

UBUNTU GLOBAL CONNECTIONS, INC.

REVIEWED FINANCIAL STATEMENTS

DECEMBER 31, 2020

UBUNTU GLOBAL CONNECTIONS, INC.

REPORT ON REVIEW OF FINANCIAL STATEMENTS

DECEMBER 31, 2020

C O N T E N T S

	<u>Page</u>
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
FINANCIAL STATEMENTS:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to financial statements	6 - 8



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Ubuntu Global Connections, Inc.
Concord, Massachusetts

We have reviewed the accompanying financial statements of the Ubuntu Global Connections, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020, 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements 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 Ubuntu Global Connections, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's 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.

Vallas + Arrison PC

September 1, 2021

Ubuntu Global Connections, Inc.
STATEMENT OF FINANCIAL POSITION
December 31, 2020

ASSETS

Assets	
Cash	\$ 4,467
	<hr/>
Total Assets	\$ 4,467
	<hr/> <hr/>

LIABILITITES AND NET ASSETS

Liabilities	
Accrued Expenses	\$ 3,500
	<hr/>
Net Assets	
Net Assets Without Donor Restrictions	967
	<hr/>
Total Liabilities and Net Assets	\$ 4,467
	<hr/> <hr/>

Ubuntu Global Connections, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

Changes in Net Assets Without Donor Restrictions	
Support and Revenue	
Contributions	<u>\$ 243,126</u>
Expenses	
Program Expenses	
Grants	232,920
Supporting Services	
General and Administrative Expenses	<u>8,012</u>
Total Expenses	<u>240,932</u>
Net Increase in Net Assets Without Donor Restrictions	2,194
Net Assets Without Restrictions, Beginning	<u>(1,227)</u>
Net Assets Without Restrictions, Ending	<u>\$ 967</u>

Ubuntu Global Connections, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020

	PROGRAM SERVICES	GENERAL & ADMIN	TOTAL
Scholarships Granted	\$ 232,920	\$ -	\$ 232,920
Professional Fees	-	6,356	6,356
Bank, Credit Card & Transaction Fees	-	1,567	1,567
State Filing Fees	-	89	89
	-	89	89
Total Expenses	\$ 232,920	\$ 8,012	\$ 240,932

Ubuntu Global Connections, Inc.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

Cash Flows From Operating Activities:	
Increase (Decrease) in Net Assets	\$ 2,194
Adjustments to Reconcile Total Change in Net Assets Without Restriction to Net Cash Provided by (Used in) Operating Activities:	
Changes In Operating Assets and Liabilities:	
Accrued Expenses	<u>(1,500)</u>
Net Cash Provided By Operating Activities	<u>694</u>
Net Increase in Cash	694
Cash - Beginning	<u>3,773</u>
Cash - Ending	<u><u>\$ 4,467</u></u>

Ubuntu Global Connections, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

ORGANIZATION

The Organization is a tax-exempt organization incorporated in Massachusetts and recognized under Internal Revenue Code Section 501(c)(3) as a public charity. The Organization is structured to work with various partner organizations in South Africa to aid in the support of communities and their struggles with early education, health care, poverty, orphaned or abandoned children, and the operation of local small businesses. The Organization is supported primarily through contributions from the general public.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: with donor restrictions and without donor restrictions.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

See Independent Accountant's Review Report.

Ubuntu Global Connections, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

SIGNIFICANT ACCOUNTING POLICIES - Continued

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. 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. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Concentrations of Credit Risk

The Organization has cash in financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution. At various times during the year, the Organization may have cash balances that exceed the insured limits, but management believes that this concentration of cash involves a reasonable level of risk. There have been no related losses. As of December 31, 2020, the Organization's cash balances were not in excess of insured amount.

Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. The Organization's support comes primarily from donations from the general public.

Description of Program and Supporting Services

Program Services

Provide aid and grants to organizations in South Africa to aid in the support of communities.

General and Administrative

Includes the functions necessary to maintain an adequate working environment and manage the financial and budgetary responsibilities of the Organization.

Fundraising

Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations.

LIQUIDITY AND AVAILABILITY

The Organization has approximately \$4,300 of financial assets consisting of cash available within one year to meet the cash needs for general expenditures. None of the financial assets are subject to contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. As of December 31, 2020, the Organization has financial assets available equal to approximately three months of operating expenses, before grant expenses.

See Independent Accountant's Review Report.

Ubuntu Global Connections, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

CONCENTRATION OF CONTRIBUTION REVENUE

For the year ending December 31, 2020, approximately 77% of the Organization's contribution revenue came from two donors.

INCOME TAXES AND UNCERTAIN TAX POSITIONS

The Organization has been granted tax exempt status under Internal Revenue Code Section 501(C)(3) and has been determined not to be a private foundation. The Organization had no unrelated business income in the fiscal years ended December 31, 2020; therefore, it is generally exempt from federal and state income taxes.

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. The Organization has determined whether tax positions have met the recognition threshold and have measured the Organization's exposure to those tax positions. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Organization are recorded in operating expenses. No interest or penalties from federal and state tax authorities were recorded in the accompanying financial statements. Generally three years of tax returns remain subject to audit by federal and state tax authorities. No examinations are in process at December 31, 2020.

PROGRAM EXPENSES

Program expenses of were for grants amounted to \$232,920 for the year ending December 31, 2020.

DONATED SERVICES

No amounts have been reflected in the statements for donated services since no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services and fund-raising appeals.

ORGANIZATION'S RESPONE TO COVID-19

The Organization has no employees or office facilities. The Organization's contributions are not expected to decrease due to the pandemic.

SUBSEQUENT EVENTS

Subsequent events through September 1, 2021, the date these financials were available to be issued, were evaluated for disclosure in these financial statements. No events were noted for disclosure.

See Independent Accountant's Review Report.