



## **Independent Auditor's Report**

To the Board of Directors of

AYITI DEMEN

We have audited the accompanying financial statements of AYITI DEMEN, which comprise the statement of financial position as of December 31, 2021, the related statement of activities, functional expenses, cash flows, and the related notes to the financial statements for the year then ended.

### ***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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the AYITI DEMEN, as of December 31, 2021, the related statement of activities, functional expenses, cash flows and the related notes to the financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Otaigbe Group  
9720 Capital Court Suite #100  
Manassas, VA 20110  
08/11/2022

*The Otaigbe Group*

**AYITI DEMEN**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2021**  
(Audited)

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**Assets**

**Current Assets**

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Cash	57,820
Total Current Assets	57,820
Total Assets	\$ 57,820

**Liabilities & Net Assets**

**Liabilities**

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Accounts Payable	35,512
Total Liabilities	35,512

**Net Assets**

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With Donor Restrictions	
Net Assets	27,847
Change in Net Assets	(5,538)
Total Net Assets	22,309
Total Liabilities and Net Assets	\$ 57,820

**AYITI DEMEN**  
**STATEMENT OF ACTIVITY**  
**FOR YEAR ENDING DECEMBER 31, 2021**

(Audited)

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**Revenue**

Non Profit Contributions	6,993
Individual Donations	400,155
Foundation Grant	218,000
Corporate Contributions	<u>107,978</u>

**Total Revenue**

733,126

**Operating Expenses**

Advertising & Marketing	998
Bank Charges	11,543
Fundraising subscription	1,797
Awards & Grants	716,304
Legal & Professional Expense	6,155
Software	60
Office Supplies	356
Telephone	<u>1,452</u>

**Total Operating Expenses**

738,665

**Change in Net Assets**

(5,538)

**AYITI DEMEN**  
**STATEMENT OF CASH FLOWS**  
**FOR YEAR ENDING DECEMBER 31, 2021**

(Audited)

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Cash Flows from Operating activities

Cash Receipts

Non Profit Contributions	6,993
Individual Donations	400,155
Foundation Grant	218,000
Corporate Contributions	<u>107,978</u>

Total Cash Receipts 733,126

Cash Disbursements

Advertising & Marketing	(998)
Bank Charges	(11,543)
Fundraising subscription	(1,797)
Awards & Grants	(680,792)
Legal & Professional Expense	(6,155)
Software	(60)
Office Supplies	(356)
Telephone	(1,452)
Total Cash Disbursements	<u>(703,153)</u>

Net cash from Operating Activities 29,973

Net increase (decrease) in cash 29,973

Cash at beginning of period 27,847

Cash at end of period \$ 57,820

**AYITI DEMEN**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR YEAR ENDING DECEMBER 31, 2021**

(Audited)

	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>
<b>Expenses</b>			
Advertising & Marketing	-	998	998
Bank Charges	-	11,543	11,543
Fundraising subscription	-	1,797	1,797
Awards & Grants	716,304	-	716,304
Legal & Professional Expense	-	6,155	6,155
Software	-	60	60
Office Supplies	-	356	356
Telephone	-	1,452	1,452
<b>Total Expenses</b>	<u>716,304</u>	<u>22,361</u>	<u>738,665</u>

## **AYITI DEMEN**

### **NOTES TO FINANCIAL STATEMENTS**

#### **1. ORGANIZATION**

Ayiti Demen (the "Organization" or "Entity") was incorporated in the name of Friends of FOKAL on April 25, 2007. The Entity received nonprofit status under the provisions of the State of New York Nonprofit Corporation Act and qualifies as a tax-exempt not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, contributions made to this organization qualify for the maximum charitable deduction for federal income tax purposes. The Entity's not-for-profit status was reinstated in 2019 when the organization changed its name to Ayiti Demen.

The purposes of the Corporation are to lend support to organizations, projects and initiatives providing human development and economic activities to local communities and civil society organizations in the country of Haiti, by raising funds or facilitating access to financial resources for their purposes and strengthening their technical and professional capabilities, and to enhance on international level, the public awareness and understanding of the nature and extent of the problems of the underprivileged in Haiti.

#### **2. SUMMARY OF ACCOUNTING POLICIES:**

The organization maintains its accounts on the accrual basis of accounting and, accordingly, reflect all receivables, payables, and other liabilities. Accounting principles followed by the organization and the methods of applying those principles which materially affect the determination of financial position, changes in net assets and cash flows are summarized below.

##### **Basis of presentation**

The financial statements of Ayiti Demen have been prepared in accordance with U.S. Generally Accepted Accounting Principles ("US GAAP"), which require the Entity to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Ayiti Demen management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of The Ayiti Demen or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

##### **Concentrations of Risk**

Financial instruments that are potentially subject to concentrations of credit risk consist principally of cash and cash equivalents and investments. This Entity maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The amount of uninsured cash as of December 31, 2021, was a \$ 0. The Entity's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Entity has not experienced, nor does it anticipate, any losses with respect to such accounts.

## **Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## **Contributions, gifts, and Grants**

As required by the FASB Accounting Standards Codification™, contributions are required to be recorded as receivables and revenues and the organization is required to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, securities, collection items or promises to give.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give—that is, those with a measurable performance or other barrier and right of return—are not recognized until the conditions on which they depend have been met. Contributions of assets other than cash are reported at their estimated fair value. 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 expires, at which time the assets are reclassified to net assets without donor restrictions. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

## **Income Taxes**

The organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

## **Functional Expenses**

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

## **Cash and Cash Equivalents**

For purposes of the statements of cash flows, the organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

## **Grants Receivable**

Unconditional promises to give are recognized as revenue and as assets in the period the promise is received. Those intended to support the current period are reported as net assets without donor restrictions if they do not contain donor restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Intentions to give the donations are



not recognized as revenue unless they are legally enforceable, management has determined that allowance for doubtful accounts is not necessary.

William Talbott Hillman Foundation Grant Receivable \$250,000, payable in five installments yearly of which \$50,000 have been received in 2021

### **3. CASH:**

Cash of the organization consisted of the following on December 31, 2021

Checking & Savings \$ 57,820

Deposits held in commercial banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.00 as of December 31, 2021.

A summary of the total insured and uninsured cash balances as of December 31, 2021, are as follows:

Total cash \$ 0

Portion insured by FDIC 250,000

Uninsured cash balance \$ 0

### **4. NET ASSETS WITH DONOR RESTRICTIONS:**

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2021:

Most revenue is donor restricted with only \$82,249.27 in unrestricted donation.

### **5. SUBSEQUENT EVENTS:**

Management has evaluated subsequent events through August 11, 2022, the date on which the financial statements were issued.