THE UNIVERSITY OF FONDWA, USA, INC.

Financial Statements Together with
Report of Independent Public Accountants

For the Years Ended December 31, 2022 and 2021

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Report of Independent Public Accountants

DECEMBER 31, 2022 AND 2021

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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
ON THE FINANCIAL STATEMENTS**

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

Opinion

We have audited the statements of financial position of The University of Fondwa, USA, Inc. (uFondwa, USA), as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, 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 uFondwa, USA as of December 31, 2022 and 2021, 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of uFondwa, USA 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 controls 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 uFondwa, USA's ability to continue as a going concern for one year after the date that the financial statements are issued.

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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 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 controls. 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 controls 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 uFondwa, USA's internal controls. 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 uFondwa, USA's ability to continue as a going concern one year after the date of the financial statements are issued.

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 controls-related matters that we identified during the audit.

Owings Mills, Maryland
August 28, 2023

SB + Company, LLC

THE UNIVERSITY OF FONDWA, USA, INC.

Statements of Financial Position
As of December 31, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	**$ 1,478,429**	$ 40,555
Pledges receivable, net	**105,236**	1,210
Total Assets	**$ 1,583,665**	$ 41,765
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	**$ 2,619**	$ 480
Net Assets		
Without donor restrictions	**136,902**	19,773
With donor restrictions	**1,444,144**	21,512
Total Net Assets	**1,581,046**	41,285
Total Liabilities and Net Assets	**$ 1,583,665**	$ 41,765

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

THE UNIVERSITY OF FONDWA, USA, INC.

Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2022 and 2021

	2022	2021
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and Other Support		
Contributions and grants	**$ 1,241,117**	$ 989,789
Net assets released from restrictions	**20,191**	-
Total Revenue and Other Support	**1,261,308**	989,789
Expenses		
Program services	**1,078,003**	948,520
General and administrative	**66,176**	40,575
Total Expenses	**1,144,179**	989,095
Change in Net Assets Without Donor Restrictions	**117,129**	694
NET ASSETS WITH DONOR RESTRICTIONS		
Grants	**1,442,823**	21,512
Net assets released from restrictions	**(20,191)**	-
Change in Net Assets With Donor Restrictions	**1,422,632**	21,512
Changes in net assets	**1,539,761**	22,206
Net assets, beginning of year	**41,285**	19,079
Net Assets, End of Year	**$ 1,581,046**	$ 41,285

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

THE UNIVERSITY OF FONDWA, USA, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2022, with Comparative Totals for 2021

	2022			
	Program Services	General and Administrative	Totals	2021 Totals
Grants	$ 1,052,664	$ -	$ 1,052,664	$ 927,609
Outside contract services	14,900	21,400	36,300	27,634
Accounting fees	-	29,400	29,400	19,863
Insurance	-	5,825	5,825	5,584
Travel and meetings	10,439	-	10,439	5,543
Miscellaneous expenses	-	9,551	9,551	2,862
Total Expenses	$ 1,078,003	$ 66,176	$ 1,144,179	$ 989,095

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, 2021

	2021		
	Program Services	**General and Administrative**	**Totals**
Grants	$ 927,609	$ -	$ 927,609
Outside contract services	14,446	13,188	27,634
Accounting fees	-	19,863	19,863
Insurance	-	5,584	5,584
Travel and meetings	5,543	-	5,543
Miscellaneous expenses	922	1,940	2,862
Total Expenses	$ 948,520	$ 40,575	$ 989,095

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

THE UNIVERSITY OF FONDWA, USA, INC.

Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Changes in net assets	**$ 1,539,761**	$ 22,206
Effects of changes in non cash operating assets and liabilities:		
Pledges receivable, net	**(104,026)**	10,935
Accounts payable	**2,139**	(295)
Net Cash from Operating Activities	**1,437,874**	32,846
Net change in cash and cash equivalents	**1,437,874**	32,846
Cash and cash equivalents, beginning of year	**40,555**	7,709
Cash and Cash Equivalents, End of Year	**$ 1,478,429**	$ 40,555

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

1. BACKGROUND OF THE ORGANIZATION

Inspired by the vision of the University of Fondwa in Haiti (UNIF), – Haiti's only rural University – uFondwa, USA was organized by U.S. citizens to: Raise funds to support UNIF, provide technical assistance to UNIF, and to be ambassadors for UNIF and for the development of rural Haiti. Because of the synergy between UNIF and its surrounding community, uFondwa, USA supports other grassroots development projects in Fondwa and rural Haiti like the Peasant Association of Fondwa, the Sisters of St. Anthony of Fondwa, and the Father Joseph Network.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of uFondwa, USA are prepared 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 uFondwa, USA's 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 and expenses during the reporting period. Actual results could differ from those estimates assumptions.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investment funds, which have an original maturity of 90 days or less. Cash equivalents as of December 31, 2022 and 2021, consisted of money market funds.

Pledges Receivable

Accounts receivable consist of various amounts owed to uFondwa, USA and are recorded 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, 2022 and 2021. As of December 31, 2022, receivables that were expected to be collected greater than one year were discounted at 3.7%.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions. 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

uFondwa, USA recognizes grants and contributions when an unconditional promise to give is received. Conditional promises to give, with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

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 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 statements of activities and change in net assets and on a functional basis for the years ended December 31, 2022 and 2021. 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. Accordingly, certain costs have been allocated between program and fundraising services that benefit from those costs based on management’s assessment of the level of effort.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 31, 2022 and 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. As of December 31, 2022, the statute of limitations for tax years 2019 through 2022 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, 2022 and 2021, reduced by the amounts not available for general use within one year because of donor-imposed restrictions.

	2022	2021
Cash and cash equivalents	**$ 1,478,429**	$ 40,555
Accounts receivable, net	**105,236**	1,210
Total	**1,583,665**	41,765
Less: Net assets with donor restrictions	**1,444,144**	21,512
Financial assets available to meet cash needs within one year	**$ 139,521**	$ 20,253

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.

Implemented Accounting Pronouncement

In September 2021, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2021-17, *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, apart from contributions of cash or other financial assets, and additional disclosures including qualitative information regarding the use of assets. uFondwa, USA implemented ASU 2021-17 for the year ended December 31, 2022 and it did not have a material impact on the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events Review

uFondwa, USA has evaluated the accompanying financial statements for subsequent events and transactions through August 28, 2023, 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. PLEDGES RECEIVABLES, NET

As of December 31, 2022, pledges receivable included the following unconditional promises to give.

		2022
Contributions due in:		
Less than one year	$	46,770
One to five years		62,680
		109,450
Less: Discounted at 3.7%		4,214
Total Pledges Receivable, Net	$	105,236

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2022 and 2021 were comprised of the following:

		2022		2021
Salaries and Operations - UNIF	$	36,920	$	-
Veterinary School - UNIF		1,321		21,512
Support of Indigenous Nuns - Haiti		1,408,845		-
Other projects		17,249		-
Total	$	1,464,335	$	21,512

5. CONCENTRATION OF REVENUE

During the year ended December 31, 2022, uFondwa, USA received 91% or $2,448,270 from three donors. During the year ended December 31, 2021, uFondwa, USA received 86% or $871,500 from two donors. As of December 31, 2022 and 2021, there were no outstanding receivables related to these donors. Due to the concentration of revenue, uFondwa, USA could be negatively impacted if these donors discontinued their funding. uFondwa, USA is working to expand its donor base.