

Foundation For Peace

Financial Statements
(Modified Cash Basis)

December 31, 2023
(With Summarized Comparative Totals for 2022)



NISIVOCCIA
ASSURANCE · TAX · ADVISORY

Foundation for Peace
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December 31, 2023 and 2022

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Independent Auditors' Report

To the Board of Directors of
Foundation for Peace
Ironia, NJ 07845

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Foundation for Peace (a nonprofit organization) (the "Organization"), which comprise the statement of assets, liabilities, and net assets— modified cash basis as of December 31, 2023, and the related statements of support, revenue, expenses and changes in net assets — modified cash basis, functional expenses — modified cash basis and cash flows — modified cash basis 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 assets, liabilities, and net assets —modified cash basis of Foundation for Peace as of December 31, 2023, and its support, revenue, and expenses and changes in net assets — modified cash basis and its cash flows — modified cash basis for the year then ended in accordance with the modified cash basis of accounting described in Note 2.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

Emphasis of Matter — Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditors' 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 auditors' 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 the Organization'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 the Organization'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.

To the Board of Directors of
Foundation for Peace

Report on Summarized Comparative Information

We have previously audited Foundation for Peace's 2022 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated August 4, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Nisiroccia LLP

Mt. Arlington, New Jersey
June 26, 2024

Foundation for Peace
Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis
December 31, 2023 and 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Cash	\$ 78,631	\$ 79,071
Investments	485,875	408,072
Employee advance	8,200	10,600
Property and equipment, net	188,255	192,428
Security deposit	80,000	80,000
Total assets	<u>\$ 840,961</u>	<u>\$ 770,171</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accrued interest payable	\$ 24,697	\$ 9,495
Economic Injury Disaster Loan	490,341	500,000
Total liabilities	<u>515,038</u>	<u>509,495</u>
Net assets:		
Without donor restrictions	<u>325,923</u>	<u>260,676</u>
Total net assets	<u>325,923</u>	<u>260,676</u>
Total liabilities and net assets	<u>\$ 840,961</u>	<u>\$ 770,171</u>

See Accompanying Notes to Financial Statements

Foundation for Peace**Statement of Support, Revenue, Expenses and Changes in Net Assets – Modified Cash Basis****Years Ended December 31, 2023 and 2022**

	Without Donor Restrictions	
	2023	2022
Revenue and support:		
Mission trip fees	\$ 30,972	\$ 128,276
Dominican Republic programs	927	77,238
Haiti programs	15	72,165
Kenya programs	430	16,544
General contributions	664,373	286,051
Missionary contributions		41,227
In-kind contributions	298,375	37,471
Net investment gain (loss)	81,541	(95,941)
Interest income	1	61
Total revenue and support	<u>1,076,634</u>	<u>563,092</u>
Expenses:		
Program services:		
Education, healthcare and construction	931,753	716,476
Supporting services:		
General and administrative	<u>79,634</u>	<u>41,552</u>
Total expenses	<u>1,011,387</u>	<u>758,028</u>
Changes in net assets	65,247	(194,936)
Net assets, beginning of year	<u>260,676</u>	<u>455,612</u>
Net assets, end of year	<u>\$ 325,923</u>	<u>\$ 260,676</u>

See Accompanying Notes to Financial Statements

Foundation for Peace

Statement of Functional Expenses – Modified Cash Basis

Year Ended December 31, 2023 (With Summarized Comparative Totals For the Year Ended December 31, 2022)

	Program Services	Supporting Services	Total	
	Education, Healthcare and Construction	General and Administrative	2023	2022
Construction projects	\$ 215,864		\$ 215,864	\$ 243,362
Education	4,143		4,143	16,066
Administrative support		\$ 2,497	2,497	1,398
Staff expenses and stipends	233,406		233,406	245,999
Mission trips	157,340		157,340	127,963
Communication expense	18,606		18,606	41,596
Fundraising events		5,633	5,633	858
Professional fees		36,320	36,320	22,262
In-kind expenses	298,375		298,375	37,471
Bank fees		10,781	10,781	3,130
Interest expense		24,249	24,249	13,750
Total expenses before depreciation	927,734	79,480	1,007,214	753,855
Depreciation expense	4,019	154	4,173	4,173
Total expenses	<u>\$ 931,753</u>	<u>\$ 79,634</u>	<u>\$ 1,011,387</u>	<u>\$ 758,028</u>

See Accompanying Notes to Financial Statements

Foundation for Peace
Statement of Cash Flows – Modified Cash Basis
Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 65,247	\$ (194,936)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	4,173	4,173
Net unrealized and realized (gain) loss on investments	(76,685)	113,528
Dividends reinvested in marketable securities	(5,377)	(15,086)
Changes in operating assets and liabilities:		
Employee advance	2,400	2,400
Accrued interest payable	15,202	(1,250)
Net cash provided by (used in) operating activities	<u>4,960</u>	<u>(91,171)</u>
Cash flows from investing activities:		
Purchase of investments	(38,811)	(399,736)
Proceeds from sale of investments	43,070	
Net cash provided by (used in) investing activities	<u>4,259</u>	<u>(399,736)</u>
Cash flows from financing activities:		
Principal payments on Economic Injury Disaster Loan	(9,659)	
Net cash used in financing activities	<u>(9,659)</u>	
Net decrease in cash	(440)	(490,907)
Cash, beginning of year	79,071	569,978
Cash, end of year	<u>\$ 78,631</u>	<u>\$ 79,071</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 24,249</u>	<u>\$ 13,750</u>
Supplemental disclosure of noncash activity:		
Unrealized gain (loss) on investments	<u>\$ 70,244</u>	<u>\$ (90,761)</u>
In-kind donation of medicine and supplies	<u>\$ 298,375</u>	<u>\$ 37,471</u>

See Accompanying Notes to Financial Statements

1. Nature of Organization

Foundation for Peace (the “Organization”) is a not-for-profit organization dedicated to education in the United States and to working hand in hand with people in materially impoverished areas of the Dominican Republic, Haiti, and Kenya to provide educational support, healthcare access, economic opportunity and hope.

2. Summary of Significant Accounting Policies

A summary of the significant accounting policies followed by Foundation for Peace in the preparation of the accompanying financial statements is set forth below:

Basis of Accounting

The financial statements of Foundation for Peace have been prepared on the modified cash-basis of accounting, modified to record assets or liabilities with respect to cash transactions and events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. The modifications result in the recording of investments, and capitalization of property and equipment on the statement of assets, liabilities, and net assets — modified cash basis. Except for recording the unrealized gains and losses, all transactions are recognized as either revenue or expenses when received or paid in cash. This basis of accounting represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). This basis of accounting differs from GAAP primarily because certain revenue and related assets have been recognized when received rather than when earned and certain expenses and related liabilities have been recognized when paid rather than when the obligations were incurred.

Basis of Presentation

The Organization prepares its financial statements in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”), *Presentation of Financial Statements of Not-for-Profit Entities*. In addition, the Organization follows FASB’s *Accounting for Contributions Received and Made. Presentation of Financial Statements of Not-for-Profit Entities* requires that resources be classified for accounting and reporting purposes into two net asset categories: net assets with donor restrictions and net assets without donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction, if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. In addition, the standard requires the presentation of qualitative information on how the Organization manages its liquid available resources and liquidity risks. Quantitative information that communicates the availability of a nonprofit’s financial assets at the statement of assets, liabilities, and net assets – modified cash basis date to meet cash needs for general expenditures within one year is required to be presented on the face of the financial statement and/or in the notes to the financial statements.

Accounting for Contributions Received and Made requires that unconditional promises to give be recorded as receivables and revenue and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Accordingly, the net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions

Net assets without donor restrictions are resources representing the portion of expendable funds available for support of the Organization's programs and general operations. These resources are not subject to donor-imposed stipulations. Net assets without donor restrictions are comprised of revenue and expenses related to the operations of the Organization, which have no restrictions on the uses of the funds. Net assets without donor restrictions also include those expendable resources which may have been designated for special use by the Board of Directors. There were no board designated net assets as of December 31, 2023 and 2022.

Net Assets with Donor Restrictions

Net assets with donor restrictions are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of support, revenue, expenses, and changes in net assets – modified cash basis. The Organization did not have net assets with donor restrictions at December 31, 2023 and 2022.

Investments

Foundation for Peace follows FASB ASC, *Accounting for Certain Investments held by Not-for-Profit Organizations*. In accordance with this standard, securities purchased for investment are carried at fair value; those received as gifts are recorded at fair value at date of gift and all investments in debt securities are reported at their fair market values in the statement of assets, liabilities, and net assets – modified cash basis. Unrealized gains and losses are included in the change in net assets. Net investment return/(loss) is reported in the statement of support, revenue, expenses, and changes in net assets - modified cash basis and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

A decline in the market value of an investment security below its cost that is designated to be other than temporary is recognized through an impairment charge. That impairment charge would be included in the statement of support, revenue, expenses, and changes in net assets – modified cash basis and a new cost basis would be established. For the years ended December 31, 2023 and 2022, the Organization did not record any impairment charge in the statement of support, revenue, expenses and changes in net assets – modified cash basis.

Fair Value Measurements

In accordance with FASB ASC, *Fair Value Measurements and Disclosures*, fair value is defined as a market-based measurement, not an entity-specific measurement. The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability). A fair value measurement assumes that the transaction to sell the asset or transfer the liability either occurs in the principal market (or in its absence, the most advantageous market) for the asset or liability.

The Fair Value Measurements Topic of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value focuses on the price that would be received to sell the asset or paid to transfer the liability regardless of whether an observable liquid market price existed (an exit price). An exit price valuation will include margins for risk even if they are not observable. As the Organization is released from risk, the margins for risk will also be released through net realized capital gains (losses) in net income. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities measured at fair value are based on one or more of three valuation techniques:

- Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Cost approach - Amount that would be required to replace the service capacity of an asset (i.e., replacement cost);
- Income approach - Techniques that convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

The fair value measurement level of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. For some assets and liabilities, observable market transactions or market information may be available. For other assets and liabilities, observable market transactions and market information might not be available.

When a price for an identical asset or liability is not observable, a reporting entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, a reporting entity's intention to hold an asset or settle or otherwise fulfill a liability is not relevant when measuring fair value.

The following is a description of valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022.

Mutual funds: The carrying amounts are valued at the net asset value (NAV) of shares held at year end.

Property and Equipment

Property and equipment are recorded at cost when purchased or at fair value at date of gift, when donated. Proceeds from the sale of fixed assets, if without restrictions, are transferred to net assets without donor restrictions, or, if restricted, to net assets with donor restrictions for fixed asset acquisitions. Depreciation is provided for by the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance, repairs and renewals which neither materially add to the value of property nor appreciably prolong its life are charged to expenses as incurred.

In accordance with FASB ASC, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Organization periodically evaluates property and equipment for impairment, relying on a number of factors including operating results, and future business plans. Recoverability of property is evaluated by a comparison of the carrying amount of an asset or asset group to estimated future recoverability of the carrying amount of the asset or asset group. If these comparisons indicate that an asset is not recoverable, the impairment loss recognized is the amount by which the carrying amount of the asset exceeds the estimated fair value. There were no impairment charges for the years ended December 31, 2023 and 2022.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, revenues and expenses and changes therein, and disclosures of contingent assets and contingent liabilities and accompanying notes. It is reasonably possible that the Organization's estimates may change in the near term.

Revenue and Support Recognition

All public support and revenue is recognized as income when received. 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 assets.

When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of support, revenue, expenses and changes in net assets – modified cash basis as net assets released from restrictions. However, if the donor restriction is met during the accounting period in which the gift was received, the gifts are reported as contributions without donor restrictions in the statement of support, revenue, expenses and changes in net assets – modified cash basis.

Reclassification

Certain amounts in the prior year financial statements have been reclassified in order to be consistent with the current year presentation.

Functional Allocation of Expenses

Expenses are charged to program services based on direct expenditures incurred. Support costs are allocated to program services based on total program costs. Any program expenditures not directly chargeable are allocated to a program based on the level of activity attributed. Program expenses are those related to the provision of education, healthcare and construction programs. General and administrative services relate to administrative expenses associated to those programs.

The costs of program and supporting services activities have been summarized on a functional basis in the statement of revenue and support, expenses, and changes in net assets – modified cash basis. The statement of functional expenses – modified cash basis presents the natural classification detail of expenses by function.

Accordingly, certain costs have been allocated among program and supporting services benefited. The financial statements report certain categories of expense that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Donated Services

Volunteers contribute their time to the Organization's operations and various programs. In addition, the officers and Board of Directors make significant contributions of time relative to general management and operations of the Organization. The value of this contributed time is not reflected in these financial statements since it does not meet criteria for recognition under the modified cash basis of accounting.

In-Kind Contributions

The organization follows the provisions of ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which requires nonprofits to present contributed nonfinancial assets as a separate line items in the statement of support, revenue, expenses and changes in net assets – modified cash basis apart from contributions of cash or other financial assets.

Concentrations of Credit Risk

The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk related to cash.

Prior Year Summarized Financial Information

The financial statements include certain prior years summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Income Taxes

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is thereby exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Organization is also exempt under Title 15 of the State of New Jersey *Corporations and Associations Not for Profit Act*. Accordingly, no provision for federal or state income taxes has been presented in the accompanying financial statements.

As required by law, the Organization files informational returns with both Federal and New Jersey State governments on an annual basis - Form 990 with the Internal Revenue Service, and Form CRI-300R with the State. These returns are subject to examination by these authorities within certain statutorily defined periods for both Federal and the State of New Jersey.

The organization follows the provisions of ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which requires nonprofits to present contributed nonfinancial assets as a separate line items in the statement of support, revenue, expenses and changes in net assets – modified cash basis apart from contributions of cash or other financial assets.

Subsequent Events

Management has reviewed subsequent events and transactions that occurred after December 31, 2023 through the date of the independent auditors' report and the date the financial statements were available to be issued, June 26, 2024. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with modified cash basis of accounting. Management has determined that there are no nonrecognized subsequent events that require additional disclosure.

3. Liquidity and Liquidity Risks

The provisions of FASB Update No. 2016-14 require the presentation of qualitative information on how the Organization manages its liquid available resources and liquidity risks. Quantitative information that communicates the availability of a nonprofit's financial assets at the statement of assets, liabilities, and net assets – modified cash basis date to meet cash needs for general expenditures within one year is required to be presented on the face of the financial statement and/or in the notes to the financial statements.

The following table reflects the Organization's financial assets as of December 31, 2023 and 2022, reduced by amounts that are not available to meet general expenditures within one year of the statement of assets, liabilities, and net assets – modified cash basis date because of contractual or donor restrictions.

	2023	2022
Cash	\$ 78,631	\$ 79,071
Investments	485,875	408,072
Total financial assets	<u>564,506</u>	<u>487,143</u>
Financial assets available to meet general expenditures within one year	<u>\$ 564,506</u>	<u>\$ 487,143</u>

4. Employee Advance

During 2014, the Organization advanced payroll to an employee. Payments of \$500 are to be deducted from the employee's paycheck beginning January 2018 until the advance is fully repaid. At December 31, 2023 and 2022, the balance of the employee advance was \$8,200 and \$10,600, respectively.

5. Property and Equipment

Property and equipment and their related estimated useful lives at December 31, 2023 and 2022 are as follows:

	Estimated Useful Life (Years)	December 31,	
		2023	2022
Land		\$ 108,975	\$ 108,975
Building	40	166,912	166,912
Vehicles	5		90,287
		<u>275,887</u>	<u>366,174</u>
Less: accumulated depreciation		<u>(87,632)</u>	<u>(173,746)</u>
		<u>\$ 188,255</u>	<u>\$ 192,428</u>

Depreciation expense for the years ended December 31, 2023 and 2022 amounted to \$4,173.

6. In-Kind Contributions

In-kind contributions consist of large donations from Heart to Heart International, as well as smaller donations from other individuals. The in-kind contributions match the in-kind expenses which are all allocated as program expenses. For the year ended December 31, 2023 in-kind contributions amounted to \$298,375. For the year ended December 31, 2022 in-kind contributions amounted to \$37,471.

In-kind contributions consist of various donated medicines that are given to the people in the Dominican Republic, Kenya & Haiti. The remaining in-kind contributions are from numerous donors and consist of assorted supplies that also relate to program expenses.

7. Line of Credit

The Organization has an available \$50,000 line of credit, at a 10% interest rate, with a financial institution. There was no outstanding balance as of December 31, 2023 and 2022. The line of credit will remain effective until either party decides to terminate it.

8. Investments

The following financial instruments, measured on a recurring basis, are carried at fair value in the Organization's financial statements. The fair value disclosures include information regarding the valuation of the Organization's investments at December 31, 2023 and 2022.

2023			
	Cost Basis	Fair Value (Level I)	Unrealized Gain(Loss)
Mutual Funds	\$ 415,631	\$ 485,875	\$ 70,244
Total investments	<u>\$ 415,631</u>	<u>\$ 485,875</u>	<u>\$ 70,244</u>

2022			
	Cost Basis	Fair Value (Level I)	Unrealized Gains(Loss)
Mutual Funds	\$ 498,833	\$ 408,072	\$ (90,761)
Total investments	<u>\$ 498,833</u>	<u>\$ 408,072</u>	<u>\$ (90,761)</u>

Financial assets and liabilities valued using level 1 inputs are based on unadjusted quoted market prices within active markets for identical assets and liabilities. Financial assets and liabilities valued using level 2 inputs are based primarily on quoted prices for similar assets and liabilities in active or inactive markets. Financial assets and liabilities valued using level 3 inputs are based on estimates using present value or other valuation techniques where quoted market prices are not available. Financial assets of the Organization have been valued using level 1 for the years ended December 31, 2023 and 2022.

Investment activity for the years ended December 31, 2023 and 2022 is comprised of the following:

	2023	2022
Fair value, beginning of year	\$ 408,072	\$ 106,778
Purchases	38,811	399,736
Sales	(43,070)	
Dividend income reinvested	5,377	15,086
Realized and unrealized loss	76,685	(113,528)
Fair value, end of year	<u>\$ 485,875</u>	<u>\$ 408,072</u>

Return on investments for the years ended December 31, 2023 and 2022 is comprised of the following:

	2023	2022
Unrealized and realized gain (loss) on investments	\$ 76,685	\$ (113,528)
Dividend income	5,377	15,086
Total	<u>\$ 82,062</u>	<u>\$ (98,442)</u>

9. Security Deposit

During 2016, the Organization paid a security deposit in the amount of \$80,000. The security deposit is for the purchase of a house in Haiti to build a vocational and linguistic school as part of the Organization's mission.

10. Economic Injury Disaster Loan

In May 2020, the Organization applied and received an Economic Injury Disaster Loan (EIDL). The EIDL program is designed to provide economic relief to businesses that are currently experiencing a temporary loss of revenue due to coronavirus (COVID-19). The proceeds of the loan must be used for working capital & normal operating expenses. The loan is secured by collateral as defined in the loan agreement. The loan accrues interest at the rate of 2.75% per annum.

The Organization will make installment payments, including principal and interest of \$641 monthly and will begin repayments 12 months from date of promissory note which was May 22, 2020. In August 2021, the Organization received an amendment to the loan. This amendment increased the loan amount from \$150,000 to \$500,000 and increased the monthly payments from \$641 to \$2,205. The balance of principal and interest will be payable over 30 years from the date of the promissory note. The balance outstanding as of December 31, 2023 and 2022 is \$490,341 and \$500,000.

The following schedule of the Organization's obligation by the years of future annual principal payments:

<u>Year ending December 31,</u>	<u>Amount</u>
2024	\$ 13,034
2025	13,397
2026	13,770
2027	14,153
2028	14,547
Thereafter	421,440
Total	<u>\$ 490,341</u>