



VICENTE FERRER FOUNDATION USA, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED  
MARCH 31, 2024 AND 2023

VICENTE FERRER FOUNDATION USA, INC.

FINANCIAL STATEMENTS

MARCH 31, 2024 AND 2023

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# OUELLETTE & ASSOCIATES, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Vicente Ferrer Foundation USA, Inc.

### ***Opinion***

We have audited the accompanying financial statements of Vicente Ferrer Foundation USA, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vicente Ferrer Foundation USA, Inc. as of March 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Vicente Ferrer Foundation USA, Inc. and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these 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 Vicente Ferrer Foundation 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 Responsibility 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Vicente Ferrer Foundation 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 Vicente Ferrer Foundation 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.

*Ouellette & Associates, P.A.*  
Certified Public Accountants

Lewiston, Maine  
June 24, 2024

## VICENTE FERRER FOUNDATION USA, INC.

## STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 212,697	\$ 156,135
Pledges Receivable	32,216	69,116
Security Deposit and Other Assets	<u>9,682</u>	<u>6,075</u>
<b>TOTAL ASSETS</b>	<u>\$ 254,595</u>	<u>\$ 231,326</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	<u>\$ 205</u>	<u>\$ 114</u>
<b>NET ASSETS</b>		
Net Assets Without Donor Restrictions	236,097	177,212
Net Assets With Donor Restrictions	<u>18,293</u>	<u>54,000</u>
<b>Total Net Assets</b>	<u>254,390</u>	<u>231,212</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 254,595</u>	<u>\$ 231,326</u>

See Independent Auditor's Report and Accompanying Notes to the Financial Statements

## VICENTE FERRER FOUNDATION USA, INC.

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED MARCH 31, 2024

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<b>REVENUES AND SUPPORT</b>			
Private and Government Grants	\$ 300,000	\$ -	\$ 300,000
Contributions	226,124	26,586	252,710
Release of Donor Restricted Funds	<u>62,293</u>	<u>(62,293)</u>	<u>-</u>
<b>TOTAL REVENUES AND SUPPORT</b>	<u>588,417</u>	<u>(35,707)</u>	<u>552,710</u>
<b>EXPENSES</b>			
Program Services:			
Grants Made to India	260,606	-	260,606
Awareness	<u>100,704</u>	<u>-</u>	<u>100,704</u>
Total Program Services	<u>361,310</u>	<u>-</u>	<u>361,310</u>
Supporting Services:			
Management and General	81,030	-	81,030
Fundraising	<u>87,192</u>	<u>-</u>	<u>87,192</u>
Total Supporting Services	<u>168,222</u>	<u>-</u>	<u>168,222</u>
<b>TOTAL EXPENSES</b>	<u>529,532</u>	<u>-</u>	<u>529,532</u>
<b>CHANGE IN NET ASSETS</b>	58,885	(35,707)	23,178
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>177,212</u>	<u>54,000</u>	<u>231,212</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 236,097</u>	<u>\$ 18,293</u>	<u>\$ 254,390</u>

See Independent Auditor's Report and Accompanying Notes to the Financial Statements

## VICENTE FERRER FOUNDATION USA, INC.

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED MARCH 31, 2023

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
REVENUES AND SUPPORT			
Grants	\$ 300,000	\$ -	\$ 300,000
Contributions	205,325	54,000	259,325
TOTAL REVENUES AND SUPPORT	<u>505,325</u>	<u>54,000</u>	<u>559,325</u>
EXPENSES			
Program Services			
Grants Made to India	177,954	-	177,954
Awareness	120,996	-	120,996
Total Program Services	<u>298,950</u>	<u>-</u>	<u>298,950</u>
Supporting Services:			
Management and General	112,350	-	112,350
Fundraising	54,495	-	54,495
Total Supporting Services	<u>166,845</u>	<u>-</u>	<u>166,845</u>
TOTAL EXPENSES	<u>465,795</u>	<u>-</u>	<u>465,795</u>
CHANGE IN NET ASSETS	39,530	54,000	93,530
NET ASSETS, BEGINNING OF YEAR	<u>137,682</u>	<u>-</u>	<u>137,682</u>
NET ASSETS, END OF YEAR	<u>\$ 177,212</u>	<u>\$ 54,000</u>	<u>\$ 231,212</u>

See Independent Auditor's Report and Accompanying Notes to the Financial Statements

## VICENTE FERRER FOUNDATION USA, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED MARCH 31, 2024

	<i>Support Services</i>			<i>Total</i>
	<i>Program Services</i>	<i>Management and General</i>	<i>Fundraising</i>	
<b>GRANTS MADE TO INDIA</b>	<b><u>\$ 260,606</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 260,606</u></b>
<b>SALARIES AND RELATED EXPENSES</b>				
Salaries and Wages	75,273	52,328	57,998	185,599
Payroll Taxes	<u>6,237</u>	<u>4,374</u>	<u>4,872</u>	<u>15,483</u>
Total Salaries and Related Expenses	<u>81,510</u>	<u>56,702</u>	<u>62,870</u>	<u>201,082</u>
<b>OTHER EXPENSES</b>				
Bank Service Charges	-	813	1,822	2,635
Charitable Solicitations	-	179	2,131	2,310
Conference Fee	238	-	238	476
Insurance	189	2,421	131	2,741
Outside Contracted Services	3,338	1,583	5,101	10,022
Postage and Mailing	15	85	357	457
Printing and Copying	625	422	632	1,679
Professional Fees	3,097	12,333	1,333	16,763
Rent, Parking, Utilities	8,494	6,033	6,613	21,140
Supplies	25	130	3,245	3,400
Telephone	656	221	627	1,504
Travel Expenses	<u>2,517</u>	<u>108</u>	<u>2,092</u>	<u>4,717</u>
Total Other Expenses	<u>19,194</u>	<u>24,328</u>	<u>24,322</u>	<u>67,844</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 361,310</u></b>	<b><u>\$ 81,030</u></b>	<b><u>\$ 87,192</u></b>	<b><u>\$ 529,532</u></b>

See Independent Auditor's Report and Accompanying Notes to the Financial Statements



## VICENTE FERRER FOUNDATION USA, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED MARCH 31, 2023

	<i>Program Services</i>	<i>Support Services</i>		<i>Total</i>
		<i>Management and General</i>	<i>Fundraising</i>	
GRANTS MADE TO INDIA	\$ 177,954	\$ -	\$ -	\$ 177,954
SALARIES AND RELATED EXPENSES				
Salaries and Wages	93,869	54,444	39,425	187,738
Payroll Taxes	6,032	6,430	3,274	15,736
Total Salaries and Related Expenses	99,901	60,874	42,699	203,474
OTHER EXPENSES				
Bank Service Charges	-	832	1,548	2,380
Charitable Solicitations	-	-	2,291	2,291
Insurance	35	2,177	25	2,237
Outside Contracted Services	5,739	2,171	4,683	12,593
Postage and Mailing	382	193	280	855
Printing and Copying	559	236	429	1,224
Professional Fees	1,764	40,600	-	42,364
Rent, Parking, Utilities	11,600	4,042	1,933	17,575
Supplies	68	828	168	1,064
Telephone	467	298	342	1,107
Travel Expenses	481	99	97	677
Total Other Expenses	21,095	51,476	11,796	84,367
TOTAL EXPENSES	\$ 298,950	\$ 112,350	\$ 54,495	\$ 465,795

See Independent Auditor's Report and Accompanying Notes to the Financial Statements

## VICENTE FERRER FOUNDATION USA, INC.

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED MARCH 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 23,178	\$ 93,530
<i>Adjustments to Reconcile Change in Net Assets to (Increase) Decrease in Operating Assets:</i>		
Pledges Receivable	36,900	(64,124)
Security Deposits and Other Assets	(3,607)	1,071
<i>Increase (Decrease) in Operating Liabilities:</i>		
Accounts Payable and Accrued Expenses	91	114
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>56,562</u>	<u>30,591</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	56,562	30,591
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>156,135</u>	<u>125,544</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 212,697</u>	<u>\$ 156,135</u>

See Independent Auditor's Report and Accompanying Notes to the Financial Statements

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024 AND 2023

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NOTE 1: NATURE OF ACITIVITIES

Vicente Ferrer Foundation USA, Inc. (VFF USA) was incorporated on March 18, 2013 for the purpose of supporting charitable, education, and scientific programs as described in Section 501(c)(3) of the Internal Revenue Code, by empowering rural communities in India through building strategic partnerships with key corporate, individual, and institutional stakeholders in the United States. VFF USA is supported primarily through donor contributions and grants. VFF USA's principal place of business is in Washington, DC.

VFF USA's mission is empowering rural communities to improve their living conditions. VFF USA does this by educating people in the USA about the development challenges faced by communities that they partner within India and by fundraising for projects in India. Program services consist of grants, charitable initiatives, and educational events.

*Awareness* - Educate people in the United States about the challenges faced by marginalized communities in rural India, as well as the sustainable development projects which VFF and its partners are carrying out to empower local communities to improve their own living conditions.

*Grant Making to India* - Provides grants to their partners in India to support comprehensive development programs. Grant making supports rural infrastructure, health equity, education, and sustainable agriculture programs focused on marginalized populations, including women and people with disabilities.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**

The financial statements of VFF USA have been prepared on the accrual basis of accounting and are presented in accordance with accounting principles generally accepted in the United States of America (GAAP), and accordingly reflects all significant receivables, payables, and other liabilities.

**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 the estimates.

**Classification of Net Assets**

Net assets of VFF USA are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions - Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 2024 AND 2023

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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Classification of Net Assets (Continued)**

Net Assets With Donor Restrictions - Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of VFF USA.

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

**Cash and Cash Equivalents**

For the purposes of the statements of cash flows, VFF USA considers all liquid investments with a maturity of three months or less to be cash equivalents.

**Grants Receivable**

Grants receivable are stated at the amount management expects to collect from balances outstanding at year-end. Balances outstanding after management has used reasonable collection efforts are written-off through a charge to bad debt expense and a credit to the applicable grants receivable. There were no outstanding grants receivable as of March 31, 2024 and 2023.

**Property and Equipment**

Property and equipment are recorded at cost or, if donated, at their estimated fair value at the date of the gift. Depreciation is computed on a straight-line basis over the following estimated useful lives of the assets:

Computer Equipment	3 Years
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VFF USA's capitalization policy is to depreciate additions over \$1,000. Minor additions or repairs that do not extend the useful life of these assets are expensed in the year incurred.

**Grants, Contributions and Unconditional Promises to Give**

VFF USA receives a grant from a partner organization in Spain to cover operational expenses. All grants have a grant agreement to determine the use and allocation. This grant allows additional donor contributions in the United States to be sent to India to meet the mission and continue to establish VFF USA's office in the United States. Grants that are considered exchange transactions are recorded as revenue when earned, which is generally when the related expenditures are incurred. Grants that are not exchange transactions and are unconditional are recorded when VFF USA receives notification of the grant award.

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 2024 AND 2023

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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

VFF USA receives monthly gifts to support their child sponsorship and women's empowerment initiatives, as well as general donations on a one-time basis from contributors, which may have restrictions based upon the request of individual donors. Contributions received are recorded as donor-restricted net assets or net assets without donor restriction, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. When a restriction on a contribution is met in the same reporting period that the contribution was received, the contribution is reported in the statement of activities as net assets without donor restrictions.

**Functional Expenses**

VFF USA allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses, that are common to several functions, are allocated by management based on effort. Supporting services are those related to operating and managing VFF USA and its programs on a day-to-day basis. Supporting services have been sub-classified as follows:

*Management and General* - Includes all activities related to VFF USA's internal management.

*Fundraising* - Includes all activities related to maintaining contributor information, distribution of materials and other similar projects related to the procurement of funds for VFF USA's allocations and programs.

**Grants to Others**

VFF USA recognizes grant expenses at the time grant negotiations are substantially complete with the grantee and the grant award has been approved by the board of directors. As of March 31, 2024 and 2023, no grants to India were approved by the board of directors and not yet paid.

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 2024 AND 2023

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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Income Tax Status**

VFF USA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, VFF USA qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Management has determined that VFF USA does not have any uncertain tax positions and associated unrecognized benefits or liabilities that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that VFF USA's tax returns will not be challenged by the taxing authorities and that VFF USA will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, VFF USA's tax returns remain subject to examination for three years after they were filed, however, there are currently no audits for any tax periods in progress.

**Recent Accounting Pronouncements**

*Leases*

In February 2016, the FASB issued ASU 2016-02, Leases (Topic ASC 842), which require leases to be recorded as an asset on the balance sheet for the right to use the leased asset and a liability for the corresponding lease obligation for leases with terms of more than twelve months. ASU 2016-02 is effective for non-public companies for fiscal years beginning after December 15, 2021. VFF USA has an operating lease for office space which has a term of twelve months and renews annually if both parties agree to the terms. As a result, management has not adopted ASC 842.

*Receivables*

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326), which requires assets, such as accounts receivable to be recorded at the net amount expected to be collected and requires accrual of losses from uncollectible receivables if a loss is probable and the amount of the loss can be reasonably estimated. ASU 2016-13 is effective for non-public companies for fiscal years beginning after December 15, 2022. VFF USA did not have any accounts receivable as of March 31, 2024 and pledges receivable falls outside of the scope of this ASU. As a result, management has not adopted ASU 2016-13.

**Subsequent Events**

Management has made an evaluation of subsequent events through June 24, 2024, the date the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

VICENTE FERRER FOUNDATION USA, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 2024 AND 2023

NOTE 3: PLEDGES RECEIVABLE

Pledges receivable have consisted of small dollar donations (contributions) made online to VFF USA that were not received as of year-end. However, at March 31, 2023, two pledges totaling \$60,000 had been committed to VFF USA. Total pledges receivable for the years ended March 31, 2024 and 2023 were \$32,216 and \$69,116, respectively. VFF USA believes these funds are fully collectible and are expected to be received in less than one year. As a result, no allowance was necessary nor were any discounts needed to adjust balances to net realizable value.

NOTE 4: CONCENTRATIONS

Approximately 54% of VFF USA's revenue, for the years ended March 31, 2024 and 2023 was from one funding source, which is based in Spain.

NOTE 5: RELATED PARTY TRANSACTIONS

Grants were awarded to an organization for which the president of the board of VFF USA was also a program director. The grants awarded totaled \$253,703 and \$177,954 for the years ended March 31, 2024 and 2023, respectively.

NOTE 6: OPERATING LEASE

The Organization currently leases its office space under an operating lease for \$1,260 per month. The current operating lease was effective on March 1, 2024 and expires on February 28, 2025. Total rent expense was \$21,140 and \$17,575 for the years ended March 31, 2024 and 2023, respectively. Future minimum lease obligations under the lease agreement are \$13,860 for the year ending March 31, 2025.

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2024</u>	<u>2023</u>
Anantapur Inclusive High School	\$ -	\$ 36,000
Income Generation Opportunities for People With Disabilities in Dosaludiki Village	10,000	-
Income Generation Opportunities for Women Within the Chenchu Community	8,293	-
Batthalapalli Cerebral Palsy Center	<u>-</u>	<u>18,000</u>
	<u>\$ 18,293</u>	<u>\$ 54,000</u>

## VICENTE FERRER FOUNDATION USA, INC.

## NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 2024 AND 2023

NOTE 8: LIQUIDITY

VFF USA's financial assets available within one year of the statement of financial position date for general expenditures are as follows at March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 212,697	\$ 156,135
Pledges Receivable	<u>32,216</u>	<u>69,116</u>
Total Financial Assets Available Within One Year	<b>244,913</b>	225,251
Less Amounts Unavailable for		
General Expenditures Within One Year, Due to:		
Restricted by Donors With Purpose Restrictions	<u>18,293</u>	<u>54,000</u>
Total Financial Assets Available		
Within One Year After Restrictions	<b><u>\$ 226,620</u></b>	<b><u>\$ 171,251</u></b>

VFF USA manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due.