

VICENTE FERRER FOUNDATION USA, INC.

AUDITED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2018

Vicente Ferrer Foundation USA, Inc.

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Independent Auditor's Report

Board of Trustees
Vicente Ferrer Foundation USA, Inc.
Washington, D.C.

We have audited the accompanying financial statements of **Vicente Ferrer Foundation USA, Inc.** (a nonprofit organization), which comprise the Statement of Financial Position as of March 31, 2018, and the related Statement of Activities and Changes in Net Assets and Cash Flows for the year then ended, and the related notes to the financial statements.

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 misstatement.

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.

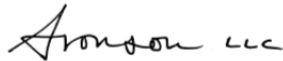
805 King Farm Boulevard
Suite 300
Rockville, Maryland 20850

☎ 301.231.6200
☎ 301.231.7630
www.aronsonllc.com
info@aronsonllc.com

Independent Auditor's Report (continued)

Opinion

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, 2018, 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.



Rockville, Maryland
August 7, 2018

Vicente Ferrer Foundation USA, Inc.

Statement of Financial Position

<i>March 31,</i>	2018
Assets	
Cash and cash equivalents	\$ 143,674
Accounts receivable	2,364
Security deposit and other assets	5,435
Property and equipment, net	1,860
Total assets	153,333
Liabilities and Net Assets	
Accounts payable and accrued expenses	2,774
Unrestricted net assets	150,559
Total liabilities and net assets	\$ 153,333

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Vicente Ferrer Foundation USA, Inc.

Statement of Activities and Changes in Net Assets

<i>Year Ended March 31,</i>	2018
Revenue	
Grant	\$ 349,780
Contributions	118,251
In kind contributions	99,366
Total revenue	567,397
Expenses	
Program services	289,969
General and administrative	174,353
Fundraising	47,383
Total expenses	511,705
Change in net assets	55,692
Net assets, beginning of year	94,867
Net assets, end of year	\$ 150,559

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Vicente Ferrer Foundation USA, Inc.

Statement of Cash Flows

<i>Year Ended March 31,</i>	2018
Cash flows from operating activities	
Change in net assets	\$ 55,692
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	1,377
(Decrease) increase in:	
Accounts receivable	(149)
Security deposit and other assets	(1,435)
Increase (decrease) in:	
Accounts payable and accrued expenses	2,774
Net cash provided by operating activities	58,259
Cash flows from Investing Activities	
Purchase of property and equipment	(1,517)
Net change in cash and cash equivalents	56,742
Cash and cash equivalents, beginning of year	86,932
Cash and cash equivalents, end of year	\$ 143,674

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Vicente Ferrer Foundation USA, Inc.

Notes to Financial Statements

1. Organization and significant accounting policies

Organization: Vicente Ferrer Foundation USA Inc. (VFF USA) is organized to support charitable, education, and scientific programs as described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and in furtherance therefore to end poverty in India by empowering rural communities through grants and awareness programs. VFF USA was incorporated on March 18, 2013 in the State of Florida. The principal place of business of VFF USA is in Washington, DC.

Basis of accounting: The financial statements of VFF USA have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations.

Basis of presentation: Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of VFF USA and changes therein are classified and reported as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – net assets subject to donor-imposed stipulations that will be met either by actions of VFF USA and/or the passage of time. VFF USA had no temporarily restricted net assets at March 31, 2018.

Permanently restricted net assets – net assets subject to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of VFF USA. VFF USA had no permanently restricted net assets at March 31, 2018.

Cash and cash equivalents: For purposes of financial statement presentation, VFF USA considers all highly liquid debt investments with initial maturities of ninety days or less to be cash equivalents.

Accounts receivable: Accounts receivable are recorded net of an allowance for doubtful accounts, if needed. The allowance for doubtful accounts reflects the best estimate of probable losses determined principally on the basis of historical experience and specific allowances for known troubled accounts. All accounts are considered collectible at March 31, 2018.

Property and equipment: Property and equipment is recorded at cost. Depreciation is determined on the straight-line basis using estimated useful lives three to seven years. Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. VFF USA capitalizes all property and equipment greater than \$1,000.

Vicente Ferrer Foundation USA, Inc.

Notes to Financial Statements

Revenue recognition:

Grant – 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. The grant from the partner in Spain is used for operational costs to ensure that new donor dollars in the U.S. can be sent to India as VFF USA establishes their U.S. office. Grants that are considered exchange transactions are recorded as revenue when earned, which is generally when the related expenditures are incurred. Grants that are considered non-exchange transactions and are unconditional are recorded when VFF USA receives notification of the grant award. Grants receivable are reviewed by management for collectability and reserves for uncollectible amounts are established when needed. There were no grants receivable at March 31, 2018.

VFF USA reports grants as restricted revenues if they are subject to time or donor-imposed restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions when a stipulated time restriction ends, purpose restriction is accomplished, or both. However, temporarily restricted contributions and grants are reported as unrestricted revenues if the restriction is met in the same fiscal year that the grant is received.

Contributions - 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 unrestricted, temporarily restricted or permanently restricted, 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions. When a restriction on a contribution is met in the same period that the contribution was received, the contribution is reported in the Statement of Activities and Changes in Net Assets as unrestricted revenue and as unrestricted net assets.

In kind contributions – Contributions of food, equipment, and other goods are recorded at estimated fair value when received. Donor restricted contributions of assets are reported as unrestricted when restrictions are satisfied in the same reporting period in which the contributions are received. During the year ended March 31, 2018, VFF USA had numerous service donations including event venues, marketing services, catering services, and video production.

Vicente Ferrer Foundation USA, Inc.

Notes to Financial Statements

Long-lived assets and impairment: VFF USA periodically evaluates the carrying value of long-lived assets, including, but not limited to, property and equipment and other assets, when events and circumstances warrant such a review. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flows from such an asset are separately identifiable and are less than its carrying value. In that event, a loss is recognized to the extent that the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. Significant inputs include management's projection of future operations, financial position and cash flows, market trading multiples, and the discount rate. As of March 31, 2018, no adjustment for impairment was deemed necessary.

Functional allocation of expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Program services: The Vicente Ferrer Foundation USA (VFF USA) empowers rural communities in India. VFF USA's mission is to eliminate poverty. VFF USA does this by educating people in the USA about the development challenges faced by communities that they partner with in India and by fundraising for projects in India. Program services consist of grants, charitable initiatives, and educational events.

Awareness: VFF USA educates individuals in the United States about the challenges faced by communities in rural India by organizing events and activities to promote intercultural exchanges.

Grant Making to India: VFF USA provides grants to their partners in India to support comprehensive development programs. They focused their grant making to support rural infrastructure, health equity, education for all, and sustainable agriculture for women, people with disabilities, and marginalized populations. In 2018 VFF USA supported a cerebral paralysis center for students, built a water purification system, provided bikes to rural high school students, awarded university scholarships, and funded the start-ups of rural entrepreneurs with disabilities.

Income taxes: VFF USA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and is classified as a publicly supported organization. VFF USA has no unrelated business income.

Vicente Ferrer Foundation USA, Inc.

Notes to Financial Statements

Uncertainties in income taxes: VFF USA evaluates uncertainty in income tax positions based on a more-likely-than-not recognition standard. If that threshold is met, the tax position is then measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement. As of March 31, 2018, there are no accruals for uncertain tax positions. If applicable, VFF USA records interest and penalties as a component of income tax expense. Tax years from 2015 through the current year remain open for examination by tax authorities.

Accounting estimates: The preparation of financial statements in conformity with the accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingencies at the date of the statement of financial position, and revenue and expenses during the reporting period. Actual results could differ from these estimates.

Subsequent events: Management has evaluated subsequent events for disclosure in these financial statements through August 7, 2018, which is the date the financial statements were available to be issued.

2. Accounts receivable

Accounts receivable consisted of small dollar donations made online to VFF USA that were not received as of March 31, 2018. Accounts receivable for the year ended March 31, 2018 totaled \$2,364. VFF USA believes these funds are fully collectible and no allowance is necessary.

3. Property and equipment

Property and equipment consisted of the following as of March 31, 2018:

Computer hardware	\$	5,522
Less: Accumulated depreciation		(3,662)
<hr/>		
Total property and equipment, net	\$	1,860

Depreciation expense for the year ended March 31, 2018 totaled \$1,377.

4. Grants awarded

VFF USA recognizes grant expense at the time grant negotiations are substantially complete with the grantee and the grant award has been approved by the Board of Trustees.

5. Concentration

Approximately 75% of VFF USA's revenue, for the year ended March 31, 2018 was from one funding source, which is based in Spain.

6. Related party transactions

During 2018, a grant was given to an organization for which the president of VFF USA was also a program director. The grant awarded totaled \$94,908.