

MATSIKO CHILDREN INTERNATIONAL, INC.

FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

Vance CPA LLC
Certified Public Accountants
219-B Avenue E • Apalachicola, FL 32320
Tel. (706)-442-3084

MATSIKO CHILDREN INTERNATIONAL, INC.

DECEMBER 31, 2024

TABLE OF CONTENTS

Accountant’s Compilation Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to Financial Statements	6

Vance CPA LLC

Certified Public Accountants

219-B Avenue E • Apalachicola, Florida 32320

Tel. (706) 278-1221 • Fax (800) 532-1015

ben@vancecpa.com

ACCOUNTANT'S COMPILATION REPORT

**To the Board of Directors
Matsiko Children International**

Management is responsible for the accompanying financial statements of Matsiko Children International which comprise of the statement of financial position as of December 31, 2024, and the related statements of activities and statement of cash flows for the year then ended, and the related notes to the financial statements. We have performed the compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We are not independent with respect to Matsiko Children International. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

May 22, 2026
Apalachicola, FL

Vance CPA LLC

Vance CPA LLC

MATSIKO CHILDREN INTERNATIONAL, INC.
STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 2024

ASSETS

Current Assets:

Cash and cash equivalents \$ 283,079

Total Current Assets 283,079

Non-Current Assets:

Property, plant and equipment, net of depreciation 252,431

Total Non-Current Assets 252,431

Total Assets \$ 535,510

LIABILITIES AND NET ASSETS

Current Liabilities:

Total Current Liabilities —

Total Liabilities —

NET ASSETS

Without donor restrictions 535,510

Total Net Assets 535,510

Total Liabilities and Net Assets \$ 535,510

MATSIKO CHILDREN INTERNATIONAL, INC.
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions	\$ 1,054,510	\$ —	\$ 1,054,510
Special events	373,363	—	373,363
Interest income	8	—	8
Total Revenues and Other Support	<u>1,427,881</u>	<u>—</u>	<u>1,427,881</u>
EXPENSES			
Program services	1,188,342	—	1,188,342
Management and general	79,596	—	79,596
Fundraising	264,779	—	264,779
Total Expenses	<u>1,532,717</u>	<u>—</u>	<u>1,532,717</u>
Change in Net Assets	(104,836)	—	(104,836)
Net Assets, Beginning	<u>640,346</u>	<u>—</u>	<u>640,346</u>
Net Assets, Ending	<u>\$ 535,510</u>	<u>\$ —</u>	<u>\$ 535,510</u>

MATSIKO CHILDREN INTERNATIONAL, INC.
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (104,836)
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	27,860
Change in operating assets and liabilities	
Prepaid expenses	22,707
Accounts payable and accrued expenses	<u>(153,603)</u>
Net Cash Flows from Operating Activities	<u>(207,872)</u>
Cash Flows from Financing Activities	
Purchase of property and equipment	<u>(22,346)</u>
Net Cash Flows from Financing Activities	<u>(22,346)</u>
Cash Flows from Financing Activities	<u>—</u>
Net Change in Cash and Cash Equivalents	<u>(230,218)</u>
Cash and Cash Equivalents, Beginning	<u>513,297</u>
Cash and Cash Equivalents, Ending	<u>\$ 283,079</u>

MATSIKO CHILDREN INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2024

<u>Functional Expenses</u>	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Wages	\$ 284,506	\$ 31,611	\$ —	\$ 316,117
Payroll taxes	24,938	2,771	—	27,709
Employee benefits	11,025	1,225	—	12,250
Sponsorship expenses	2,070	—	—	2,070
Legal and professional fees	13,181	16,129	—	29,310
Advertising and promotion	—	—	63,815	63,815
Depreciation	—	27,860	—	27,860
Office expenses	60,179	—	—	60,179
Travel/airfare	—	—	127,855	127,855
Insurance	31,278	—	—	31,278
Bank fees	21,038	—	—	21,038
Choir equipment	—	—	15,388	15,388
Childcare needs (sponsorships)	<u>740,127</u>	<u>—</u>	<u>57,721</u>	<u>797,848</u>
Total Functional Expenses	<u>\$ 1,188,342</u>	<u>\$ 79,596</u>	<u>\$ 264,779</u>	<u>\$ 1,532,717</u>

MATSIKO CHILDREN INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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 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 not-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:

MATSIKO CHILDREN INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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, 2024.

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.

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.

**MATSIKO CHILDREN INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS**

FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Organization 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, 2024.

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 of the following:

Cash and cash equivalents	<u>\$ 283,079</u>
---------------------------	-------------------

NOTE 4 – PROPERTY AND EQUIPMENT

A summary of property and equipment and accumulated depreciation is as follows:

Land	\$ 229,900
Equipment	143,726
Building	29,003
Software	<u>19,500</u>
Total property and equipment	422,129
Less: Accumulated depreciation	<u>(169,698)</u>
Property and equipment – Net	<u>\$ 252,431</u>

Depreciation expense for the year ended December 31, 2024 was \$27,860.