

FRIENDS OF MATENWA, INC.

FINANCIAL STATEMENTS

with

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

YEAR ENDED JUNE 30, 2025

(With Summarized Comparative Audited Information for 2024)

Smith  Sullivan
& Brown PC

CERTIFIED PUBLIC ACCOUNTANTS

80 Flanders Road, Suite 302  Westborough, Massachusetts 01581

Tel: 508.871.7178 Fax: 508.871.7179 www.ssbcpa.com

FRIENDS OF MATÈNWA, INC.

REPORT ON FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

(With Summarized Comparative Audited Information for 2024)



FRIENDS OF MATÈNWA



Mission

Friends of Matènwa's mission is to support programs that offer the Matènwa, Haiti community - and by extension, other communities of Haiti - opportunities to improve their education, social justice, community and cultural development, health and welfare.

FRIENDS OF MATÈNWA, INC.

REPORT ON FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

(With Summarized Comparative Audited Information for 2024)

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Friends of Matènwa, Inc.
Cambridge, Massachusetts

We have reviewed the accompanying financial statements of Friends of Matènwa, Inc. (a Massachusetts nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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; this includes 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Friends of Matènwa, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Summarized Comparative Information

We have previously audited Friends of Matènwa, Inc.'s June 30, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 25, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived, but we have not performed any audit procedures since that date.

Smith, Sullivan & Brown, PC

Westborough, Massachusetts
October 7, 2025

FRIENDS OF MATÈNWA, INC.

STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2025 (UNAUDITED) AND 2024 (AUDITED)

ASSETS

	<u>2025</u> <i>(Unaudited)</i>	<u>2024</u> <i>(Audited)</i>
<u>CURRENT ASSETS:</u>		
Cash	\$ 730,687	\$ 489,264
Certificate of Deposit	330,698	316,082
Grants and Pledges Receivable, Current	65,493	48,136
Total Current Assets	<u>1,126,878</u>	<u>853,482</u>
<u>NON-CURRENT ASSETS:</u>		
Grants and Pledges Receivable, Non-Current	110,069	182,097
Investments	354,052	323,084
Total Non-Current Assets	<u>464,121</u>	<u>505,181</u>
<u>TOTAL ASSETS</u>	<u>\$ 1,590,999</u>	<u>\$ 1,358,663</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES:</u>		
Accounts Payable	\$ 2,349	\$ -
Conditional Grant Advance	179,148	29,148
Total Current Liabilities	<u>181,497</u>	<u>29,148</u>
<u>TOTAL LIABILITIES</u>	<u>181,497</u>	<u>29,148</u>
<u>NET ASSETS:</u>		
Net Assets Without Donor Restrictions	854,188	746,199
Net Assets With Donor Restrictions	555,314	583,316
Total Net Assets	<u>1,409,502</u>	<u>1,329,515</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 1,590,999</u>	<u>\$ 1,358,663</u>

FRIENDS OF MATÈNWA, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025 (UNAUDITED)
(With Summarized Comparative Audited Totals for 2024)

	<u>WITHOUT</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>WITH</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>TOTAL ACTIVITIES</u>	
			<u>2025</u> <i>(Unaudited)</i>	<u>2024</u> <i>(Audited)</i>
<u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u>				
<i>Support and Revenues:</i>				
Gifts, Grants and Contributions	\$ 654,952	\$ 240,328	\$ 895,280	\$ 673,146
Special Fund Raising Event Proceeds	-	-	-	1,940
Less: Cost of Direct Benefit to Donors	-	-	-	(9,529)
Donated Services	1,319	-	1,319	-
Net Investment Return and Interest Income	14,704	30,968	45,672	45,039
Total Support and Revenues	<u>670,975</u>	<u>271,296</u>	<u>942,271</u>	<u>710,596</u>
<i>Reclassification of Net Assets - Released from Restrictions:</i>				
Satisfaction of Donor Restrictions	<u>299,298</u>	<u>(299,298)</u>	<u>-</u>	<u>-</u>
<u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u>	<u>970,273</u>	<u>(28,002)</u>	<u>942,271</u>	<u>710,596</u>
<u>EXPENSES:</u>				
Program Services	658,296	-	658,296	706,498
Administrative	71,419	-	71,419	59,775
Fund Raising	<u>132,569</u>	<u>-</u>	<u>132,569</u>	<u>143,276</u>
<u>TOTAL EXPENSES</u>	<u>862,284</u>	<u>-</u>	<u>862,284</u>	<u>909,549</u>
<u>TOTAL CHANGE IN NET ASSETS</u>	107,989	(28,002)	79,987	(198,953)
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>746,199</u>	<u>583,316</u>	<u>1,329,515</u>	<u>1,528,468</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 854,188</u>	<u>\$ 555,314</u>	<u>\$ 1,409,502</u>	<u>\$ 1,329,515</u>

FRIENDS OF MATÈNWA, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025 (UNAUDITED)
(With Summarized Comparative Audited Totals for 2024)

	<u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>TOTAL</u> <u>FUNCTIONAL EXPENSES</u>	
				<u>2025</u> <i>(Unaudited)</i>	<u>2024</u> <i>(Audited)</i>
Awards and Grants	\$ 566,973	\$ -	\$ -	\$ 566,973	\$ 605,709
Program Supplies and Books	791	-	-	791	13,522
Salaries and Wages	74,315	35,363	22,342	132,020	118,547
Payroll Taxes and Employee Benefits	15,191	5,916	3,965	25,072	17,138
Contracted Services and Professional Fees	-	18,418	87,836	106,254	130,579
Travel and Meeting Costs	-	2,332	1,724	4,056	3,293
Dues, Fees, and Licenses	-	2,458	-	2,458	2,445
Office Supplies and Expenses	1,026	5,557	10,765	17,348	11,436
Insurance	-	1,042	-	1,042	1,042
Miscellaneous	-	333	5,937	6,270	5,838
Direct Cost of Fundraising Event	-	-	-	-	9,529
Total Functional Expenses	658,296	71,419	132,569	862,284	919,078
Direct Costs of Fundraising Event	-	-	-	-	(9,529)
Total Expenses Per Statement of Activities	<u>\$ 658,296</u>	<u>\$ 71,419</u>	<u>\$ 132,569</u>	<u>\$ 862,284</u>	<u>\$ 909,549</u>

FRIENDS OF MATÈNWA, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2025 (UNAUDITED) AND 2024 (AUDITED)

	<u>2025</u> <i>(Unaudited)</i>	<u>2024</u> <i>(Audited)</i>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in Net Assets	<u>\$ 79,987</u>	<u>\$ (198,953)</u>
<i>Adjustments to Reconcile the Above to Net Cash</i>		
<i>Provided by Operating Activities:</i>		
Investment Return	(45,584)	(45,039)
<i>(Increase) Decrease in Current Assets:</i>		
Grants and Pledges Receivable	(17,357)	168,211
Prepaid Expenses	-	1,437
<i>Increase (Decrease) in Current Liabilities:</i>		
Accounts Payable	2,349	-
Conditional Grant Advance	150,000	29,148
<i>(Increase) Decrease in Non-Current Assets:</i>		
Pledges Receivable, Non-Current	<u>72,028</u>	<u>66,888</u>
Net Adjustment	<u>161,436</u>	<u>220,645</u>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>241,423</u>	<u>21,692</u>
<u>NET INCREASE IN CASH BALANCES</u>	241,423	21,692
<u>CASH BALANCES - BEGINNING OF YEAR</u>	<u>489,264</u>	<u>467,572</u>
<u>CASH BALANCES - END OF YEAR</u>	<u>\$ 730,687</u>	<u>\$ 489,264</u>

FRIENDS OF MATÈNWA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

(With Summarized Comparative Audited Information for 2024)

NOTE 1 ORGANIZATION

Friends of Matènwa, Inc. (“Friends of Matènwa,” or the “Organization”), was incorporated in 2010 under the provisions of Massachusetts General Laws Chapter 180 and qualifies as a tax-exempt not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code (“IRC”). The Organization has been classified as an organization which is not a private foundation under IRC Section 509(a); accordingly, contributions made to this Organization qualify for the maximum charitable deduction for federal income tax purposes.

NOTE 2 PROGRAM SERVICES

Friends of Matènwa was formed to secure funds for the Matènwa Community Learning Center (“MCLC”), as well as for other organizations in Haiti that improve education, social and economic opportunities. Friends of Matènwa delivers the following services to children and families in Haiti:

Mother Tongue Books and Education Programs at MCLC:

In Mother Tongue Books and Education Programs, children gain literacy when taught in their native Creole tongue, in a safe and respectful interactive environment. Programs extend from pre-school early learners into high school, teaching teachers to engage children in their own learning in Matènwa and in other communities.

Livelihoods:

Food security is an enormous problem in Haiti. Crop failure due to drought conditions in Haiti’s mountainous villages is a persistent problem and poverty prevents families from buying food when crops fail. Initiatives currently underway include introducing hens, encouraging small scale vegetable gardening and water conservation, supporting artisan groups, and developing musical talents.

Community Outreach:

In response to a particular urgent need or emergency, this program provides mini-grants in the Matènwa community, to meet a food, shelter, or medical emergency need.

Post-Grad Scholarships and Entrepreneurship:

MCLC graduates receive full or partial scholarships in support of continuing education. Small start-up grants are offered to encourage entrepreneurship. MCLC also offers workshops to its graduates in order to further develop vocational skills.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The financial statements of Friends of Matènwa have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (“GAAP”).

FRIENDS OF MATENWA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

(With Summarized Comparative Audited Information for 2024)

(Continued)

NOTE 3 *(Continued)*

Estimates:

The preparation of financial statements in conformity with GAAP 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; however, adherence to generally accepted accounting principles has, in management's opinion, resulted in reliable and consistent financial reporting by the Organization.

Fair Value Measures:

The Organization reports its fair value measures by using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are defined as follows:

- Level 1 - Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; observable inputs other than quoted prices for the asset or liability (for example, interest rate and yield curves); and inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The primary use of fair value measures in the Organization's financial statements is the recurring measurement of its investments.

Financial Statement Presentation:

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. These classifications are related to the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions - Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. In addition, net assets within this classification include funds which represent resources designated by the Board of Directors for specific purposes.

FRIENDS OF MATENWA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

(With Summarized Comparative Audited Information for 2024)

(Continued)

NOTE 3 *(Continued)*

Net Assets With Donor Restrictions - Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity. The Organization's unspent contributions are reported in net assets with donor restrictions if the donor limited their use, or if they are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

The accompanying financial statements include certain FY 2024 summarized comparative information. With respect to the Statement of Activities, such prior year information is not presented by net asset class and in the Statement of Functional Expenses, FY 2024 expenses by line item are in total rather than by functional category. The summarized comparative information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statement for the year ended June 30, 2024, from which the summarized information was derived.

Certificate of Deposit:

As of June 30, 2025 and 2024, the Organization held a certificate of deposit with an annual percentage rate of 4% and 4.49%, respectively. Certificates of Deposit are valued at cost plus accrued interest.

Receivables:

Grants and Pledges Receivable represents amounts which are due from individual donors, foundations and government agencies related to unconditional grant commitments and promises to give for programmatic support, multi-year gifts and the Organization's fundraising events. Receivables are classified as current if they are scheduled for payment within one year, and non-current when the expected payment date exceeds one year. As of June 30, 2025 and 2024, the non-current portion of the grants and pledges receivable was due as follows:

	<u>2025</u>	<u>2024</u>
Within One to Two Years	\$ 67,089	\$ 66,889
Within Two to Three Years	42,980	66,889
Within Three to Four Years	-	48,319
Total	<u>\$110,069</u>	<u>\$182,097</u>

Unconditional promises to give that are expected to be collected in one year are reported at their net realizable value. Promises to give with expected payment dates that extend beyond one year are discounted to their present value when such amounts are considered material. For the years presented such discounts are immaterial to the financial statements.

FRIENDS OF MATÈNWA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

(With Summarized Comparative Audited Information for 2024)

(Continued)

NOTE 3 *(Continued)*

Management determines the allowance for uncollectible receivables and multi-year pledges based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off against the allowance when deemed uncollectible. As of June 30, 2025 and 2024, Management considers all receivables to be fully collectible; therefore, these financial statements do not contain a provision for uncollectible amounts.

Investments:

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Statements of Financial Position. Net investment return is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

As the investments are intended for long-term purposes, all investments, regardless of composition or liquidity, have been classified as non-current in the accompanying Statements of Financial Position. Cash balances held in investment portfolios are reported as investments for purposes of these financial statements.

Endowment Funds:

The Organization holds an investment, "The Starfish Fund" (or the "Fund"), created from a \$150,000 gift received in 2022 which was held with a fiscal sponsor until 2018 and subsequently transferred to Friends of Matènwa. Upon both legal advice and internal Friends of Matènwa discussions, the Organization reclassified the Fund as a donor-restricted fund and approved a document to govern the terms of the restriction. This document supersedes earlier documents related to the Fund.

The Starfish Fund is a donor-restricted endowment restricted to support the Matènwa Community Learning Center in Haiti. Decisions about the fund are made by a special Oversight Committee. As required by the Commonwealth of Massachusetts, the Organization follows the guidance of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). UPMIFA establishes law for the management of investment of donor-restricted endowment funds.

The Board of Directors' interpretation of state law is that the Organization, absent explicit donor stipulations to the contrary, may appropriate as much of the net appreciation as is prudent considering the Organization's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price-level trends, and general economic conditions.

In accordance with UPMIFA, the Organization considers the following factors in making a determination of whether to invest or appropriate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

FRIENDS OF MATÈNWA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

(With Summarized Comparative Audited Information for 2024)

(Continued)

NOTE 3 *(Continued)*

Income and appreciation earned on endowment investments are classified as net assets with donor restriction until appropriated for expenditure by the Oversight Committee in consideration of the above factors.

Based on the spending policy outlined in its governing document, the Oversight Committee will meet on a semi-annual basis to decide whether to continue exclusively building the endowment, or to make distributions to the MCLC program. Use of assets in any one fiscal year will be limited to a cap of 4% of the total assets of the Fund. The Oversight Committee is only authorized to distribute funds from the principal to meet extreme needs or emergencies and will require a unanimous vote from the Oversight Committee and full Board of Directors.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level of the original corpus which is reported as net assets with donor restrictions. There were no deficiencies of this nature as of June 30, 2025 and 2024.

The Organization takes a conservative approach to investing its endowment funds, which are maintained in fixed income securities, marketable equity securities and cash and are reported as *Investments* in the accompanying Statements of Financial Position. The current investment policy is focused on income and growth, with the direction provided by the Friends of Matènwa Finance Committee.

Revenue Recognition:

Gifts, Grants and Contributions: The Organization is the beneficiary of contributions in the form of grants from other organizations, governmental agencies, donations of cash and financial assets from individuals and contributions of nonfinancial assets. Contributions, including promises to give, without donor conditions are recognized as revenue at their estimated fair value at the date of donation and classified as either with or without donor restrictions depending on the donor's stipulations or lack thereof. Unconditional, multi-year commitments are recognized in the year during which the initial commitment is made at the amount that the Organization reasonably expects to collect. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved when such amounts are considered material.

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions until the restriction are met, at which time the net assets are reclassified to net assets without donor restrictions.

Conditional donations are those that have a measurable performance or other barrier and include a right of return of the assets or right of release of the donor from further obligation if the conditions are not met. Conditional donations are not recognized until the associated barriers are met. Any cash received before the conditions or barriers are met is reported as a refundable grant advance. When the conditions are met the revenue is reported as contributions without donor restrictions unless there are further restrictions over and above those associated with the donor conditions. In such cases, when the conditions and restrictions are met within the same reporting period, the support is recognized as contributions or grants without donor restrictions.

FRIENDS OF MATÈNWA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

(With Summarized Comparative Audited Information for 2024)

(Continued)

NOTE 3 *(Continued)*

As of June 30, 2025, the Organization received a grant award for \$150,000 which was conditional upon specific expenditures for the Matènwa Community Learning Center's Primary School Program in FY 2026; therefore, this amount is included in *Conditional Grant Advance* in the Statement of Financial Position for the year then ended.

As of June 30, 2025 and 2024, the Organization had received \$29,148 in advance funding on cost-reimbursement grant awards; therefore, this amount is reported as *Conditional Grant Advance* in the accompanying Statements of Financial Position for each respective year.

As of June 30, 2025 and 2024, contributions of \$179,148 and \$29,148, respectively, have not been recognized in the accompanying Statement of Activities because the conditions on which they depend have not yet been met.

Donations of Nonfinancial Assets: Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization does not sell donated gifts-in-kind. For the year ended June 30, 2025, the Organization recognized \$1,319 of donated services. There were no donated services for the year ended June 30, 2024. The fair value of all services is based on current rates for similar services in the respective industries.

Awards and Grants:

Friends of Matènwa supports several projects in Haiti's rural communities. Friends of Matènwa provides oversight and assumes expenditure responsibility for the use of these funds. Grants are recognized as program expenses at the time of commitment.

Functional Expenses:

Friends of Matènwa allocates its expenses on a functional basis among its various programs and support services. Expenses that are common to several functions are allocated by payroll derived ratios. In the accompanying Statement of Functional Expenses, *Salaries and Payroll Taxes and Employee Benefits* are allocated based on estimates of time and effort. Supporting services are those related to operating and managing the Organization and its programs on a day-to-day basis. Supporting services have been sub-classified as follows:

Administrative - includes all activities related to Friends of Matènwa's internal management and accounting for program services.

Fund Raising - includes all activities related to maintaining contributor information, writing grant proposals and distribution of materials related to the procurement of funds for the Organization.

Cost of Direct Benefit to Donors - includes direct costs of the Special Fund Raising Event and is presented as an offset to *Special Fund Raising Event Proceeds* revenue in the accompanying Statement of Activities.

FRIENDS OF MATÈNWA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

(With Summarized Comparative Audited Information for 2024)

(Continued)

NOTE 4 INVESTMENTS

As of June 30, 2025 and 2024, Friends of Matènwa’s investment portfolio consisted of the following components:

	June 30, 2025	
<u>Investment Type</u>	Total	Quoted Prices In Active Markets For Identical Assets (Level 1)
Cash (at cost)	\$ 72,794	\$ -
Stocks	1,588	1,588
Mutual Funds	268,850	268,850
Exchange Traded Funds - Equity	<u>10,820</u>	<u>10,820</u>
Total	<u>\$354,052</u>	<u>\$281,258</u>
	June 30, 2024	
<u>Investment Type</u>	Total	Quoted Prices In Active Markets For Identical Assets (Level 1)
Cash (at cost)	\$ 69,769	\$ -
Stocks	241,187	241,187
Mutual Funds	<u>12,128</u>	<u>12,128</u>
Total	<u>\$323,084</u>	<u>\$253,315</u>

The Organization determines the fair value of its Stock, Mutual Funds and Exchange Traded Funds - Equity by the closing price on the last business day of the fiscal year.

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions include unexpended contributions and grants restricted, although not earmarked, by donors for the following programmatic purposes as of June 30, 2025 and 2024:

<u>Nature of Restriction</u>	<u>2025</u>	<u>2024</u>
Time Restriction - Grants and Pledges	\$175,562	\$230,232
The Starfish Fund (See Note 3)	354,052	323,084
Community Outreach	<u>25,700</u>	<u>30,000</u>
Total	<u>\$555,314</u>	<u>\$583,316</u>

FRIENDS OF MATÈNWA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

(With Summarized Comparative Audited Information for 2024)

(Continued)

NOTE 5 (Continued)

For the years presented, net assets were released from donor restriction for the following programs and purposes:

<u>Nature of Restriction</u>	<u>2025</u>	<u>2024</u>
Release of Time Restrictions	\$ 54,670	\$235,100
Matènwa Secondary School - LSM	114,000	99,450
Institute of Learning - IKM	90,328	86,546
Community Outreach	4,300	-
Artist in Residence	30,000	-
LKM Capacity Building	6,000	-
Post Secondary and Entrepreneur Program	-	18,000
Total	<u>\$299,298</u>	<u>\$439,096</u>

All endowment net assets represent donor restricted funds. The following schedule summarizes the change in endowment net assets for the years presented:

	<u>Total Net Appreciation</u>	<u>Restricted in Perpetuity</u>	<u>Endowment Net Assets</u>
Endowment Net Assets, June 30, 2023	\$141,510	\$150,000	\$291,510
Investment Gains	31,574	-	31,574
Endowment Net Assets, June 30, 2024	173,084	150,000	323,084
Investment Gains	<u>30,968</u>	<u>-</u>	<u>30,968</u>
Endowment Net Assets, June 30, 2025	<u>\$204,052</u>	<u>\$150,000</u>	<u>\$354,052</u>

NOTE 6 CONCENTRATIONS

Support and Revenues:

For the years ended June 30, 2025 and 2024, *Gifts, Grants, and Contributions* includes gifts from three donors that accounts for 36% and 30%, respectively, of total support and revenue.

Receivables:

As of June 30, 2025 and 2024, 46% and 48%, respectively, of *Grants and Pledges Receivable* is attributable to two pledges.

Expenses:

For the years ended June 30, 2025 and 2024, grants made directly to Haitian organizations in support of the Organization's mission accounted for 66% and 64%, respectively, of total expenses.

FRIENDS OF MATÈNWA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

(With Summarized Comparative Audited Information for 2024)

(Continued)

NOTE 6 (Continued)

Cash:

The Organization maintains its operating account in one financial institution. The balance is insured by the Federal Deposit Insurance Corporation (“FDIC”) up to specified limits. As of June 30, 2025 and 2024, amounts held in cash above insured limits was \$811,385 and \$259,062, respectively. The Organization has not experienced any losses on such accounts.

NOTE 7 LIQUIDITY AND AVAILABILITY

The following table reflects the Organization’s financial assets as of June 30, 2025 and 2024. Financial assets are considered unavailable when illiquid or not convertible to cash within one year of the Statement of Financial Position date.

	<u>2025</u>	<u>2024</u>
Financial Assets		
Cash	\$ 730,687	\$489,264
Certificate of Deposit	330,698	316,082
Grants and Pledges Receivable, Current	<u>65,493</u>	<u>48,136</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$1,126,878</u>	<u>\$853,482</u>

Friends of Matènwa aims for year-end assets to meet general expenditures projected for a 12-month period. In this context, the Organization defines *general expenditures* as all expenses for on-going activities related to active programs promoting education and livelihoods. The Organization reviews its cash position regularly and at least quarterly to ensure funds are available to meet expenses. The Organization also has investment funds of \$354,052 and \$323,084 as of June 30, 2025 and 2024, respectively, in its donor-restricted endowment fund; however, these funds are available for use with Board approval up to 4% of its net asset value on an annual basis and in case of an unanticipated urgent need. The Board approves the operating budget and reviews financial expenditures on an ongoing basis throughout the year to ensure funds are used for the purposes for which they are intended.

NOTE 8 SUBSEQUENT EVENTS

Management is required to consider events subsequent to the financial statement date for potential adjustment to or disclosure in the financial statements. Therefore, Management has evaluated subsequent events through October 7, 2025, the date which the financial statements were available for issue, and noted no events which met the recognition or disclosure criteria: