

# **PANZI**

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# **FOUNDATION**

**PANZI FOUNDATION**  
*(A Maryland not-for-profit corporation)*

**AUDITED FINANCIAL STATEMENTS**  
**As of December 31, 2023**

*With comparative statements for the year ended December 31, 2022*

**TOGETHER WITH**  
**INDEPENDENT AUDITOR'S REPORT**

**PANZI FOUNDATION**  
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Report on Audited Financial Statements  
From January 1, 2023, through December 31, 2023

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Panzi Foundation  
Bethesda, Maryland

**Opinion**

I have audited the accompanying financial statements of Panzi Foundation which comprise the statements of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Panzi Foundation as of December 31, 2023, and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Panzi Foundation and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Management's Responsibility 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 Panzi Foundation'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**

My 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 my 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, I:

- 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 Panzi Foundation'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Panzi Foundation's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated August 8, 2024 on our consideration of Panzi Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Panzi Foundation's internal control over financial reporting and compliance.

*John Samaan, CPA*

John Samaan, CPA

La Quinta, California

August 8, 2024

PANZI FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
As of December 31, 2023  
(With comparatives as of December 31, 2022)

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 719,986	\$ 1,050,805
Accounts receivable	1,038,310	1,628,250
Other assets	<u>3,257</u>	<u>3,257</u>
<b>Total current assets</b>	<u>1,761,553</u>	<u>2,682,312</u>
<b>Property and equipment:</b>		
Furniture and equipment (Note 2)	424	424
Less: accumulated depreciation (Note 2)	<u>(424)</u>	<u>(424)</u>
<b>Net property and equipment</b>	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<u>\$ 1,761,553</u>	<u>\$ 2,682,312</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ <u>51,419</u>	\$ <u>34,689</u>
<b>Total current liabilities</b>	<u>51,419</u>	<u>34,689</u>
<b>Total liabilities</b>	<u>51,419</u>	<u>34,689</u>
<b>Net assets:</b>		
Net assets without donor restrictions	<u>1,710,134</u>	<u>2,647,623</u>
<b>Total net assets</b>	<u>1,710,134</u>	<u>2,647,623</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,761,553</u>	<u>\$ 2,682,312</u>

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

PANZI FOUNDATION  
STATEMENT OF ACTIVITIES  
For the year ended December 31, 2023  
(With comparative totals for the year ended December 31, 2022)

	2023	2022
<b>SUPPORT AND REVENUES:</b>		
Corporate and foundation grants	\$ 1,872,324	\$ 1,839,283
Individual and small business contributions	851,101	636,258
Donated goods and services	31,145	24,916
Other revenue	9,336	2,327
<b>Total support and revenues</b>	<b>2,763,906</b>	<b>2,502,784</b>
<b>EXPENSES:</b>		
Program services	3,172,631	1,543,684
Management and general	516,165	145,813
Fundraising	12,599	81,054
<b>Total expenses</b>	<b>3,701,395</b>	<b>1,770,551</b>
<b>Increase in net assets</b>	<b>(937,489)</b>	<b>732,233</b>
Net assets, beginning of the year	2,647,623	1,915,390
<b>Net assets, end of the year</b>	<b>\$ 1,710,134</b>	<b>\$ 2,647,623</b>

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

PANZI FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended December 31, 2023  
(With comparative totals for the year ended December 31, 2022)

	<u>Program</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total expenses</u>	<u>2022 Expenses</u>
<b>EXPENSES</b>					
Awards and grants	\$ 2,708,043	\$	\$	\$ 2,708,043	\$ 1,156,033
Salaries and wages	197,443	15,292	9,557	222,292	198,302
Payroll taxes	13,100	1,205	752	15,057	15,381
Contract service expenses	196,861	335,197	-	532,058	97,057
Travels and meetings expenses	43,744	74,483		118,227	213,190
Printing and copying	-	-	-	-	2,105
Website and database		22,344		22,344	25,788
Insurance		10,397		10,397	2,646
Postage, shipping, and mailing services		2,812		2,812	2,812
Supplies	378	56		434	1,206
Rent		30,000		30,000	10,442
Advertising expenses				-	114
Bank fees		15,327	2,290	17,617	15,944
Donated goods and services	-			-	24,916
Other expenses	13,062	9,052		22,114	4,615
<b>Total expenses</b>	<u>\$ 3,172,631</u>	<u>\$ 516,165</u>	<u>\$ 12,599</u>	<u>\$ 3,701,395</u>	<u>\$ 1,770,551</u>

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

PANZI FOUNDATION  
STATEMENT OF CASH FLOWS  
For the year ended December 31, 2023  
(With comparative totals for the year ended December 31, 2022)

	2023	2022
<b>Cash flows from operating activities:</b>		
Increase in net assets	\$ (937,489)	\$ 732,233
<b>Changes in operating assets and liabilities:</b>		
(Increase) decrease in assets:		
Accounts receivable	589,941	(212,021)
Increase (decrease) in liabilities:		
Accounts payable	16,729	(48,690)
<b>Net cash provided by operating activities</b>	<b>(330,819)</b>	<b>471,522</b>
<b>Cash flows from financing activities:</b>		
	-	-
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash</b>	<b>(330,819)</b>	<b>471,522</b>
Cash - beginning of the year	1,050,805	579,283
<b>Cash - end of the year</b>	<b>\$ 719,986</b>	<b>\$ 1,050,805</b>

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

**PANZI FOUNDATION**  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1 - NATURE OF ACTIVITIES**

**ORGANIZATION**

Panzi Foundation (also referred to as Panzi Foundation USA or the Panzi Foundation – US Office) is a Maryland Not-For-Profit Corporation that raises funds and awareness to support the mission of Panzi Hospital and Panzi Foundation in the Democratic Republic of the Congo (DRC). For over 25 years, the DRC has been devastated by conflict and an epidemic of sexual violence as a weapon of war. Since its inception by Dr. Denis Mukwege (2018 Nobel Peace Prize Laureate) in 1999, the doctors of Panzi have treated more than 85,000 women who have suffered severe birth- or rape-related gynecological traumas, including more than 70,000 women and girls who are survivors of sexual violence.

Recognizing that physical healing was not enough, Panzi developed a world-renowned four-pillar holistic healing model that meets the full spectrum of needs for survivors of sexual violence. Panzi creates a safe space that supports not only women’s physical healing, but fosters their emotional recovery, helps rebuild their livelihoods, and contributes to the long-term, sustainable restoration of their communities.

To support these efforts, Panzi Foundation’s US office engages in strategic advocacy to end violence against women in the DRC and in other conflict-afflicted countries around the world and raises funds for the work implemented on the ground in DRC. Panzi Foundation also works with its counterparts in the DRC to amplify expert Congolese voices addressing the root causes of violence against women and girls, and ensure those voices are at the forefront of the policy, advocacy and philanthropic conversations here in the US and around the world.

**About Panzi Hospital:**

Dr. Denis Mukwege founded Panzi Hospital in 1999 as a response to the devastating war that engulfed his community in the eastern provinces of the Democratic Republic of Congo. As a direct outcome of the war, maternal mortality was on the rise, and Dr. Mukwege, a French trained pediatrician and gynecological surgeon, hoped to improve access to cesarean sections and other obstetric interventions. His first patient, however, was not a mother in labor, but instead a woman who had been brutally raped in war.

As violence against women and girls escalated dramatically in the context of Congo’s wars, Dr. Mukwege and the staff of Panzi Hospital dedicated significant hospital resources to treating women with fistulas (an injury that ruptures the barrier between the vaginal canal and the bladder and/or colon that then leaks causing infection and other health and social problems) and other complex gynecological injuries - both traumatic (caused by sexual violence) and obstetric (caused by absence of, or poor, maternal care). In 2018, Dr. Mukwege was named the recipient of the Nobel Peace Prize for his efforts to end the use of sexual violence as weapon of war and armed conflict.

**PANZI FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF ACTIVITIES (continued)**

While it is world-renowned for its best-in-class service treating survivors of sexual violence and complex gynecological injuries, Panzi Hospital's impact on the community runs much deeper. For 20 years, Panzi Hospital has pursued the mission of assuring quality holistic care for the population of South Kivu and beyond in the DRC through improved health care service delivery, community outreach activities, and advocacy. It also serves as the general reference hospital for more than 400,000 people in the Ibanda Health Zone of Bukavu, providing services that encompass everything from pediatrics to dentistry, radiology to cardiology, and more.

**The Panzi Response: Caring for the Whole Woman and Whole Community**

Congolese women must have the ability to play a central role in the reconstruction of their broken society - but to do so, survivors of sexual violence must receive holistic care to help them recover, to give them new networks, tools, and options for economic and social empowerment. Panzi Hospital treats thousands of women a year with complex gynecological injuries, including obstetric and traumatic fistula, as well as other injuries from rape and sexualized violence. The hospital currently has 450 beds, half of which are reserved for survivors of sexual violence. Treating fistula often involves multiple delicate surgeries, followed by a prolonged period of recovery.

Some of the women treated at Panzi Hospital are unable or unwilling to return home after medical treatment, abandoned by their husbands and rejected by their families and villages due to the stigma associated with rape and/or fistula. Some are displaced due to the destruction of their homes or villages and some have no surviving family members. Others may be unable to live independently due to injuries or diseases such as HIV/AIDS. With no place to go, they would attempt to live somewhere in the vicinity of the hospital. They were unable to afford school fees and adequate housing, putting their children in a cycle of vulnerability to continued violence.

Panzi's holistic model of care now provides survivors of sexual violence with services that meet the full spectrum of their needs: physical recovery, emotional recovery, education and vocational training, community reintegration support, and legal assistance. In addition, we make critical investments in building the capacity of civil society organizations doing the grassroots work to rebuild their communities on principles of human rights and partnership between men and women.

**PANZI FOUNDATION**  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1 - NATURE OF ACTIVITIES (continued)**

**Current programs include:**

*Maison Dorcas and Rural Dorcas - Innovative and Holistic Aftercare for Survivors*

Panzi Foundation's US office supports a critical component of Panzi Hospital's services: the holistic aftercare provided at Maison Dorcas. At Maison Dorcas, located adjacent to Panzi Hospital, women and girls who are otherwise unable to return home after their medical treatment receive housing, meals, and access to the full suite of holistic recovery support provided by Panzi, all in a protected, collaborative and supportive environment. These programs include therapeutic counseling, job skills training, literacy and numeracy classes, micro-grants and loans for small businesses, and outreach projects to rural communities. At any one time, Maison Dorcas can accommodate 180 vulnerable women and children. The ultimate goal of the Maison Dorcas staff is to heal and build the resilience of the whole woman and her family.

Some women, however, choose to return to their rural homes as rapidly as they can rather than seek after-care in Bukavu. When this is the case, the survivors forego the urban Maison Dorcas option in order to return home. To address this, Panzi has created "Rural Dorcas" programs to provide livelihoods and other services to women in their own communities. These services provide job skills training and access to the other pillars of the holistic healing model in rural communities.

*One Stop Centers, Mobile Clinics, and Rapid Response Missions*

Unfortunately, many rapes are committed in hard to reach, last-mile communities that have little access to health care infrastructure or holistic care services. Panzi is committed to providing as many survivors with comprehensive post-rape care as possible, regardless of their distance from our health centers. To do this, we deploy mobile clinics and rapid response missions to treat mass rapes in active conflict zones, and partner with rural health centers to provide them with post-rape kits. In addition, we are expanding access to holistic care by building "One Stop Centers," which are essentially "mini-Panzis" where survivors can access all four pillars of our holistic healing model in one location – thus negating the need to travel to multiple aid agencies or organizations to receive comprehensive care. Panzi currently has two rural One Stop Centers, Mulamba Hospital and Bulenga Hospital, and one in the urban capital of Kinshasa, called the Panzi Clinic.

**PANZI FOUNDATION**  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1 - NATURE OF ACTIVITIES (continued)**

*Addressing the Intersection of Violence Against Women and Violence Against the Earth*

Violence against women and violence against the earth are intrinsically linked. This has never been more evident than in the DRC, which is home to an estimated \$24 trillion in untapped mineral deposits. These minerals are used to power everything from cell phones to laptops, electric cars to LED lights, and more. Armed militias use rape as a weapon of war to terrorize and control communities where these resources are located, in order to profit from their illegal extraction.

As Panzi expands its One Stop Center model, the organization is committed to preventing further damage to our earth and communities by ensuring that all its new facilities are equipped with sustainable, renewable clean energy — particularly through the installation of solar panels. Panzi’s new One Stop Center will feature solar panels to power the facilities’ buildings and equipment, and serve as examples for other health care centers on the importance of prioritizing clean energy.

In addition, Panzi is expanding its suite of jobs skills training opportunities as part of its socio-economic pillar to include training in renewable energy-related fields. This includes (but is not limited to) installation of solar panels, cleaning, entrepreneurship and business, and surveying. Panzi is also actively exploring community-wide solutions, including mini-grids and passive income generation strategies for survivor.

*Badilika - Investment in Community and Civil Society and Global Advocacy*

Panzi’s innovative Badilika (“Change” in Swahili) Program works to increase the accountability of the Congolese government to protect human rights, reduce women’s vulnerability, and improve governance. By making critical investments in local Congolese civil society organizations and providing them with technical support and training, Badilika staff works so that more Congolese citizens are aware of their rights, their responsibilities, and the accountability they should be able to insist on and expect from their leaders. By supporting coalitions, the Badilika team is building civil society’s capacity to address the root causes of violence and rebuild Congolese communities on the principles of justice, human rights, and gender equality.

In the USA, Panzi Foundation aims to raise awareness about the crisis in Congo and the scourge of violence against women more broadly. We work to help organize and activate individuals and groups in effective advocacy campaigns in support of policies that can help end the conflicts at the root of this violence. This primarily takes place at the national and international level, while also supporting its Congolese colleagues who lead regional efforts in eastern and central Africa. In 2023 and beyond, the organization will continue to use its platform to increase awareness about the need for peace and justice in the Congo.

**PANZI FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF ACTIVITIES (continued)**

The driving motivation of Panzi Foundation is the fight to end the brutal sexual violence against women and girls in Congo and in conflict settings around the world. To do so in Congo, Panzi provides relief, recovery, and restorative opportunities for vulnerable communities, especially women and girls. We believe that without addressing the root causes of violence directly, new survivors of sexual violence will continue to arrive at Panzi’s doorstep.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**FINANCIAL STATEMENT PRESENTATION**

The accompanying financial statements are prepared on the accrual basis in accordance with the AICPA’s Audit and Accounting Guide, “Not-for-Profit Organizations.”

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. The Financial Accounting Standards Board (FASB) issued an Accounting Standard Update in August 2016 to require classification of net assets into two categories. Panzi Foundation has adopted this method:

*Net assets without donor restrictions* – Net assets that are not subject to any donor-imposed stipulations.

*Net assets with donor restrictions* – Net assets subject to donor-imposed restrictions on their special purpose other than normal programs and operations. For example, contributions received for fixed asset acquisitions will be recorded as net assets with donor restrictions. Perpetual restrictions such as endowment are another example. Below is a general reference of comparison between previously reported categories and the new reporting convention.

<b>Previously reported</b>	<b>New reporting</b>
Unrestricted net assets	Net assets without donor restrictions
Temporarily restricted	
Permanently restricted	Net assets with donor restrictions

In the year ended 2023, there were no unfulfilled donor-imposed restrictions.

**PANZI FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 those estimates.

**CASH AND CASH EQUIVALENTS**

For purposes of the Statement of Cash Flows, Panzi Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**COMPARATIVE FINANCIAL INFORMATION**

The financial statements include certain prior-year summarized comparative information in totals but not by net asset classes. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Panzi Foundation's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

**PROPERTY AND EQUIPMENT**

Property and equipment are capitalized at cost or fair market value on the date of receipt in the case of donated property. Depreciation is provided on the straight-line method over the estimated useful lives of the assets ranging from 3 to 10 years. Leasehold improvements are depreciated over the lease term (including options) or the useful life.

Major additions are capitalized, and repairs and maintenance that do not improve or extend the life of the assets are expensed. When assets are sold or retired their cost and the related accumulated depreciation are removed from the accounts with the resulting gain or loss reflected in the Statement of Activities.

**INCOME TAXES**

Panzi Foundation is a not-for-profit organization that is exempt from Federal and state income taxes under the Internal Revenue Code Section 501(c) (3) and the California State

**PANZI FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue and Taxation Code 23701 (d) except on net income derived from unrelated business activities. Panzi Foundation's management believes that it has support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Panzi Foundation's Forms 990, Return of Organization Exempt from Income Tax for the years ending December 31, 2021, 2022, and 2023 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

**CONTRIBUTED GOODS AND SERVICES**

The accompanying financial statements include amounts of materials, equipment and services donated to Panzi Foundation. The basis of valuation of these donations is generally in-house appraisal or fair market value as indicated by the person or agency making the donation. There was no in-kind contributions for the year ended December 31, 2023.

**ALLOCATED EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based upon salary expenses.

**NOTE 3 – LIQUIDITY OF ORGANIZATION**

According to Accounting Standard Update (ASU) 2016-14, Panzi Foundation's management has evaluated how the organization manages its liquid resources available to meet cash needs for general expenditures within one year of the balance sheet. Panzi Foundation USA engages in strategic advocacy to end violence against women in the Congo and in other conflict-afflicted countries around the world and provides grants to Panzi Hospital and Panzi Foundation DRC to heal women and restore their lives. Panzi Foundation has a cohesive team that has won respect in the field and by funders. Panzi Foundation has \$1,761,553 in current assets and \$51,419 in current liabilities at December 31, 2023. Among the current assets, \$719,986 is cash and cash equivalents. The general expenses of the organization were \$3,668,869 in 2023, and there was \$2,723,425 in current revenue to cover the expenses.

**PANZI FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment are summarized as follows at December 31, 2023:

<u>Description</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Furniture and equipment	\$ 424	\$ (424)	\$
Net property and equipment	\$ 424	\$ (424)	\$

**NOTE 5 - CASH AND CASH EQUIVALENTS**

The organization's cash, \$719,986 as of December 31, 2023, is held in financial institutions which are either insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per banking institution, or certain non-interest bearing accounts that are fully insured by the FDIC. As of December 31, 2023, the organization had cash that was exposed to uninsured deposit risk in the amount of \$104,324.

**NOTE 6 - SUBSEQUENT EVENTS**

Panzi Foundation's management has evaluated subsequent events for the period from January 1, 2024 through August 8, 2024, the date the financial statements were available to be issued. Management did not identify any transactions that require disclosure or that would have an impact on the financial statements.

**SUPPLEMENTARY INFORMATION SECTION REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

*John Samaan, CPA*

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To the Board of Directors  
Panzi Foundation  
Bethesda, Maryland

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

I have audited, in accordance with the auditing standards generally accepted in the United States of American and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Panzi Foundation, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 8, 2024

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Panzi Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Panzi Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of Panzi Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Panzi Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*John Samaan, CPA*  
La Quinta, California  
August 8, 2024