



Divine
Blalock
Martin
Sellari

LLC
Est. in 1932

**HAITI PARTNERS, INC. AND
AFFILIATE**

**COMBINED FINANCIAL
STATEMENTS**

**FOR THE YEARS ENDED
JUNE 30, 2025 AND 2024**

HAITI PARTNERS, INC. AND AFFILIATE

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses.....	6-7
Statements of Cash Flows	8
Notes to Financial Statements.....	9-15

GARY B. SELLARI, CPA*/PFS, MSM
SCOTT A. STEIN, CPA**
B. CHARLES SELLARI, CPA*, MTAX
TOM KEYS, CPA*, CGMA
ANTHONY J. SELLARI, EA
DUSTAN J. BROWN, CPA****

MARY L. CONTESSA, CPA*, DVA, MAFF, PA
NICHOLAS J. FRONTERA, CPA*
STEVE A. GOINDOO, CPA**/PFS, MTAX, CFP®
CANDACE ANTEZANA KLOTZBIER, CPA*
JAMIE M. RUSSO, CPA*
JANET LEE SCALZITTI, CPA**
APRIL M. SINNOTT, CPA*
ARTHUR J. SINNOTT, CPA**

BARBARA AHEARN-DUNN, EA
JACQUELINE CARTIER, EA
BENJAMIN CROMER, EA



Divine
Blalock
Martin
Sellari
LLC
Est. in 1932

Certified Public Accountants and Consultants

580 Village Boulevard, Suite 110

West Palm Beach, FL 33409

Phone: (561) 686-1110 Fax: (561) 686-1330

info@dbmscpa.com

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

WILBUR F. DIVINE, III, CPA (1896-1964)
WILBUR F. DIVINE, IV, CPA (1925-1989)
JAMES A. BLALOCK, CPA (1914-1996)
G. MICHAEL MARTIN, CPA (1945-2014)

*REGULATED BY THE STATE OF FL
**REGULATED BY THE STATE OF FL
AND THE STATE OF NY
****REGULATED BY THE STATE OF FL
AND THE STATE OF NJ
****REGULATED BY THE STATE OF NY

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Haiti Partners, Inc. and Affiliate
Delray Beach, Florida

Opinion

We have audited the accompanying combined financial statements of Haiti Partners, Inc. and Affiliate (a nonprofit organization) which comprise the combined statements of financial position as of June 30, 2025 and 2024 and the related statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Haiti Partners, Inc. and Affiliate as of June 30, 2025 and 2024, and the changes in 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 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 Combined Financial Statements section of our report. We are required to be independent of Haiti Partners, Inc. and Affiliate and to meet our other 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Haiti Partners, Inc. and Affiliate's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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, 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 combined 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 combined 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 combined 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 Haiti Partners, Inc. and Affiliate'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Haiti Partners, Inc. and Affiliate'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.

Divine, Blalock, Martin & Sellari,

DIVINE, BLALOCK, MARTIN & SELLARI, LLC

West Palm Beach, Florida

October 15, 2025

**HAITI PARTNERS, INC. AND AFFILIATE
COMBINED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2025 AND 2024**

ASSETS	2025	2024
Current assets		
Cash and cash equivalents	\$ 225,691	\$ 350,703
Investments	-	6,762
Pledges and other receivables, unrestricted	-	1,500
Prepaid and other assets	-	5,489
Total current assets	<u>225,691</u>	<u>364,454</u>
Property and equipment, net	<u>1,147,422</u>	<u>1,202,352</u>
TOTAL ASSETS	<u>\$ 1,373,113</u>	<u>\$ 1,566,806</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 62,166	\$ 50,124
Deferred revenue	<u>105,000</u>	<u>-</u>
Total current liabilities	<u>167,166</u>	<u>50,124</u>
Net assets		
Without donor restrictions	1,205,947	1,516,682
With donor restrictions	<u>-</u>	<u>-</u>
Total net assets	<u>1,205,947</u>	<u>1,516,682</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,373,113</u>	<u>\$ 1,566,806</u>

The accompanying notes are an integral part of these financial statements.

**HAITI PARTNERS, INC. AND AFFILIATE
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Contributions and private grants	\$ 561,055	\$ 103,726	\$ 664,781
Contributions of nonfinancial assets	61,954	-	61,954
Other income	3,918	-	3,918
Investment income, net	9,599	-	9,599
Net assets released from restrictions	103,726	(103,726)	-
	<u>740,252</u>	<u>-</u>	<u>740,252</u>
EXPENSES			
Program services			
Schools	884,846	-	884,846
Supporting services			
Management and general	96,090	-	96,090
Fundraising	70,051	-	70,051
	<u>166,141</u>	<u>-</u>	<u>166,141</u>
Total expenses	<u>1,050,987</u>	<u>-</u>	<u>1,050,987</u>
Change in net assets	(310,735)	-	(310,735)
Beginning net assets	<u>1,516,682</u>	<u>-</u>	<u>1,516,682</u>
Ending net assets	<u>\$ 1,205,947</u>	<u>\$ -</u>	<u>\$ 1,205,947</u>

The accompanying notes are an integral part of these financial statements.

**HAITI PARTNERS, INC. AND AFFILIATE
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Contributions and private grants	\$ 749,933	\$ 134,179	\$ 884,112
Contributions of nonfinancial assets	50,529	-	50,529
Other income	2,630	-	2,630
Investment income, net	5,989	-	5,989
Net assets released from restrictions	134,179	(134,179)	-
	<u>943,260</u>	<u>-</u>	<u>943,260</u>
EXPENSES			
Program services			
Schools	<u>796,317</u>	<u>-</u>	<u>796,317</u>
Supporting services			
Management and general	91,772	-	91,772
Fundraising	<u>54,649</u>	<u>-</u>	<u>54,649</u>
	<u>146,421</u>	<u>-</u>	<u>146,421</u>
Total expenses	<u>942,738</u>	<u>-</u>	<u>942,738</u>
Change in net assets	522	-	522
Beginning net assets	<u>1,516,160</u>	<u>-</u>	<u>1,516,160</u>
Ending net assets	<u>\$ 1,516,682</u>	<u>\$ -</u>	<u>\$ 1,516,682</u>

The accompanying notes are an integral part of these financial statements.

**HAITI PARTNERS, INC. AND AFFILIATE
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025**

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Bank charges	\$ 4,221	\$ 1,198	\$ 98	\$ 5,517
Communications	6,473	1,600	388	8,461
Depreciation	54,930	-	-	54,930
Special event expenses	64,682	9,179	2,632	76,493
Grants	83,662	7,650	-	91,312
Insurance	1,065	266	-	1,331
Merchant fees	-	-	10,465	10,465
Miscellaneous	19,111	5,140	1,797	26,048
Newsletters & mailings	9,093	2,483	827	12,403
Occupancy costs	63,709	-	-	63,709
Professional fees	56,863	12,997	11,373	81,233
Program costs	105,174	400	200	105,774
Promotional materials	1,418	594	1,084	3,096
Supplies	5,591	1,284	1,147	8,022
Travel	11,164	1,879	1,151	14,194
Wages & benefits	397,690	51,420	38,889	487,999
Total functional expenses	\$ 884,846	\$ 96,090	\$ 70,051	\$ 1,050,987

The accompanying notes are an integral part of these financial statements.

**HAITI PARTNERS, INC. AND AFFILIATE
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024**

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Bank charges	\$ 6,983	\$ 1,892	\$ 648	\$ 9,523
Communications	7,447	1,885	1,068	10,400
Depreciation	54,930	-	-	54,930
Special event expenses	59,111	8,146	-	67,257
Grants	75,607	63	32	75,702
Insurance	925	264	132	1,321
Merchant fees	-	-	1,473	1,473
Miscellaneous	7,777	2,131	1,087	10,995
Newsletters & mailings	9,579	3,274	1,885	14,738
Occupancy costs	50,732	1,100	1,100	52,932
Professional fees	25,202	5,663	4,852	35,717
Program costs	109,395	834	354	110,583
Promotional materials	3,797	667	414	4,878
Supplies	4,577	1,701	978	7,256
Travel	11,118	1,100	1,629	13,847
Wages & benefits	369,137	63,052	38,997	471,186
Total functional expenses	\$ 796,317	\$ 91,772	\$ 54,649	\$ 942,738

The accompanying notes are an integral part of these financial statements.

**HAITI PARTNERS, INC. AND AFFILIATE
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ (310,735)	\$ 522
<i>Adjustments to reconcile decrease in net assets to net cash used in operating activities:</i>		
Depreciation	54,930	54,930
Net realized and unrealized gains on investments	-	(4,650)
<i>Changes in operating non-cash assets & liabilities:</i>		
Pledges and other receivable	1,500	13,500
Prepaid and other assets	5,489	(5,489)
Accounts payable and accrued expenses	12,042	21,112
Deferred revenue	105,000	(5,269)
Net cash (used in) provided by operating activities	<u>(131,774)</u>	<u>74,656</u>
Cash flows from investing activities:		
Redemption of investments, net	6,762	(2,112)
Purchase of property and equipment	-	(3,310)
Net cash provided by (used in) investing activities	<u>6,762</u>	<u>(5,422)</u>
(Decrease) increase in cash and cash equivalents	(125,012)	69,234
Cash and cash equivalents, beginning of year	<u>350,703</u>	<u>281,469</u>
Cash and cash equivalents, end of year	<u>\$ 225,691</u>	<u>\$ 350,703</u>

The accompanying notes are an integral part of these financial statements.

HAITI PARTNERS, INC. AND AFFILIATE

NOTES TO THE COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

Haiti Partners, Inc., (the "Organization") is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Organization was formed in the State of Florida on October 9, 2008 and began operating on July 1, 2010. The Organization's mission is to help Haitians change Haiti through education. Haiti Partners, Inc. expresses its vision, mission and values through the *Quality Schools Program* – To develop schools that help children realize their potential while driving community development and lifelong learning.

Affiliate

The combined financial statements include Les Partenaires d'Haiti, a non-profit organization in Haiti registered with the Ministry of Social Affairs and Labor with the Republic of Haiti. The purpose of Les Partenaires d'Haiti is to own the real estate in Haiti where the children's school is located. Haiti Partners, Inc. and Les Partenaires d'Haiti are collectively "The Organization."

Basis of accounting

The Organization's combined financial statements are prepared on the accrual basis of accounting and in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*.

Basis of presentation

The Organization records unconditional promises to give (pledges) as contributions at fair value at the date the promises are received or made and distinguishes between promises received for each net asset category in accordance with donor restrictions, if any.

Net assets and revenue, expenses, gains and losses are classified as net assets with donor restrictions and net assets without donor restrictions based on the existence or absence, respectively, of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions – Net assets available for the support of the Organization's operations. The net assets without donor restrictions may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization or the passage of time and net assets subject to donor-imposed stipulations to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the earnings on related investments for general or specific purposes.

The amounts for each class of net assets are required to be displayed in a combined statement of financial position and the amount of the change in each class of net assets are required to be displayed in a statement of activities.

HAITI PARTNERS, INC. AND AFFILIATE
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Combination

The accompanying combined financial statements include the accounts of Haiti Partners, Inc. and Les Partenaires d'Haiti, all of which are under common control. Intercompany transactions and balances have been eliminated in combination.

Use of estimates

The preparation of combined financial statements in conformity with FASB ASC requires management to make estimates and assumptions that affect: the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The use of estimates includes, but are not limited to, amounts earned in the reporting period under grant contracts, the estimated value of in-kind services, the allocation of expenses among program and support categories, and useful lives of depreciable assets. Actual results could differ from those estimates.

Cash and cash equivalents

Cash includes amounts on deposit in checking accounts and money market accounts. For purposes of the statement 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. The Organization maintains cash deposits with Bank of America, located in Palm Beach County, FL, Fonkoze and Sogebank, which are located in Port-au-Prince, Haiti and Fidelity brokerage firm.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statements of Financial Position. Realized gains and losses from security transactions are reported on the specific identification method based on the difference between the sales price of the security and its cost basis. Unrealized gains and losses are included in the accompanying Statements of Revenue, Expenses and Other Changes in Net Assets.

Pledges receivable and allowance for credit losses

Pledges receivable represents unconditional promises to give support over a period of time. Unconditional promises to give are reported as an increase in net assets with or without donor restrictions, depending on the nature of the donor-imposed restriction, if any. The Organization recognizes pledges receivable at estimated net realizable value for pledges due within one year. Pledges receivable that are expected to be collected in future years are recorded at the present value of their net realizable value and are written off when they are deemed uncollectible.

For the years ended June 30, 2025, and 2024, no allowance for credit losses was recorded. This reflects a consistent pattern of collections, minimal historical losses, and no significant indicators of increased credit risk among receivables. Should circumstances change, management will evaluate and adjust the allowance for credit losses accordingly in future periods.

HAITI PARTNERS, INC. AND AFFILIATE
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

Property and equipment owned by the Organization are recorded at cost, if purchased, or fair market value, if donated. Depreciation of property and equipment is calculated on the straight-line method over the estimated useful lives of the related asset, generally 5-40 years.

Revenue recognition

The Organization's main source of revenue is public support and contributions which are recognized when the cash, securities or other assets are received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions are reported as changes in net assets with or without donor restrictions depending on the existence of donor stipulations that limit the use of the support. The Organization reports contributions as changes in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same year the contribution was received, are reported as changes in net assets without donor restrictions. Gifts of securities and other assets are reported at their estimated fair value on the date of donation.

Special event revenue is recognized in accordance with FASB ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended, which applies to exchange transactions and not to contributions and other nonreciprocal transfers to the Organization. In accordance with ASU 2014-09, the Organization records special event revenue equal to the fair value of the direct benefit to donors, and contribution income for the excess received at the point in time when the event takes place. Payments for special events are due on or before the occurrence of the event. Revenue received in advance for future fundraising events and conditional contributions are deferred until the event is held or the donor's condition is met.

Contributions of nonfinancial assets (in-kind contributions)

Contributions of securities, goods, and other in-kind assets are recorded at fair value and as support without donor restrictions unless the donor stipulates how the donated asset must be used. Contributions of long-lived assets with restrictions are reported as support with donor restrictions until the asset is placed in service. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions until the asset is acquired and placed in service.

A substantial number of unpaid volunteers have made significant contributions of their time to develop the Organization's programs, principally in the evaluation of agencies and allocation of support. Due to difficulty in establishing a value for these non-professional services, the value of this contributed time is not reflected in these statements.

HAITI PARTNERS, INC. AND AFFILIATE
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

The Organization's advertising, marketing and promotion is expensed as incurred. Such costs totaled \$3,096 and \$4,878 during the years ended June 30, 2025 and 2024, respectively.

Income taxes

The Organization is a tax-exempt, not-for-profit Corporation under Internal Revenue Code (IRC) Section 501(c) (3). Accordingly, no provision for income taxes has been made in the accompanying combined financial statements.

The Organization has adopted the provisions of FASB ASC 740-10-25, which require that a tax provision be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its combined financial statements include any uncertain tax positions.

The Organization files tax returns in the U.S. federal jurisdiction. The Organization is no longer subject to Internal Revenue Service tax examinations for years prior to 2021.

Functional expenses

In the accompanying statement of activities, expenses are reported by their functional classification, a method of grouping expenses according to the purpose for which they were incurred. The primary functional classifications are program services and supporting activities. Program services are the activities that result in services being provided to members that fulfill the purposes or mission for which the Organization exists. Supporting activities are all activities other than program services and are included in the combined financial statements as management and general or fundraising expenses.

Recently issued and adopted accounting pronouncements

In June 2016, the FASB issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model.

Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were trade accounts receivable. The Organization adopted the standard effective December 15, 2022. The impact of the adoption was not considered material to the financial statements and primarily resulted in new disclosures.

The Organization's management has evaluated recently issued accounting pronouncements through the date of this report and concluded that they will not have a material effect on the financial statements as of June 30, 2025 and 2024.

HAITI PARTNERS, INC. AND AFFILIATE
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE B – INVESTMENTS

The Organization's investments in mutual funds and ETF's are exposed to various risks, such as market risk, interest rate risk, and credit risks. In addition, certain investments may be subject to additional risks including foreign currency risk, derivatives risk, foreign and emerging markets risk, leveraging risk, liquidity risk, multi-manager risk, real estate risk and small company risk. Due to the various risks associated with the Organization's investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying combined financial statements. As of June 30, 2025, the Organization's investment account with Fidelity brokerage consisted solely of a money market fund totaling \$21,400, which is classified as cash and cash equivalents on the Statement of Financial Position due to its liquidity and short-term nature.

NOTE C - FAIR VALUE MEASUREMENTS

The Organization uses a three-tier hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, requires that entities maximize the use of observable market inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

Level 1: Quoted prices for similar assets or liabilities in active markets to which the organization has access at the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- Quoted prices for similar assets and liabilities in active markets;
- Quoted process for identical or similar assets in markets that are not active;
- Observable inputs other than quoted prices for assets or liability (for example, interest rates and yield curves); and
- Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure fair value to the extent that observable inputs are not available.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2024 are as follows:

Assets	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 6,762	\$ 6,762	\$ -	\$ -
Total	<u>\$ 6,762</u>	<u>\$ 6,762</u>	<u>\$ -</u>	<u>\$ -</u>

HAITI PARTNERS, INC. AND AFFILIATE
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE D – PLEDGES RECEIVABLE

Pledges are recorded as receivables and support when received or promised. These pledges are considered unconditional promises to give, which is a promise to give that depends only on the passage of time. Unconditional promises to give that are due beyond one year have been measured using the net present value of their estimated future cash flows. Pledge receivables as of June 30, 2025 and 2024, consist of promises to give due in the following year from individual and corporate donors. At June 30, 2025 and 2024, the total pledge receivable was \$0 and \$1,500 respectively.

From time to time, the Organization is informed of intentions to give by prospective donors. Such expressions of intent are revocable and unenforceable. The ultimate value of these expressions has not been established nor have they been recognized in the accompanying combined financial statements.

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30,

	2025	2024
Land	\$ 81,703	\$ 81,703
Building and improvements	1,392,752	1,392,752
Furniture and equipment	32,406	32,406
Computer and equipment	23,045	23,045
Vehicles	51,000	51,000
Provisional classroom	34,450	34,450
Construction in progress	10,710	10,710
	1,626,066	1,626,066
Less: Accumulated depreciation	(478,643)	(423,713)
Property and equipment, net	\$ 1,147,423	\$ 1,202,353

NOTE F – NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows for the years ended June 30,

	2025	2024
Children's Academy	\$ -	\$ 9,277
School Programs	50,140	69,009
Operations and support	53,586	55,893
	\$ 103,726	\$ 134,179

HAITI PARTNERS, INC. AND AFFILIATE
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE G – OPERATING LEASE COMMITMENTS

The Organization signed a short-term lease agreement with the co-directors to provide lodging at Bellevue Guesthouse, which the co-directors own, for 8-12 of the Children’s Academy’s staff. Under the terms of the lease the minimum monthly base rental is \$3,500 of which, the co-directors are contributing \$2,000 as an in-kind and the Organization responsible to pay \$1,500 plus utilities and maintenance, effective July 1, 2024 and concluded on June 30, 2025. The lease has been renewed for an additional year through June 30, 2026. Occupancy expenses for the years ended June 30, 2025 and 2024 were \$63,709 and \$52,932, respectively, and also includes repairs & maintenance and utilities expenses incurred for the Children’s Academy.

NOTE H - RELATED PARTY CONTRIBUTIONS

The Organization’s Board of Directors approved a short-term lease agreement with a co-director as discussed in Note G. The Board of Directors also approved a plan to use Merline’s Caribbean Hot Sauce (MCHS), who’s founder and CEO is also a co-director of Haiti Partners, as a means to increase engagement among new and existing donors. 100% of the profits from the sale of MCHS goes to charity, primarily Haiti Partners. The hot sauce can be purchased on Haiti Partners website for a suggested donation.

NOTE I – LIQUIDITY

The following reflects the Organization’s financial assets as of the combined statement of financial position date, reduced by amounts not available for general expenditures within one year of the combined statement of financial position date ending June 30,

	2025	2024
Cash	\$ 225,691	\$ 350,703
Investments	-	6,762
Pledge receivable	-	1,500
	<u>225,691</u>	<u>358,965</u>
Less: those unavailable for general expenditures within one year due to:		
Donor restricted	<u>-</u>	<u>-</u>
Financial assets available at June 30,	<u>\$ 225,691</u>	<u>\$ 358,965</u>

NOTE J- SUBSEQUENT EVENTS

In the normal course of preparing the Organization’s financial statements, management reviews events that occur after the statement of financial position date, June 30, 2025, for potential recognition or disclosure in the financial statements. Management has evaluated subsequent events through October 15, 2025, which is the date the financial statements were available to be issued. Based upon this evaluation, the Organization has determined that there are no subsequent events that have occurred which require adjustment to or disclosure in the financial statements.