notes are an integral part of this financial statement.

THE UNIVERSITY OF FONDWA, USA, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services	General & Administrative	Fundraising	Total
Grants - salary support	$ 175,900	$ -	$ -	$ 175,900
Outside contract services	-	32,150	55,000	87,150
Grants - scholarship support	60,250	-	-	60,250
Grants - other support	27,778	-	-	27,778
Travel and meetings	4,514	3,461	-	7,975
Accounting fees	-	5,791	-	5,791
Insurance	-	5,484	-	5,484
Other costs	3,698	-	-	3,698
Miscellaneous expenses	-	1,752	-	1,752
Total Expenses	$ 272,140	$ 48,638	$ 55,000	$ 375,778

The accompanying notes are an integral part of this financial statement.

THE UNIVERSITY OF FONDWA, USA, INC.

Statement of Cash Flows
For the Year Ended December 31, 2020

Cash Flows from Operating Activities	
Change in net assets	**$ (61,782)**
Adjustments to reconcile change in net assets to net cash from operating activities:	
Effects of changes in non cash operating assets and liabilities:	
Accounts receivable	**(12,145)**
Accounts payable	**775**
Net Cash from Operating Activities	**(73,152)**
Net change in cash	**(73,152)**
Cash, beginning of year	**80,861**
Cash, End of Year	**$ 7,709**

The accompanying notes are an integral part of this financial statement.

THE UNIVERSITY OF FONDWA, USA, INC.

Notes to the Financial Statements
December 31, 2020

1. BACKGROUND OF THE ORGANIZATION

On February 20, 2007, the University of Fondwa, USA, Inc. (uFondwa USA) was incorporated as a nonprofit corporation (IRS Section 501(c)(3)). The mission of uFondwa USA is to educate young Haitian men and women in order to create wealth in rural areas of Haiti. At the University of Fondwa, Haiti (UNIF), creating wealth means creating economic wealth through financial and entrepreneurial initiatives and jobs, intellectual wealth through community-based education and research, and environmental wealth through preserving the environment in student endeavors and promoting stewardship of resources in rural communities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of uFondwa USA are presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of uFondwa USA's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue, support, and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivables

Accounts receivable consist of various amounts owed to uFondwa USA. uFondwa USA records all accounts receivable at their estimated net realized value. uFondwa USA establishes an allowance for doubtful accounts based on specific identification of uncollectible accounts. Management believes that receivables are fully collectible, and thus, no allowance for doubtful accounts was recorded as of December 31, 2020.

Net Assets

Net assets without donor restrictions are assets and contributions that are not restricted by donors or for which restrictions have expired.

Net assets with donor restrictions are those whose use by uFondwa USA has been limited by donors primarily for a specific time period or purpose.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets (continued)

When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions. There were no net assets with donor restrictions, as of and for the year ended December 31, 2020.

If a donor restriction is met in the same reporting period in which the contribution is received, the contribution (to the extent that the restrictions have been met) is reported as net assets without donor restrictions.

Support and Revenue

Contributions received are recorded as net assets without donor restrictions, or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when some stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities and change in net assets as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized based on the natural classification of expenses in the accompanying statement of activities and change in net assets and on a functional basis for the year ended December 31, 2020. Accordingly, certain costs have been allocated between program, general and administrative, and fundraising services that benefit from those costs. General and administrative expenses include those expenses that are not directly identified with any other specific function, but provide for the overall support and direction of uFondwa USA.

Income Taxes

uFondwa USA is exempt from the payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code and is recognized as such by the Internal Revenue Service. uFondwa USA performed an evaluation of uncertain tax positions as of December 15, 2021, and determined that there were no matters that would require recognition in the accompanying financial statements or which may have any effect on its tax-exempt status.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes (continued)

As of December 31, 2020, the statute of limitations for tax years 2018 through 2020 remains open with the U.S. Federal jurisdiction and the various states and local jurisdictions in which uFondwa USA files tax returns. It is uFondwa USA's policy to recognize interest and/or penalties for uncertain tax positions, if any, as income tax expense in the statements of activities and change in net assets.

Liquidity and Availability of Resources

The following reflects uFondwa USA's financial assets as of December 31, 2020, which are available for general use:

Cash	$	7,709
Accounts receivable and other		12,145
Financial assets available to meet cash needs within one year	$	19,854

uFondwa USA manages its liquidity following two guiding principles: operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs

Recent Accounting Pronouncement

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standard Updates (ASU) No. 2020-17, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-profit Entities for Contributed Nonfinancial Assets,* which requires a not-for-profit organization to present contributed nonfinancial assets as a separate item in the statement of activities, and change in net asset apart from contributions of cash or other financial assets, and additional disclosures including qualitative information regarding the use of assets. This standard will be effective for periods beginning after June 15, 2022.

Management is evaluating the effects of this pronouncement on the financial statements and will implement this pronouncement by its effective date. Management does not believe the adoption of this pronouncements will have a material effect on the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

uFondwa USA's management has evaluated the accompanying financial statements for subsequent events and transactions through December 15, 2021, the date these financial statements were available for issue, and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

3. RELATED-PARTY TRANSACTION

uFondwa USA has accounts receivables from the chairman of the Board of Directors of $12,032, as of December 31, 2020. The receivable relates to expenses paid by uFondwa USA that are being reimbursed by the chairman of the Board of Directors. Management believes this receivable is fully collectable.