



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

AUDITED FINANCIAL STATEMENTS
As of December 31, 2024

With comparative statements for the year ended December 31, 2023

TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

PANZI FOUNDATION
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From January 1, 2024, through December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Panzi Foundation
Bethesda, Maryland

Opinion

I have audited the accompanying financial statements of Panzi Foundation (a California Non-Profit Organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, and cash flows for the fiscal 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, 2024, and the results of its operations 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 audit 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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.

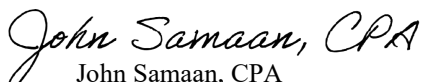
In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and access 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 judgement, 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*, I have also issued our report dated October 29, 2025 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
Indian Wells, California
October 29, 2025

PANZI FOUNDATION
STATEMENT OF FINANCIAL POSITION
As of December 31, 2024
(With Comparative Totals as of December 31, 2023)

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 769,812	\$ 719,986
Accounts Receivables, Net	1,529,455	1,038,310
Other Assets	3,257	3,257
Total Current Assets	<u>2,302,524</u>	<u>1,761,553</u>
Fixed Assets:		
Furniture and Equipment (Note 4)	424	424
Total Fixed Assets	<u>424</u>	<u>424</u>
Less: Accumulated Depreciation	(424)	(424)
Net Fixed Assets	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 2,302,524</u>	<u>\$ 1,761,553</u>
<u>LIABILITIES AND PARTNERS' EQUITY</u>		
Current Liabilities:		
Accounts Payable	\$ 43,382	\$ 51,419
Total Current Liabilities	<u>43,382</u>	<u>51,419</u>
Non-Current Liabilities:		
Long Term Loans	-	-
Total Non-Current Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>43,382</u>	<u>51,419</u>
Contingency		
Net Assets Without Donor Restrictions	2,259,142	1,710,134
Total Net Assets	<u>2,259,142</u>	<u>1,710,134</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,302,524</u>	<u>\$ 1,761,553</u>

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

PANZI FOUNDATION
Statements of Activities
For the Fiscal Year Ended December 31, 2024
(With Comparative Totals For The Year Ended December 31, 2023)

	<u>2024</u>	<u>2023</u>
Support And Revenues		
Corporate and Foundation Grants	\$ 2,731,426	\$ 1,872,324
Indivudal and Small Business Contributions	660,913	\$ 851,101
Donated Goods and Services	-	31,145
Other Revenue	<u>6,437</u>	<u>9,336</u>
Total Support and Revenues	<u>3,398,776</u>	<u>2,763,906</u>
Expenses		
Program Services	2,419,879	3,172,631
Management and General	189,110	516,165
Fundraising	<u>240,779</u>	<u>12,599</u>
Total Expenses	<u>2,849,768</u>	<u>3,701,395</u>
Increase (Decrease) in Net Assets	<u>549,008</u>	<u>(937,489)</u>
Net Assets at Beginning of Year	<u>1,710,134</u>	<u>2,647,623</u>
Net Assets at End of Year	<u><u>2,259,142</u></u>	<u><u>1,710,134</u></u>

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

PANZI FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2024
(With comparative totals for the year ended December 31, 2023)

	<u>Programs</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>2024 Total expenses</u>	<u>2023 Total expenses</u>
EXPENSES:					
Awards and grants	\$ 2,125,172	\$ -	\$ -	\$ 2,125,172	\$ 2,708,043
Salaries and wages	125,238	39,500	170,533	335,271	222,292
Payroll taxes	11,436	6,595	11,174	29,205	15,057
Employees' Benefits	-	8,088	-	8,088	-
Contract service expenses	36,825	22,598	41,645	101,068	532,058
Advertising and Marketing	1,721	1,546	2,167	5,434	-
Legal fees	-	12,470	-	12,470	-
Travels and meetings expenses	118,242	1,744	7,375	127,361	118,227
Website and database	-	21,719	7,787	29,506	22,344
Insurance	960	3,767	-	4,727	10,397
Postage, shipping, and mailing services	220	2,529	8	2,757	2,812
Supplies	-	3,587	-	3,587	434
Rent	-	36,150	-	36,150	30,000
Bank fees	-	20,373	90	20,463	17,617
Other expenses	65	8,444	-	8,509	22,114
Total expenses	<u>\$ 2,419,879</u>	<u>\$ 189,110</u>	<u>\$ 240,779</u>	<u>\$ 2,849,768</u>	<u>\$ 3,701,395</u>

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

PANZI FOUNDATION

Statements of Cash Flows

For the Fiscal Year Ended December 31, 2024

(With Comparative Totals for The Fiscal Year Ended December 31, 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 549,008	\$ (937,489)
Adjustments to reconcile change in net income to net cash provided by operating activities:		
Decrease (Increase) in accounts receivable	(491,145)	589,941
Increase (Decrease) in accounts payable	(8,037)	16,729
Net Cash Provided by Operating Activities	<u>49,826</u>	<u>(330,819)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
None	<u>-</u>	<u>-</u>
Net Cash Provided By (Used For) Financing Activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
None	<u>-</u>	<u>-</u>
Net Cash Used For Financing Activities	<u>-</u>	<u>-</u>
CHANGE IN CASH AND CASH EQUIVALENTS		
Net Increase in cash and cash equivalents	49,826	(330,819)
Cash and cash equivalents, as of the beginning of the year	<u>719,986</u>	<u>1,050,805</u>
Cash and cash equivalents, as of the end of the year	<u><u>\$ 769,812</u></u>	<u><u>\$ 719,986</u></u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Income Tax Paid	<u>-</u>	<u>-</u>
Interest Expense	<u>-</u>	<u>-</u>

See accompanying independent auditor's report and notes to financial statements.

PANZI FOUNDATION
Notes to Financial Statements
For The Year Ended December 31, 2024

NOTE 1 - NATURE OF ACTIVITIES

ORGANIZATION

The Panzi Foundation (also known as Panzi Foundation USA or the Panzi Foundation – US Office) is a Maryland Not-For-Profit Corporation dedicated to raising funds and awareness to support Panzi Hospital and Panzi Foundation in the Democratic Republic of the Congo (DRC). For over 30 years, the DRC has faced devastating conflict and an epidemic of sexual violence used as a weapon of war. Panzi Hospital was established by Dr. Denis Mukwege in 1999, and quickly began to receive victims of brutal, conflict-related sexual violence. The Hospital soon became known as a safe space for survivors of sexual violence to access best-in-class medical treatment.

Over the next few years, it became clear that medical care was just one part of what survivors needed to heal and rebuild their lives. In 2008, Panzi Foundation was opened to complement the treatment provided at Panzi Hospital and build out a model of holistic care. This model is comprised of four pillars: (a) medical care; (b) psychosocial support; (c); legal assistance; and (d) socio-economic reintegration. It has been designed to address and mitigate the complex cascade of physical, emotional, and economic consequences experienced by survivors of sexual violence.

Since 1999 Panzi has treated more than 87,000 survivors of sexual violence and 27,000 women with severe gynecological injuries. In 2008, Dr Denis Mukwege was awarded the Nobel Peace Prize for his global action and advocacy to end rape as a weapon of war.

To support the work of Panzi Hospital and Foundation in the DRC, Panzi Foundation’s US office engages in strategic advocacy to address the root causes of sexual violence and the war in the DRC, as well as fundraising from US and global donors to support Panzi operations in-country. Panzi’s US office collaborates with its counterparts in the DRC to amplify Congolese expert voices and ensure these voices lead policy, advocacy, and philanthropic conversations in the US and globally.

About Panzi Hospital:

Panzi Hospital was founded by Dr. Denis Mukwege in 1999 with the goal of building a Center of Excellence for maternal health in a country with one of the highest rates of maternal death in the world. Yet the opening of the hospital coincided with the arrival of the Second Congo War. Rather than receiving new mothers, Panzi Hospital quickly began to receive victims of brutal, conflict-related sexual violence. Dr. Mukwege and his medical team reluctantly had to become experts in the treatment of the severe gynecological injuries, like fistula and prolapse, from which these women were suffering, both traumatic (from sexual violence) and obstetric (from poor maternal care). Panzi Hospital soon became known as a safe space for survivors to access best-in-class medical treatment.

PANZI FOUNDATION
Notes to Financial Statements
For The Year Ended December 31, 2024

NOTE 1 - NATURE OF ACTIVITIES (continued)

Panzi Hospital serves as a tertiary referral hospital for the Ibanda health zone, a population of nearly 500,000 people. As a center of excellence for both surgical and high-risk maternity care, it also operates at the level of a university hospital within the national health system and so can also receive referrals from across the province, providing services from pediatrics to dentistry, radiology to cardiology, and more.

Most survivors of sexual violence treated at Panzi Hospital are from rural areas in DRC – for example, an average of 20% of patients live in the city of Bukavu, while 80% are from other territories in the province, including Uvira, Mwenga, and Kalehe. While most survivors are adult women, minors represent approximately 30% of the survivors admitted to Panzi Hospital each year.

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

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

In addition to support for Panzi Hospital, Panzi Foundation's US office supports the following core programs of Panzi in the DRC:

Maison Dorcas - Holistic Aftercare for Survivors

Located in Bukavu, Maison Dorcas offers housing, meals, and access to holistic recovery support for women and girls unable to return home post-treatment, 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. Maison Dorcas can accommodate 180 vulnerable women and children at any one time. The ultimate goal is to heal and build the resilience of the whole woman and her family.

One Stop Centers, Mobile Clinics, and Rapid Response Missions

Many rapes occur in hard-to-reach, last-mile communities with limited access to healthcare infrastructure or holistic care services. Panzi is committed to providing comprehensive post-rape care to as many survivors as possible, regardless of their distance from health centers. Mobile clinics and rapid response missions are deployed to treat mass rapes in active conflict zones, and partnerships with rural health centers provide post-rape kits.

PANZI FOUNDATION
Notes to Financial Statements
For The Year Ended December 31, 2024

NOTE 1 - NATURE OF ACTIVITIES (continued)

Panzi is expanding access to holistic care by building “One Stop Centers,” where survivors can access all four pillars of holistic healing in one location, negating the need to travel to multiple aid agencies for comprehensive care. Currently, Panzi has two rural One Stop Centers, Mulamba Hospital and Bulenga Hospital, and one in Kinshasa’s urban capital, the Panzi Clinic.

Responsible Sourcing of Critical Minerals

The DRC is home to an estimated \$24 trillion in untapped mineral deposits. These minerals include coltan, cobalt, and lithium, essential for powering modern technology and green energy. Yet, this wealth often fuels exploitation, environmental harm, and human rights abuses. Panzi advocates for responsible sourcing to ensure these resources benefit the Congolese people without perpetuating cycles of violence and poverty.

Through green mining initiatives, policy advocacy, and community engagement, we promote ethical practices that safeguard human rights and the environment. Our approach emphasizes empowering local communities with education, alternative livelihoods, and a voice in the resource sector. By collaborating with businesses and policymakers, we aim to create transparent, sustainable supply chains that prioritize people over profit.

Badilika – Investment in Community and Civil Society and Global Advocacy

Panzi’s innovative Badilika (“Change” in Swahili) Program aims to increase the Congolese government’s accountability to protect human rights, reduce women’s vulnerability, and improve governance. Supporting coalitions, the Badilika team builds civil society’s capacity to address the root causes of violence and rebuild communities on principles of justice, human rights, and gender equality.

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 FOUNDATION
Notes to Financial Statements
For The Year Ended December 31, 2024

NOTE 1 - NATURE OF ACTIVITIES (continued)

Panzi is driven by the fight to end brutal sexual violence against women and girls in the DRC and conflict settings worldwide. Through its US office, Panzi Foundation raises awareness about the crisis in the DRC and the broader scourge of violence against women. The foundation helps organize and activate individuals and groups in effective advocacy campaigns supporting policies to end the conflicts at the root of this violence. This primarily occurs at the national and international levels while also supporting Congolese colleagues leading regional efforts in eastern and central Africa. In 2025 and beyond, the organization will continue using its platform to increase awareness about the need for peace and justice in the DRC.

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.

Previously reported	New reporting
Unrestricted net assets	Net assets without donor restrictions
Temporarily restricted	Net assets with donor restrictions
Permanently restricted	

In the year ended 2024, there were no unfulfilled donor-imposed restrictions.

PANZI FOUNDATION
Notes to Financial Statements
For The Year Ended December 31, 2024

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, 2023, 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
For The Year Ended December 31, 2024

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, 2022, 2023, and 2024 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, 2024.

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 \$2,302,524 in current assets and \$43,382 in current liabilities at December 31, 2024. Among the current assets, \$769,812 is cash and cash equivalents. The general expenses of the organization were \$2,849,768 in 2024, and there was \$3,398,776 in current revenue to cover the expenses.

PANZI FOUNDATION
Notes to Financial Statements
For The Year Ended December 31, 2024

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows at December 31, 2024:

<u>Description</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Furniture and equipment	\$ <u>424</u>	\$ <u>(424)</u>	\$ <u>0</u>
Net property and equipment	\$ <u>424</u>	\$ <u>(424)</u>	\$ <u>0</u>

NOTE 5 - CASH AND CASH EQUIVALENTS

The organization's cash, \$769,812 as of December 31, 2024, 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, 2024, the organization had cash that was exposed to uninsured deposit risk in the amount of \$90,250.

NOTE 6 - SUBSEQUENT EVENTS

Panzi Foundation's management has evaluated subsequent events for the period from January 1, 2024 through October 29, 2025, 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.

John Samaan, CPA

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**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**

To the Board of Directors
Panzi Foundation
Bethesda, Maryland

I have audited, in accordance with the auditing standards generally accepted in the United States of America 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, 2024, 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 October 29, 2025.

Report on Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Panzi Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Panzi Foundation's internal control. Accordingly, I 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 a 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of my 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.

A handwritten signature in black ink that reads "John Samaan, CPA". The signature is written in a cursive, flowing style.

John Samaan, CPA
Indian Wells, California
October 29, 2025