

CONGO INITIATIVE USA, INC.

FINANCIAL STATEMENTS

December 31, 2024

CONTENTS

Independent Auditor's Report	1
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Congo Initiative USA, Inc.
Raleigh, North Carolina

Opinion

We have audited the financial statements of Congo Initiative USA, Inc., which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year 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 Congo Initiative USA, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Congo Initiative USA, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 control 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 Congo Initiative USA, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 control. 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 control 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 Congo Initiative USA, Inc.'s internal control. 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 Congo Initiative USA, Inc.'s ability to continue as a going concern for a reasonable period of time.

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 control-related matters that we identified during the audit.

A handwritten signature in black ink that reads "Wegner CPAs LLP". The signature is written in a cursive, flowing style.

Wegner CPAs, LLP
Madison, Wisconsin
August 28, 2025

CONGO INITIATIVE USA, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2024

ASSETS	
Cash	\$ 254,609
Investments	<u>216,234</u>
Total assets	<u><u>\$ 470,843</u></u>
LIABILITIES	
Accounts payable	\$ 2,990
Accrued payroll and taxes	<u>4,339</u>
Total liabilities	7,329
NET ASSETS	
Without donor restrictions	234,696
With donor restrictions	<u>228,818</u>
Total net assets	<u>463,514</u>
Total liabilities and net assets	<u><u>\$ 470,843</u></u>

See accompanying notes.

CONGO INITIATIVE USA, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	\$ 805,873	\$ 114,819	\$ 920,692
Investment return, net	134	22,719	22,853
Total revenues	806,007	137,538	943,545
EXPENSES			
Program services	909,518	-	909,518
Management and general	206,429	-	206,429
Fundraising	90,126	-	90,126
Total expenses	1,206,073	-	1,206,073
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of program restrictions	344,548	(344,548)	-
Change in net assets	(55,518)	(207,010)	(262,528)
Net assets at beginning of year	290,214	435,828	726,042
Net assets at end of year	<u>\$ 234,696</u>	<u>\$ 228,818</u>	<u>\$ 463,514</u>

See accompanying notes.

CONGO INITIATIVE USA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	Program Services	Management and General	Fundraising	Total Expenses
Personnel	\$ 28,796	\$ 79,914	\$ 56,964	\$ 165,674
Professional fees	27,465	69,367	32,660	129,492
Office and supplies	278	10,969	-	11,247
Marketing and promotion	-	4,327	502	4,829
Printing and postage	-	1,166	-	1,166
Travel	22,371	33,605	-	55,976
Subscriptions	2,225	7,081	-	9,306
Grants	828,383	-	-	828,383
Total expenses	\$ 909,518	\$ 206,429	\$ 90,126	\$ 1,206,073

See accompanying notes.

CONGO INITIATIVE USA, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (262,528)
Adjustments to reconcile change in net assets to net cash flows from operating activities	
Net realized and unrealized gain on investments	(10,045)
Decrease in liabilities	
Accounts payable	(2,703)
Accrued payroll and taxes	<u>(13,160)</u>
Net cash flows from operating activities	(288,436)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of and interest retained in investments	<u>(12,673)</u>
Net change in cash	(301,109)
Cash at beginning of year	<u>555,718</u>
Cash at end of year	<u><u>\$ 254,609</u></u>

Supplemental cash flow information

Donated stock	\$ 293,865
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See accompanying notes.

CONGO INITIATIVE USA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Congo Initiative USA, Inc. (“the Organization”), located in Raleigh, North Carolina, is a non-profit corporation promoting Christian higher education, leadership development, and community transformation in the Democratic Republic of Congo (DRC). This mission is accomplished by providing personnel and financial support to Congo Initiative (a non-governmental organization) and Universite Bilingue du Congo (CI-UCBC) (an educational institution), both of which are organized and fully registered according to DRC law. Congo Initiative USA, Inc. is primarily funded through contributions.

Contributions

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence of any donor-imposed restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Investments

Congo Initiative USA, Inc. reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Expense Allocation

The costs of providing the program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, personnel costs have been allocated based on estimates of time and effort. Other expenses have been directly charged to the correct program or supporting activity. The following program services and supporting activities are included in the accompanying financial statements:

Program services—Promoting Christian higher education, leadership development, and community in the DRC by providing grants.

Management and general—Management and general activities relate to the overall direction of Congo Initiative USA, Inc. and include activities of the board of directors, business management, finance, and general recordkeeping.

Fundraising—Fundraising activities include soliciting contributions from individuals, organizations, and others.

CONGO INITIATIVE USA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Date of Management's Review

Management has evaluated subsequent events through August 28, 2025, the date which the financial statements were available to be issued.

NOTE 2—INVESTMENTS

Investments are comprised of the following:

Mutual funds	\$ 72,746
Exchange trade funds	134,264
Cash and cash equivalents	<u>9,224</u>
	<u><u>\$ 216,234</u></u>

Fair values of mutual funds and exchange trade funds are based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Organization are open-ended mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds and exchange trade funds held by the Organization are considered to be actively traded, which are Level 1 fair value measurements.

NOTE 3—ECONOMIC DEPENDENCY

The Organization received approximately 31% of its revenue from one donor.

The grants provided by the Organization are received by organizations with operations concentrated outside the United States. It is reasonably possible that operations could be interrupted in the near term due to volatility in the DRC.

CONGO INITIATIVE USA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 4—ENDOWMENT

The Organization's endowment consists of one donor restricted fund. This fund was established to provide a small amount of support each year for its Justice Initiative activities, which include supporting pro bono legal services and the CI-UCBC law program. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The state of North Carolina enacted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) effective March 19, 2009, the provisions of which apply to endowment funds existing on or established after that date. The Organization had determined that its permanently restricted net assets meet the definition of endowment funds under UPMIFA. The Organization has interpreted North Carolina 's enacted version of UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. In accordance with North Carolina 's enacted version of UPMIFA, the Organization expects it will need to consider the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purpose of the donor restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation or depreciation of investments, (6) other resources of the Organization, and (7) the Organization investment policies.

Investment income from the donor restricted endowment is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a matter consistent with stipulated purposes within the Statement of Investment Policy established by the Organization. The general guidelines of the Organization's Statement of Investment Policy state endowment funds should be invested in a manner that preserves capital, averts risk and adheres to investment discipline.

The Organization's spending policy states that all accumulated earnings are available for distributions during any one year as long as the distributions are used for the restricted purpose.

Changes in endowment net assets are as follows:

Endowment net asset at beginning of year	\$ 193,515
Investment return, net	<u>22,719</u>
Endowment net asset at end of year	<u><u>\$ 216,234</u></u>

CONGO INITIATIVE USA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 4—ENDOWMENT (continued)

Endowment net assets by type of fund consisted of the following:

Original donor-restricted gift amount	\$ 200,000
Accumulated investment gains	<u>16,234</u>
Donor-restricted endowment funds	<u><u>\$ 216,234</u></u>

NOTE 5—NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

Advanced Studies	\$ 12,584
Justice Initiative Endowment	<u>216,234</u>
	<u><u>\$ 228,818</u></u>

NOTE 6—RETIREMENT PLAN

The Organization sponsors a Simplified Employee Pension (SEP) IRA retirement account. The plan covers all employees that have been at The Organization for a year. Total retirement expense for the year ended December 31, 2024 was \$4,143.

NOTE 7—LIQUIDITY AND AVAILABILITY

The following reflects the Organization's financial assets as of the date of the statement of financial position, reduced by amounts not available for general expenditures within one year of the date of the statement of financial position:

Cash	\$ 254,609
Investments	<u>216,234</u>
Financial assets at year end	470,843
Less those unavailable for general expenditures within one year	
Restricted by donor with purpose restrictions	<u>(228,818)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 242,025</u></u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.