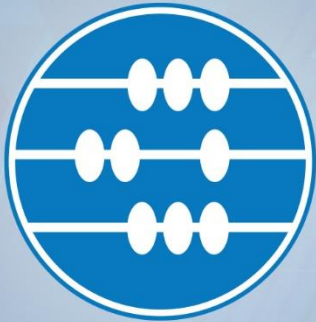


MATSIKO CHILDREN'S INTERNATIONAL
FINANCIAL STATEMENTS
(with Independent Auditor's Report Thereon)
FOR THE YEAR ENDED DECEMBER 31, 2021



Richard C. Brozewicz

Certified Public Accountant

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Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Matsiko Children International

Opinion

We have audited the accompanying financial statements of International Children's Network (Doing business as Matsiko Children International) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year 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 Matsiko Children International as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Matsiko Children International 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Matsiko Children International'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 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 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

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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, including omissions, 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 Council on American Islamic Relations-Chicago '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 Matsiko Children International'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.

Richard Brozewicz, CPA

Fate, Texas

April 3, 2023

Matsiko Children International
Statement of Financial Position
December 31, 2021

	<u>2021</u>
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 550,552
Prepaid Expenses	<u>22,708</u>
Total Current Assets	\$ 573,260
NON-CURRENT ASSETS	
Property, Plant, and equipment net of depreciation	<u>313,665</u>
Total Non-Current Assets	\$ 313,665
TOTAL ASSETS	<u>\$ 886,925</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 18,841
Total Current Liabilities	\$ 18,841
NET ASSETS	
Without Donor Restrictions	<u>868,084</u>
Total Net Assets	\$ 868,084
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 886,925</u>

Matsiko Children International
Statement of Activities
December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions of cash and other financial assets	\$ 800,270	\$ -	\$ 800,270
Special Events	322,773	-	322,773
Grant Revenue	34,998	-	34,998
Interest Income	15	-	15
Net assets released from restrictions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Totald Revenue	<u>\$ 1,158,056</u>	<u>-</u>	<u>\$ 1,158,056</u>
FUNCTIONAL EXPENSES			
Program Service Expenses	\$ 806,724	\$ -	\$ 806,724
Management and General Expenses	261,369	-	261,369
Fundraising Expenses	3,202	-	3,202
Total Functional Expenses	<u>\$ 1,071,295</u>	<u>\$ -</u>	<u>\$ 1,071,295</u>
Excess of Public Support and Revenues Over Expenses	86,761	-	86,761
Prior Period Adjustment (see Note 9)	(284,773)	-	(284,773)
Net assets, beginning of year	<u>1,066,096</u>	<u>-</u>	<u>1,066,096</u>
Net assets, end of year	<u>\$ 868,084</u>	<u>\$ -</u>	<u>\$ 868,084</u>

Matsiko Children International
Statement of Cash Flows
December 31, 2021

	2021
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 86,761
Adjustments to Reconcile Increase in Net Assets to Net (Increase)Decrease in:	
Depreciation	31,520
Operating Assets	4,079
Increase(Decrease) in:	
Accounts Payable	(10,989)
Accrued Liabilities	15,751
Credit Card Payable	(1,618)
NET CASH PROVIDED BY OPERATING ACTIVITIES	38,743
	\$ 125,504
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	(167,199)
NET CASH USED IN INVESTING ACTIVITIES	\$ (167,199)
NET INCREASE (DECREASE) IN CASH and Cash Equivalents	(41,695)
BEGINNING CASH BALANCE	683,383
Liberia Bank account reconciliation difference	(91,136)
ENDING CASH BALANCE	\$ 550,552

Matsiko Children International
Statement of Functional Expenses
December 31, 2021

	Program Services	Special Events (Fundraising)	Admin. Indirect Services	TOTAL
Wages	\$ 5,605	\$ -	\$ 175,704	\$ 181,309
Employee Benefits	4,344	-	-	4,344
Payroll taxes	6,813	-	24,671	31,484
Legal and Professional fees	-	-	34,072	34,072
Advertising and Promotion	69,123	2,186	-	71,309
Depreciation	31,520	-	-	31,520
Office Expense	13,424	-	-	13,424
Information Technology	13,234	-	-	13,234
Occupancy	25,924	-	-	25,924
Travel/Airfare	17,967	-	-	17,967
Insurance	1,591	-	11,174	12,765
Bank Fees	-	-	15,748	15,748
Auto Expenses	6,088	-	-	6,088
Education	800	-	-	800
Food & Entertainment	755	-	-	755
Childcare needs (Sponsorships)	608,459	1,016	-	609,475
Miscellaneous	1,077	-	-	1,077
TAL	<u>\$ 806,724</u>	<u>\$ 3,202</u>	<u>\$ 261,369</u>	<u>\$ 1,071,295</u>

See accompanying notes to the financial statements

NOTE 1—NATURE OF ACTIVITIES AND ORGANIZATION

The mission of International Children's Network (Doing Business As Matsiko Children International) (the “organization”) is to provide as many of our world's 600 million orphaned and at-risk children sponsorship for a complete education through their nation's highest university or vocational levels. By doing so, every child will be on equal footing with their nation's most privileged children. They will return to their villages to help other children who are in the same condition, they once were in order to break the cycle of utter dependency and despair and replace it with empowerment and hope. Management and general activities include the functions necessary to provide support for the organization's program activities. They include activities that provide governance (Board of Trustees), oversight, business management, financial recordkeeping, budgeting, legal services, human resources management, and similar functions that ensure an adequate working environment and equitable employment program. Fundraising activities include publicizing and conducting fundraising campaigns; maintaining donor lists; conducting special fundraising events; and other activities involved with soliciting contributions.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization follows Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, requirements for the presentation of expenses in both natural and functional classifications, and the lack of consistency in the type of information provided about expenses and investment return.

The Organization follows FASB issued ASU 2019-09, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between non conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than no-for-profits to identify and account for contributions made.

Financial Statement Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and, accordingly, are prepared on the accrual basis of accounting. The financial statement presentation is in accordance with FASB ASU Topic 958, Not-for-Profit Entities. Net assets, revenue, 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:

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. 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.

There were no net assets with donor restrictions at December 31, 2021.

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.

Revenue Recognition

Contributions received are recorded as available for undesignated use, unless specifically designated by the donor in which case, they are classified as net assets with donor restrictions.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statements of activities and changes in net assets without donor restrictions, which includes all expenses incurred for the year. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on the methodology required, which does not materially differ from the requirements of GAAP.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires Organization's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment are carried at cost. The Organization capitalizes all expenditures for property and equipment in excess of \$5,000 with a useful life of greater than two years. Depreciation and amortizations are computed on the straight-line method over estimated useful life. Repairs and maintenance expenditures are charged to operations as incurred.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or circumstances indicate their carrying value may not be recoverable. When such events or circumstances arise, an estimate of the future undiscounted cash flows produced by the asset, or the appropriate groupings of assets, is compared to the asset's carrying value to determine if impairment exists. The Company recognizes an impairment loss only if the carrying amount of the asset is not recoverable from its undiscounted cash flows and records an impairment loss as the difference between the carrying amount and fair value of the asset. There were no impairments for the year ended December 31, 2021.

Tax-Exempt Status

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.

NOTE 3—LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other gross restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2021</u>
Cash and Cash Equivalents	\$ 550,552
Accounts Receivable	<u>0</u>
	<u>\$ 550,552</u>

NOTE 4—PROPERTY & EQUIPMENT

Property and equipment consist of the following:

	<u>2021</u>
Land	\$ 229,900
Equipment	121,380
Building	29,003
Software	19,500
Less Accumulated Depreciation	<u>(86,118)</u>
	<u>\$ 313,665</u>

Depreciation expense for the year ended December 31, 2021 was \$31,520

NOTE 5—RELATED PARTY TRANSACTION

During 2021, Organization has paid approximately \$180,000 to Don Windham, President and Founder of ICN and their family members, which is included in the compensation and related expenses presented in the schedule of functional expense.

NOTE 6—CONCENTRATIONS AND CREDIT RISK

Concentrations of credit risk relate primarily to cash and cash equivalents. The Organization maintains its cash and cash equivalents at financial institutions in amounts which at times exceed federally insured limits. The Organization has not experienced any losses in these accounts, and management does not believe it is subject to significant risk on such assets

NOTE 7—CONTINGENCIES

The Organization engaged an attorney in Liberia and filed a lawsuit against a former employee who misappropriated funds in the amount of \$110,000, which is included as a component of other asset on the accompanying statement of financial position. The matter is at an early stage of legal recourse and the organization believes the amount is fully recoverable.

NOTE 8—COVID-19 PANDEMIC

In January 2020, the World Health organization declared coronavirus (COVID-19) which had emanated in China, a Public Health Emergency of International Concern. This contagious disease outbreak has continued to spread to additional countries throughout the world during the subsequent period. The current uncertainty about the containment of COVID 19 and related adverse public health and economic developments, could adversely affect Organization throughout the remainder of 2021. Management continues to monitor the outbreak, however, as of the date of these financial statements the potential impact of such event on the Organization cannot be quantified.

NOTE 9—PRIOR PERIOD ADJUSTMENT

Beginning net assets of Matsiko Children International as of December 31, 2021 were restated for a prior period adjustment. Net assets were decreased by \$284,773, the adjustments related to updating the asset values that were included from the prior year financial statements but management could not locate the asset value information. As a result management has decided to write down the asset values. Net assets of Matsiko Children International as of December 31, 2021, were restated from \$1,066,096 to \$781,323. The fixed asset amounts were also updated in Note 4 to account for the prior period adjustment.

NOTE 10—SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December_31 2022, which is the date the financial statements were available to be issued and noted no subsequent events as of March 28, 2023 when the report was ready for issue.