

UBUNTU GLOBAL CONNECTIONS, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

UBUNTU GLOBAL CONNECTIONS, INC.

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying financial statements of Ubuntu Global Connections, Inc., which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets, and cash flows for the years 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 the Organization's 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 Ubuntu Global Connections, Inc. and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our reviews, 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.



Dedham, Massachusetts
October 14, 2024

UBUNTU GLOBAL CONNECTIONS, INC.

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022**

| | <u>2023</u> | <u>2022</u> |
|---------------------------------------|-------------------------|------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ <u>14,651</u> | \$ <u>5,781</u> |
| TOTAL ASSETS | \$ <u><u>14,651</u></u> | \$ <u><u>5,781</u></u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accrued expenses | \$ 6,000 | \$ 6,000 |
| NET ASSETS | | |
| Net assets without donor restrictions | <u>8,651</u> | <u>(219)</u> |
| TOTAL LIABILITIES AND NET ASSETS | \$ <u><u>14,651</u></u> | \$ <u><u>5,781</u></u> |

See accompanying notes and independent accountants' review report.

UBUNTU GLOBAL CONNECTIONS, 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 | Net assets with donor restrictions | Total | Net assets without donor restrictions | Net assets with donor restrictions | Total |
| Contributions | \$ 460,952 | \$ 0 | \$ 460,952 | \$ 354,550 | \$ 0 | \$ 354,550 |
| Interest income | <u>1</u> | <u>0</u> | <u>1</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total | <u>460,953</u> | <u>0</u> | <u>460,953</u> | <u>354,550</u> | <u>0</u> | <u>354,550</u> |
| EXPENSES | | | | | | |
| General and administrative Program expenses | 11,044 | 0 | 11,044 | 10,085 | 0 | 10,085 |
| | <u>441,039</u> | <u>0</u> | <u>441,039</u> | <u>345,464</u> | <u>0</u> | <u>345,464</u> |
| Total expenses | <u>452,083</u> | <u>0</u> | <u>452,083</u> | <u>355,549</u> | <u>0</u> | <u>355,549</u> |
| Increase (decrease) in net assets | 8,870 | 0 | 8,870 | (999) | 0 | (999) |
| NET ASSETS, BEGINNING OF YEAR | <u>(219)</u> | <u>0</u> | <u>(219)</u> | <u>780</u> | <u>0</u> | <u>780</u> |
| NET ASSETS, END OF YEAR | <u>\$ 8,651</u> | <u>\$ 0</u> | <u>\$ 8,651</u> | <u>\$ (219)</u> | <u>\$ 0</u> | <u>\$ (219)</u> |

See accompanying notes and independent accountants' review report.

UBUNTU GLOBAL CONNECTIONS, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

| | <u>2023</u> | <u>2022</u> |
|--|------------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Increase (decrease) in net assets | \$ 8,870 | \$ (999) |
| Adjustments to reconcile change in net assets without restrictions to net cash provided by operating activities: | | |
| Increase in liabilities: | | |
| Accrued expenses | <u>0</u> | <u>2,000</u> |
| Net cash provided by operating activities | <u>8,870</u> | <u>1,001</u> |
| NET INCREASE IN CASH | 8,870 | 1,001 |
| CASH AT BEGINNING OF YEAR | <u>5,781</u> | <u>4,780</u> |
| CASH AT END OF YEAR | <u>\$ 14,651</u> | <u>\$ 5,781</u> |

See accompanying notes and independent accountants' review report.

UBUNTU GLOBAL CONNECTIONS, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Ubuntu Global Connections, Inc. (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.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization maintains its cash with insured credit institutions. At times, such cash may be in excess of the Federal Deposit Insurance Corporation insured limit.

Advertising Expense

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2023 and 2022 was approximately \$800 and \$600, respectively. Advertising costs are included in general and administrative costs on the statements of activities and changes in net assets.

Uncertain Tax Positions

Under the Income Tax Topic of the FASB Accounting Standards Codification, an Organization is required to disclose tax filings which are potentially subject to review by either federal or state agencies. The Organization will record a liability for uncertain tax positions when it is more likely than not that a tax position would not be sustained if examined by the taxing authority. The Organization continually evaluates expiring statutes of limitation, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Organization's evaluation on December 31, 2023 revealed no uncertain tax positions that would have a material impact on the financial statements. The Organization is not currently under examination by any taxing jurisdiction. The 2020 through 2022 tax years remain subject to examination by federal or state agencies. The Organization does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

UBUNTU GLOBAL CONNECTIONS, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Flow Information

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Supplemental disclosure of cash flow information:

| | <u>2023</u> | <u>2022</u> |
|---------------------------------|-------------|-------------|
| Cash paid during the years for: | | |
| Income taxes | \$ <u>0</u> | \$ <u>0</u> |
| Interest | \$ <u>0</u> | \$ <u>0</u> |

Income Taxes

The Organization is a not-for-profit organization and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

Net Assets

The Organization adopted Accounting Standards Update (ASU) No. 2016-14: Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities. The Organization classifies net assets, revenues and gains in accordance with the Not-For-Profit Topic of the FASB Accounting Standards Codification. Accordingly, the Organization reports information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions - Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of donor-imposed restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor-restricted contributions as without donor restrictions to the extent that donor-imposed restrictions were met in the year the contribution was received.

UBUNTU GLOBAL CONNECTIONS, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenue is recognized when earned at a point in time. Grants and contributions without donor restrictions are recognized as revenue when received or unconditionally committed. Grants and contributions with donor restrictions are recorded as revenue with donor restrictions and net assets when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as costs are incurred or time restrictions or program restrictions have lapsed. Grants with donor restrictions received and satisfied in the same period are included in net assets without donor restrictions.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), 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. Restricted contributions whose restrictions are met in the same reporting period are recorded as net assets without donor restrictions.

Allocation of Expenses

Expenses are allocated between program, general and administrative and fundraising services directly or on the basis of time records and utilization estimates made by the Organization's management. General and administrative 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 - Provides aid and grants to 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.

Subsequent Events

The Company has evaluated subsequent events through October 14, 2024, which is the date the financial statements were available to be issued. No significant matters were identified for disclosure during this evaluation.

UBUNTU GLOBAL CONNECTIONS, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has approximately \$15,000 of financial assets available within one year of the December 31, 2023 statement of financial position date to meet 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, 2023, the Organization has financial assets available equal to approximately six months of operating expenses.

3. CONCENTRATION - SIGNIFICANT DONORS

The Organization received approximately 54% and 39% of its total revenue and support from one donor for the year ended December 31, 2023 and 2022, respectively.

4. FUNCTIONAL EXPENSES

Functional expenses consisted of the following for the year ended December 31, 2023:

| | <u>Program expenses</u> | <u>General and administrative</u> | <u>Fundraising</u> | <u>Total</u> |
|---------------------------|-----------------------------|---------------------------------------|--------------------|-------------------|
| Grants | \$ 440,377 | \$ 0 | \$ 0 | \$ 440,377 |
| Professional fees | 0 | 6,000 | 0 | 6,000 |
| Information technology | 0 | 2,797 | 0 | 2,797 |
| Office expense | 0 | 859 | 0 | 859 |
| Advertising | 0 | 829 | 0 | 829 |
| Event expense | 662 | 0 | 0 | 662 |
| Bank and credit card fees | 0 | 413 | 0 | 413 |
| State filing fees | 0 | 146 | 0 | 146 |
| | <u>\$ 441,039</u> | <u>\$ 11,044</u> | <u>\$ 0</u> | <u>\$ 452,083</u> |

Functional expenses consisted of the following for the year ended December 31, 2022:

| | <u>Program services</u> | <u>General and administrative</u> | <u>Fundraising</u> | <u>Total</u> |
|---------------------------|-----------------------------|---------------------------------------|--------------------|-------------------|
| Grants | \$ 345,464 | \$ 0 | \$ 0 | \$ 345,464 |
| Professionals fees | 0 | 6,343 | 0 | 6,343 |
| Bank and credit card fees | 0 | 1,514 | 0 | 1,514 |
| Office expense | 0 | 1,245 | 0 | 1,245 |
| Advertising | 0 | 605 | 0 | 605 |
| Postage | 0 | 216 | 0 | 216 |
| State filing fees | 0 | 162 | 0 | 162 |
| | <u>\$ 345,464</u> | <u>\$ 10,085</u> | <u>\$ 0</u> | <u>\$ 355,549</u> |