

CONGO INITIATIVE USA, INC.
FINANCIAL STATEMENTS
AND
ACCOUNTANT'S COMPILATION REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023

Jankins Jablonski LLC
Certified Public Accountants
Hales Corners, Wisconsin

CONGO INITIATIVE USA, INC.

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Congo Initiative USA, Inc.
(A Wisconsin Non-Stock, Not-For-Profit Corporation)
Raleigh, North Carolina

Management is responsible for the accompanying financial statements of Congo Initiative USA, Inc., which comprise the statement of financial position as of December 31, 2023 and the related statement of activities and changes in net assets, and statement of functional expenses for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA). We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Management has elected to omit the statements of cash flows required by accounting principles generally accepted in the United States of America. If the omitted statements of cash flows were included in the financial statements, it might influence the user's conclusions about the Organization's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.



Jankins Jablonski LLC
Hales Corners, Wisconsin

February 25, 2024

CONGO INITIATIVE USA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

ASSETS

	2023
CURRENT ASSETS	
Cash - Bank of America - Checking	\$ 132,350.66
Cash - Bank of America - Savings	423,367.77
Investments - Charles Schwab	193,515.28
Total Current Assets	749,233.71
TOTAL ASSETS	\$ 749,233.71

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Credit Card - Bank of America	\$ 171.35
Credit Card Accrual - Bank of America	1,021.94
Accrued Wages	13,301.33
Accrued Payroll Taxes	4,197.31
Other Current Liabilities	4,500.00
Total Current Liabilities	23,191.93
NET ASSETS	
Net Assets Without Donor Restrictions	290,213.91
Net Assets With Donor Restrictions	435,827.87
Total Net Assets	726,041.78
TOTAL LIABILITIES AND NET ASSETS	\$ 749,233.71

CONGO INITIATIVE USA, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023 AND 2022

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT & REVENUE			
Donations-Individuals, Church & Org.	\$ 522,712.71	\$ 193,660.00	\$ 716,372.71
In-Kind Donations	35,818.65	322,367.85	358,186.50
Contribution-Credit Card Fee Reimb.	2,642.49	-	2,642.49
Total Support & Revenue	<u>561,173.85</u>	<u>516,027.85</u>	<u>1,077,201.70</u>
EXPENSES			
Grants to CI-UCBC	849,565.84	-	849,565.84
Tuition & Educational Assistance	24,119.64	-	24,119.64
Leadership & Development	36,600.00	-	36,600.00
Salaries	132,216.46	-	132,216.46
Health Insurance	7,002.40	-	7,002.40
Retirement Benefits	3,581.62	-	3,581.62
Payroll Taxes	10,447.26	-	10,447.26
Payroll Processing	990.00	-	990.00
Consulting	40,549.53	-	40,549.53
Staff/Volunteer Support & Develop.	200.00	-	200.00
Software & Technology	11,363.50	-	11,363.50
Insurance	655.00	-	655.00
Accounting, Auditing & Legal Services	37,065.00	-	37,065.00
Office Expense	7,336.28	-	7,336.28
Facility Expense	953.00	-	953.00
Marketing & Media	5,752.37	-	5,752.37
Bank & Credit Card Processing Fees	4,964.55	-	4,964.55
Dues, Subscription, Licenses & Fees	3,000.15	-	3,000.15
Travel	22,091.34	-	22,091.34
Fundraising Events	420.91	-	420.91
Miscellaneous	-	-	-
Total Expenses	<u>1,198,874.85</u>	<u>-</u>	<u>1,198,874.85</u>
OTHER REVENUE (EXPENSE)			
Investment Income - Restricted	-	6,398.02	6,398.02
Miscellaneous Income	68,056.77	-	68,056.77
Interest Income	128.33	-	128.33
Long Term Capital Gain (Loss)	70.81	-	70.81
Total Other Revenue (Expense)	<u>68,255.91</u>	<u>6,398.02</u>	<u>74,653.93</u>
Change in Net Assets Before Assets Released From Restrictions	(569,445.09)	522,425.87	(47,019.22)
Net Assets Released From Restrictions	<u>618,065.75</u>	<u>(618,065.75)</u>	<u>-</u>
CHANGE IN NET ASSETS	48,620.66	(95,639.88)	(47,019.22)
Unrealized Gain (Loss) on Investments	-	11,942.56	11,942.56
Investment Management Fees	-	(698.83)	(698.83)
	48,620.66	(84,396.15)	(35,775.49)
Net Assets, Beginning of Year	<u>241,593.25</u>	<u>520,224.02</u>	<u>761,817.27</u>
NET ASSETS, END OF YEAR	<u>\$ 290,213.91</u>	<u>\$ 435,827.87</u>	<u>\$ 726,041.78</u>

See Accountant's Compilation Report

CONGO INITIATIVE USA, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023 AND 2022

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT & REVENUE			
Donations - Individuals, Churches & Organizations	\$ 522,712.71	\$ 193,660.00	\$ 716,372.71
In-Kind Donations	35,818.65	322,367.85	358,186.50
Contribution - Credit Card Fee Reimbursement	2,642.49	-	2,642.49
Total Support & Revenue	<u>561,173.85</u>	<u>516,027.85</u>	<u>1,077,201.70</u>
EXPENSES			
Program Service Expenses	903,861.27	-	903,861.27
Management & General Expenses	232,097.90	-	232,097.90
Fundraising Expenses	62,915.68	-	62,915.68
Total Expenses	<u>1,198,874.85</u>	<u>-</u>	<u>1,198,874.85</u>
OTHER REVENUE (EXPENSE)			
Investment Income - Restricted	-	6,398.02	6,398.02
Miscellaneous Income	68,056.77	-	68,056.77
Interest Income	128.33	-	128.33
Long Term Capital Gain (Loss)	70.81	-	70.81
Total Other Revenue (Expense)	<u>68,255.91</u>	<u>6,398.02</u>	<u>74,653.93</u>
Change in Net Assets Before Assets Released From Restricted	(569,445.09)	522,425.87	(47,019.22)
Net Assets Released From Restricted	<u>618,065.75</u>	<u>(618,065.75)</u>	<u>-</u>
CHANGE IN NET ASSETS	48,620.66	(95,639.88)	(47,019.22)
Unrealized Gain (Loss) on Investments	-	11,942.56	11,942.56
Investment Management Fees	-	(698.83)	(698.83)
	<u>48,620.66</u>	<u>(84,396.15)</u>	<u>(35,775.49)</u>
Net Assets, Beginning of Year	<u>241,593.25</u>	<u>520,224.02</u>	<u>761,817.27</u>
NET ASSETS, END OF YEAR	<u>\$ 290,213.91</u>	<u>\$ 435,827.87</u>	<u>\$ 726,041.78</u>

See Accountant's Compilation Report

CONGO INITIATIVE USA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023

	<u>Program Service</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
EXPENSES				
Grants to CI-UCBC	\$ 849,565.84	\$ -	\$ -	\$ 849,565.84
Tuition & Educational Assistance	24,119.64	-	-	24,119.64
Leadership & Development	-	36,600.00	-	36,600.00
Salaries	15,299.99	70,341.83	46,574.64	132,216.46
Health Insurance	437.33	6,565.07	-	7,002.40
Retirement Benefits	-	3,581.62	-	3,581.62
Payroll Taxes	1,170.47	5,713.83	3,562.96	10,447.26
Payroll Processing	-	990.00	-	990.00
Consulting	-	30,127.53	10,422.00	40,549.53
Staff/Volunteer Support & Development	-	200.00	-	200.00
Software & Technology	-	11,363.50	-	11,363.50
Insurance	-	655.00	-	655.00
Accounting, Auditing & Legal Services	4,740.00	32,325.00	-	37,065.00
Office Expense	-	7,336.28	-	7,336.28
Facility Expense	-	953.00	-	953.00
Marketing & Media	-	3,817.20	1,935.17	5,752.37
Bank & Credit Card Processing Fees	-	4,964.55	-	4,964.55
Dues, Subscriptions, Licenses & Fees	-	3,000.15	-	3,000.15
Travel	8,528.00	13,563.34	-	22,091.34
Fundraising Events	-	-	420.91	420.91
Miscellaneous	-	-	-	-
TOTAL FUNCTIONAL EXPENSES	<u>\$ 903,861.27</u>	<u>\$ 232,097.90</u>	<u>\$ 62,915.68</u>	<u>\$ 1,198,874.85</u>

See Accountant's Compilation Report

CONGO INITIATIVE USA, INC.
STATEMENT OF ACTIVITIES BY FUNCTIONAL SUPPORT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023

	General Fund	Education & Leadership	Community Transformation	Facilities & Infrastructure	Partnership Development	Fundraising	Total
SUPPORT & REVENUE							
Donations - Individuals, Churches & Organizations	\$ 327,586.87	\$ 284,810.74	\$ 53,286.10	\$ 45,160.00	\$ 5,529.00	\$ -	\$ 716,372.71
In-Kind Donations	35,818.65	322,367.85	-	-	-	-	358,186.50
Contribution - Credit Card Fee Reimbursement	2,642.49	-	-	-	-	-	2,642.49
Total Support & Revenue	<u>366,048.01</u>	<u>607,178.59</u>	<u>53,286.10</u>	<u>45,160.00</u>	<u>5,529.00</u>	<u>-</u>	<u>1,077,201.70</u>
FUNCTIONAL EXPENSES							
Excess of Revenue Over Expenses	232,097.90	683,782.93	66,962.57	146,411.84	6,703.93	62,915.68	1,198,874.85
	<u>133,950.11</u>	<u>(76,604.34)</u>	<u>(13,676.47)</u>	<u>(101,251.84)</u>	<u>(1,174.93)</u>	<u>(62,915.68)</u>	<u>(121,673.15)</u>
OTHER REVENUE (EXPENSE)							
Investment Income - Restricted	6,398.02	-	-	-	-	-	6,398.02
Miscellaneous Income	68,056.77	-	-	-	-	-	68,056.77
Interest Income	128.33	-	-	-	-	-	128.33
Long Term Capital Gain (Loss)	70.81	-	-	-	-	-	70.81
Total Other Revenue (Expense)	<u>74,653.93</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,653.93</u>
CHANGE IN NET ASSETS BY SUPPORT	<u>\$ 208,604.04</u>	<u>\$ (76,604.34)</u>	<u>\$ (13,676.47)</u>	<u>\$ (101,251.84)</u>	<u>\$ (1,174.93)</u>	<u>\$ (62,915.68)</u>	<u>\$ (47,019.22)</u>

See Accountant's Compilation Report

CONGO INITIATIVE USA, INC.
STATEMENT OF FUNCTIONAL EXPENSES BY SUPPORT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023

	General Fund	Education & Leadership	Community Transformation	Facilities & Infrastructure	Partnership Development	Fundraising	Total
EXPENSES							
Administrative & Office Expense	\$ 3,701.82	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,701.82
Consulting Services	21,127.53	-	-	-	-	-	21,127.53
Accounting, Auditing & Legal Services	32,325.00	-	-	-	4,740.00	-	37,065.00
Computer Software & SaaS Subscriptions	8,837.33	-	-	-	-	-	8,837.33
Website	2,526.17	-	-	-	-	-	2,526.17
Dues & Subscriptions	2,622.92	-	-	-	-	-	2,622.92
Licenses & Fees	377.23	-	-	-	-	-	377.23
Bank Charges & Fees	4,964.55	-	-	-	-	-	4,964.55
Business Insurance	655.00	-	-	-	-	-	655.00
Office Supplies & Equipment	1,443.94	-	-	-	-	-	1,443.94
Postage & Delivery	1,719.44	-	-	-	-	-	1,719.44
Printing & Copying	439.63	-	-	-	-	-	439.63
Meals & Entertainment	31.45	-	-	-	-	-	31.45
Marketing Costs - Digital & Print	3,817.20	-	-	-	-	1,935.17	5,752.37
Utilities	953.00	-	-	-	-	-	953.00
Fundraising Events	-	-	-	-	-	420.91	420.91
Support Expenses - Grants to CI-UCBC	-	643,592.59	59,427.54	145,496.81	1,048.90	-	849,565.84
Support Expenses - Education Assistance	-	24,119.64	-	-	-	-	24,119.64
Salaries & Wages	70,341.83	12,749.99	850.00	850.00	850.00	46,574.64	132,216.46
Contracted Personnel & Services	9,000.00	-	-	-	-	10,422.00	19,422.00
Health Insurance Allowance	6,565.07	437.33	-	-	-	-	7,002.40
Retirement Benefit Contributions	3,581.62	-	-	-	-	-	3,581.62
Payroll Tax Expense	5,713.83	975.38	65.03	65.03	65.03	3,562.96	10,447.26
Payroll Processing Fees	990.00	-	-	-	-	-	990.00
Leadership Training & Development	36,600.00	-	-	-	-	-	36,600.00
Staff & Volunteer Recognition	200.00	-	-	-	-	-	200.00
Travel Expense - Other	1,155.99	-	-	-	-	-	1,155.99
Travel Expense - Hotel	943.12	-	-	-	-	-	943.12
Travel Expense - Airfare	10,061.56	1,908.00	6,620.00	-	-	-	18,589.56
Travel Expense - Meals	465.53	-	-	-	-	-	465.53
Travel Expense - Fees & Charges	450.02	-	-	-	-	-	450.02
Travel Expense - Health Expenses	297.00	-	-	-	-	-	297.00
Travel Expense - Mileage Reimbursement	190.12	-	-	-	-	-	190.12
TOTAL FUNCTIONAL EXPENSES	\$ 232,097.90	\$ 683,782.93	\$ 66,962.57	\$ 146,411.84	\$ 6,703.93	\$ 62,915.68	\$ 1,198,874.85

See Accountant's Compilation Report

CONGO INITIATIVE USA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note A - Nature of Organization

Congo Initiative USA, Inc. (the Organization), with its registered office in North Carolina, is a not-for-profit Organization formed in Wisconsin in 2005. The mission of the Organization is to promote Christian higher education, leadership development, and community transformation in the Democratic Republic of Congo (DRC) through partnerships with churches and organizations and the solicitation of donations. This mission is accomplished by, among other means, providing personnel and financial support to Congo Initiative (a non-governmental organization) and Université Chrétienne Bilingue du Congo (CI-UCBC) (an educational institution), both of which are organized and fully registered according to DRC law.

Note B - Summary of Significant Accounting Policies

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Method of Accounting

The financial statements of the Organization have been prepared utilizing the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash in an operations checking account. This account may, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents. The Organization considers deposits that can be redeemed on demand and investments that have original maturities of less than three months, when purchased, to be cash equivalents.

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups:

- Net Assets Without Donor Restrictions - Amounts that are not subject to usage restrictions based on donor-imposed requirements.
- Net Assets With Donor Restrictions - Assets subject to usage limitations based upon donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use.

Note B - Summary of Significant Accounting Policies (Continued)

Classification of Net Assets (Continued)

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

Net assets with donor restrictions at December 31, consisted of the following:

	<u>2023</u>
Christ Presbyterian Church	\$ 10,000
Cornerstone Trust	88,463
Crowell Trust	51,482
Lane Grant	72,368
Optivest	20,000
Justice Initiative Endowment Fund	<u>193,515</u>
Total Net Assets With Donor Restrictions	<u>\$ 435,828</u>

Revenue and Support

Revenue is recognized when earned. Contributions, including grants, are recognized when cash is received or unconditional promises are made. During the periods ending December 31, 2023, approximately \$1,077,202 was received from individuals, churches, organizations and grant making foundations.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed services are recognized for those that improve or enhance property and equipment for those that require specialized skills. During the year ended December 31, 2023, no material contributed services were received or recorded.

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its various programs and support services in the statement of activities. Expenditures for a specific program or support service are directly allocated to the activity benefited. Costs that are common to several functions are allocated among the program and supporting services based upon estimates made by the Organization's management based on personnel time and effort.

Note B - Summary of Significant Accounting Policies (Continued)

Accounting for Uncertain Tax Positions

Under the provisions of the Internal Revenue Code, Section 501(c)(3), the Organization is a not-for-profit entity and, accordingly, is not a taxable entity. As of December 31, 2023, the Organization had no uncertain tax positions that qualify for recognition in the financial statements. The Organization believes it has conducted its operations in accordance with, and has properly maintained, its tax exempt status.

Note C - Related Parties

The Organization has partnered with CI-UCBC, an entity located in the Democratic Republic of Congo. All of the Organization's expenditures are spent under the discretion and control of the Organization's board, in support of CI-UCBC; either through grants given to CI-UCBC, or indirectly through the Organization's administrative and fundraising operations.

Note D - Donated Services or Materials

During the year ending December 31, 2023, the Organization received shares of stock which were cashed in upon receipt. The cash settlement for the stock sold amounted to \$322,368.

Note E - Subsequent Events

For the presentation of the financial statements in conformity with generally accepted accounting principles, management is required to evaluate subsequent events through the date when the financial statements become available for issuance. Management has evaluated subsequent events through February 25, 2024 and has determined that no events have occurred that are required to be recognized or disclosed in the financial statements as of December 31, 2023.

Note F - Liquidity and Availability

The Organization regularly monitors liquidity to meet its operating needs and other commitments. Additionally, the Organization budgets for operational expenses and anticipates collecting sufficient donations to cover general expenditures not covered by donor-restricted resources over the next 12 months. The main source of liquidity is the cash and cash equivalents of the Organization.

The following represents the Organization's financial assets as of December 31:

	<u>2023</u>
Cash and Cash Equivalents	\$ 555,719
Investment - Justice Initiative Endowment Fund	193,515
Less: Funds unavailable for general expenditures within one year due to Donor-imposed restrictions	<u>(435,828)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 313,406</u>

Note G - Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The new guidance requires an entity to recognize lease liabilities and a right-of-use asset for all leases with lease terms of more than twelve months on the balance sheet and provide enhanced disclosures on key information of leasing arrangements. The new standard is effective for annual reporting periods beginning after December 15, 2021. The Management evaluated this new standard and concluded it does not have a material impact on its financial statements and related disclosures as it does not lease any material tangible assets.

Note H- Fair Value Measurements

In accordance with U.S. GAAP, the organization uses the following three prioritized levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

- Level 1 Observable inputs that reflect quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

- Level 2 Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace, such as yield curves or other market data.

- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value measurement of the assets and liabilities. Including assumption of risk, such as bid/ ask spreads and liquidity discounts.

The Organization's investments at fair value at December 31, 2023 represent the Justice Initiative Endowment Fund and consist of the following:

	Fair Value Measurements at December 31, 2023			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stocks Carried at Fair Value	<u>\$ 193,023</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,023</u>
Deposit Account *				<u>1,492</u>
Total				<u>\$ 193,515</u>

*Cash and deposit accounts included in the investment portfolio are not subject to provisions of fair value measurements as they are recorded at cost.

Note I - Endowment

The Organization established an endowment for the purpose of giving perpetual support to Justice Initiative Program. The endowment fund is named the Justice Initiative Endowment Fund (JIEF). The endowment was funded from a grant and matching donation from Congo Initiative USA, Inc. (the Organization).

The Organization's endowment consists of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, this classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those assets are time restricted until the governing Board appropriates such amounts for expenditures. The net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions.