THE UNIVERSITY OF FONDWA, USA, INC.

Financial Statements Together with Report of Independent Public Accountants

For the Years Ended December 31, 2023 and 2022

THE UNIVERSITY OF FONDWA, USA, INC.

Financial Statements Together with
Report of Independent Public Accountants

DECEMBER 31, 2023 and 2022

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Certified Public Accountants & Business Advisors
SBC

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

To the Board of Directors of
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, 2023 and 2022, 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, 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 (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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Certified Public
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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
September 20, 2024

SB + Company, LLC

THE UNIVERSITY OF FONDWA, USA, INC.

Statements of Financial Position
As of December 31, 2023 and 2022

		2023		2022
ASSETS				
Cash and cash equivalents	**$**	**101,534**	$	1,478,429
Investments		**485,706**		-
Pledges receivable, net		**120,960**		105,236
Total Assets	**$**	**708,200**	$	1,583,665
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	**$**	**14,007**	$	2,619
Net Assets				
Without donor restrictions		**(17,690)**		116,711
With donor restrictions		**711,883**		1,464,335
Total Net Assets		**694,193**		1,581,046
Total Liabilities and Net Assets	**$**	**708,200**	$	1,583,665

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, 2023 and 2022

	2023	2022
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and Other Support		
Contributions and grants	**$ 671,170**	$ 1,241,117
Investment income	**863**	-
Net assets released from restrictions	**956,360**	20,191
Total Revenue and Other Support	**1,628,393**	1,261,308
Expenses		
Program services	**1,689,876**	1,078,003
General and administrative	**72,918**	66,176
Total Expenses	**1,762,794**	1,144,179
Change in Net Assets Without Donor Restrictions	**(134,401)**	117,129
NET ASSETS WITH DONOR RESTRICTIONS		
Grants	**173,240**	1,442,823
Investment income	**30,668**	-
Net assets released from restrictions	**(956,360)**	(20,191)
Change in Net Assets With Donor Restrictions	**(752,452)**	1,422,632
Changes in net assets	**(886,853)**	1,539,761
Net assets, beginning of year	**1,581,046**	41,285
Net Assets, End of Year	**$ 694,193**	$ 1,581,046

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, 2023, with Comparative Totals for 2022

	2023			
	Program Services	General and Administrative	Totals	2022 Totals
Grants	$ 1,661,937	$ -	$ 1,661,937	$ 1,052,664
Outside contract services	23,827	33,222	57,049	36,300
Accounting fees	-	16,560	16,560	29,400
Miscellaneous expenses	4,112	11,541	15,653	9,551
Insurance	-	6,363	6,363	5,825
Travel and meetings	-	5,232	5,232	10,439
Total Expenses	$ 1,689,876	$ 72,918	$ 1,762,794	$ 1,144,179

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, 2022

	Program Services	General and Administrative	Totals
Grants	$ 1,052,664	$ -	$ 1,052,664
Outside contract services	14,900	21,400	36,300
Accounting fees	-	29,400	29,400
Insurance	-	5,825	5,825
Travel and meetings	10,439	-	10,439
Miscellaneous expenses	-	9,551	9,551
Total Expenses	$ 1,078,003	$ 66,176	$ 1,144,179

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, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Changes in net assets	**$ (886,853)**	$ 1,539,761
Adjustments to reconcile change in net assets to net cash from operating activities:		
Unrealized gain on investments	**(12,120)**	-
Effects of changes in non-cash operating assets and liabilities:		
Pledges receivable, net	**(15,724)**	(104,026)
Accounts payable	**11,388**	2,139
Net Cash from Operating Activities	**(903,309)**	1,437,874
Cash Flows from Investing Activities		
Purchase of investments	**(1,866,126)**	-
Sale of investments	**1,392,540**	-
	(473,586)	-
Net change in cash and cash equivalents	**(1,376,895)**	1,437,874
Cash and cash equivalents, beginning of year	**1,478,429**	40,555
Cash and Cash Equivalents, End of Year	**$ 101,534**	$ 1,478,429

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

THE UNIVERSITY OF FONDWA, USA, INC.

Notes to the Financial Statements
December 31, 2023 and 2022

1. BACKGROUND OF THE ORGANIZATION

Inspired by the vision of the University of Fondwa in Haiti (UNIF), – Haiti's first 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.

Fair Value Measurements

Accounting standards generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements

The three levels of the fair value hierarchy under generally accepted accounting principles are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that uFondwa has the ability to access.

Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Financial instruments consist of investments, receivables, and payables. The carrying value of uFondwa's financial instruments approximates their respective fair values as of December 31, 2023 and 2022.

Pledges Receivable

Pledges 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, 2023 and 2022.

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.

As of December 31, 2023, uFondwa, USA has utilized restricted funds to meet some current obligations. Net assets without donor restriction as of December 31, 2023, was negative $17,690.

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.

Unrealized and realized gains and losses, dividends, and interest from investing activities in income producing assets are included in the applicable net asset classification depending on donor restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2023 and 2022. 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

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, 2023 and 2022, 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, 2023, the statute of limitations for tax years 2020 through 2023 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, 2023 and 2022, reduced by the amounts not available for general use within one year because of donor-imposed restrictions.

	2023	2022
Cash	**$ 101,534**	$ 1,478,429
Investments	**485,706**	-
Accounts receivable, net	**120,960**	105,236
Total	**708,200**	1,583,665
Less: Net assets with donor restrictions	**711,883**	1,464,335
Financial assets available to meet cash needs within one year	**$ (3,683)**	$ 119,330

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Liquidity and Availability of Resources (continued)

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.

As of December 31, 2023, uFondwa, USA had negative liquidity. Management and the board of directors are focused on fundraising related to unrestricted funds.

Subsequent Events Review

uFondwa, USA has evaluated the accompanying financial statements for subsequent events and transactions through September 20, 2024, 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, 2023, pledges receivable included the following unconditional promises to give.

	2023	2022
Contributions due in:		
Less than one year	**$ 81,226**	$ 46,770
One to five years	**41,260**	62,680
	122,486	109,450
Less: Discounted at 3.7%	**1,526**	4,214
Total Pledges Receivable, Net	**$ 120,960**	$ 105,236

4. INVESTMENTS

The following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used as of December 31, 2023.

Fixed income/US Treasury Securities and mutual funds: Valued at the fair value of the investments based on the price per the active market on which the securities are traded.

4. INVESTMENTS (continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, uFondwa believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth, by level, the fair value hierarchy of uFondwa's investments at fair value as of December 31, 2023.

	Level 1	Level 2	Level 3	Totals
Mutual funds	**$ 485,706**	**$ -**	**$ -**	**$ 485,706**

For the year ended December 31, 2023, investment income consisted of the following:

Interest and dividends	**$ 19,411**
Unrealized gains on investments	**12,120**
Total Investment Income	**$ 31,531**

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2023 and 2022 were comprised of the following:

	2023	2022
Salaries and Operations - UNIF	**$ 191,920**	$ 36,920
Veterinary School - UNIF	**1,321**	1,321
Support of Indigenous Nuns - Haiti	**490,153**	1,408,845
Other projects	**28,489**	17,249
Total	**$ 711,883**	$ 1,464,335

6. CONCENTRATION OF REVENUE

During the year ended December 31, 2023, uFondwa, USA received 85% or $720,000 of restricted contributions from three donors. During the year ended December 31, 2022, uFondwa, USA received 91% or $2,448,270 of restricted contributions from three donors. As of December 31, 2023 and 2022, 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 continues to expand its donor base.