Favor International, Inc.

Financial Statements and
Independent Auditor's Report

December 31, 2024

With Summarized Comparative Totals
For The Year Ended December 31, 2023

Favor International, Inc.

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Independent Auditors' Report

To the Board of Directors
Favor International, Inc.
Valrico, Florida

Opinion

We have audited the accompanying financial statements of Favor International, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Favor International, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Financial Statements section of our report. We are required to be independent of Favor International, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Africa Ministry Organizations Expenses

Our audit was made for the purpose of forming an opinion on Favor International, Inc.'s basic financial statements taken as a whole. As described in note 6, Related Party Transactions, the majority of Favor's program expenses are ultimately fulfilled through the operation of Favor of God Ministries – Uganda, Favour Africa Ministries International – South Sudan and Favour Africa Ministries International – Chad (the Africa Ministry Organizations). Though we did apply limited procedures in order to obtain an understanding of the internal controls related to the cash expenditure process of the Africa Ministry Organizations, we did not perform audit procedures on their expenses because it is outside the scope of our audit. Our opinion is not modified with respect to that matter.

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 Favor International, Inc.'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

Our 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 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 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 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 Favor International, Inc.'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Favor International, Inc.'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.

Report on Summarized Comparative Information

Other auditors previously audited Favor International, Inc.'s 2023 financial statements, and expressed an unmodified audit opinion on those audited financial statements in their report dated June 17, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kelly Partners + FRS, LLC

St. Petersburg, Florida
May 5, 2025

Favor International, Inc.
Statements of Financial Position
December 31, 2024
(with comparative totals as of December 31, 2023)

	December 31, 2024	December 31, 2023
ASSETS		
Current assets		
Cash	$ 1,138,795	$ 250,630
Total current assets	1,138,795	250,630
Property and equipment, net of accumulated depreciation	441,289	451,515
Total assets	$ 1,580,084	$ 702,145
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 26,149	$ 31,805
Total current liabilities	26,149	31,805
Total liabilities	26,149	31,805
Net assets		
Without donor restrictions	1,472,030	534,113
With donor restrictions	81,905	136,227
Total net assets	1,553,935	670,340
Total liabilities and net assets	$ 1,580,084	$ 702,145

Favor International, Inc.
Statement of Activities and Changes in Net Assets
Year ended December 31, 2024 (with summarized comparative totals for the year ended December 31, 2023)

	Changes in Net Assets			
	Without Donor Restrictions	With Donor Restrictions	Total December 31, 2024	Total December 31, 2023
PUBLIC SUPPORT AND OTHER REVENUES				
Grants and contributions	$ 7,773,631	$ 583,968	$ 8,357,599	7,578,902
Other	3,077	-	3,077	7,906
	7,776,708	583,968	8,360,676	7,586,808
Net assets released from restrictions	638,290	(638,290)	-	-
Total public support and other revenues	8,414,998	(54,322)	8,360,676	7,586,808
EXPENSES				
Program services	6,671,668	-	6,671,668	6,644,411
Supporting services				
Management and general	464,178	-	464,178	542,055
Fundraising	341,235	-	341,235	197,103
Total supporting services	805,413	-	805,413	739,158
Total expenses	7,477,081	-	7,477,081	7,383,569
Change in net assets	937,917	(54,322)	883,595	203,239
Net assets, beginning of year	534,113	136,227	670,340	467,101
Net assets, end of year	$ 1,472,030	$ 81,905	$ 1,553,935	$ 670,340

Favor International, Inc.
Statement of Functional Expenses
Year ended December 31, 2024
(with comparative totals for the year ended December 31, 2023)

		Supporting Services			Total Expenses	
				Total	December 31,	
	Program Services	Management and General	Fundraising	Supporting Services	2024	2023
Personnel expenses						
Salaries	$ 650,887	$ 214,965	$ 115,894	$ 330,859	$ 981,746	$ 763,275
Payroll taxes	36,637	13,034	6,597	19,631	56,269	51,973
Employee benefits	-	-	-	-	-	-
Total personnel expenses	687,525	227,999	122,491	350,490	1,038,015	815,248
Other expenses						
Africa Ministry Organizations	5,652,683	-	-	-	5,652,683	5,942,676
Postage and printing	138,972	15,892	96,233	112,125	251,097	145,207
Outside services	43,000	13,000	113,900	126,900	169,900	91,559
Travel and entertainment	51,163	4,726	2,750	7,475	58,638	62,652
Legal and professional	-	112,971	-	112,971	112,971	107,726
Field supplies and equipment	19,616	-	-	-	19,616	24,301
Promotional material	-	906	2,303	3,209	3,209	11,014
Bank and credit card fees	-	14,683	-	14,683	14,683	21,743
Information technology	1,198	46,897	2,095	48,993	50,190	40,417
Insurance	3,550	6,083	128	6,212	9,762	10,158
Taxes and licenses	-	11,750	231	11,981	11,981	8,249
Repairs and maintenance	11,777	2,189	414	2,603	14,380	36,714
Telephone and utilities	4,546	3,392	126	3,518	8,064	5,269
Other	44,384	1,640	89	1,729	46,113	39,695
Total expenses before depreciati	6,658,414	462,127	340,761	802,888	7,461,302	7,367,731
Depreciation	13,255	2,051	473	2,525	15,780	15,838
Total expenses	$ 6,671,669	$ 464,178	$ 341,235	$ 805,413	$ 7,477,082	$ 7,383,569

See independent auditors' report and accompanying notes to financial statements.

Favor International, Inc.
Statements of Cash Flows
Years ended December 31, 2024 and 2023

	December 31, 2024	December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 883,595	$ 203,239
Adjustments to reconcile change in net assets to net cash flows provided by (used in) operating activities:		
Depreciation	15,780	15,838
(Increase) Decrease in assets:		
Deposit	-	30,000
Decrease in liabilities:		
Accounts payable	(5,656)	24,267
Net cash provided by (used in) operating activities	893,719	273,344
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(5,554)	(463,923)
Net cash used in investing activities	(5,554)	(463,923)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments made on loans	-	(300,000)
Net cash provided by financing activities	-	(300,000)
Net change in cash	888,165	(490,579)
Cash, beginning of year	250,630	741,209
Cash, end of year	$ 1,138,795	$ 250,630

NOTE 1 NATURE OF THE ORGANIZATION

Favor International, Inc. (“Favor” or the “Organization”) was incorporated as a Not-for-Profit organization in 2015. Favor is a Christian-based organization that exists to provide spiritual and biblical guidance, humanitarian relief, and educational and economic development. The Organization builds churches and focuses on training and developing indigenous leaders to become pastors and missionaries. The Organization’s primary focus is working with children, families, and communities in Uganda, South Sudan, and Chad.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Favor have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Favor has adopted the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958, *Not-for-Profit Entities*. Under ASC 958, Favor is required to provide financial statements which are prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. As such, Favor reports net asset information regarding its financial position and activities as follows: (1) net assets without restrictions, which include no donor-imposed restrictions and, therefore, are available for any purpose authorized by the Board of Directors (the “Board”); and (2) net assets with restrictions, which include donor-imposed restrictions that will expire in the future.

Revenue Recognition

Contributions are recorded at their fair market value on the date of receipt. All contributions are available for unrestricted use unless specifically designated by the donor. The Organization reports contributions restricted by donors as increases in net assets *without* donor restrictions if restrictions expire (that is, when either a stipulated time restriction ends or a purpose restriction is accomplished) in the same reporting period in which revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, 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.

Support arising from donated, or in-kind, goods, property, and services is recognized in the financial statements at its fair value. GAAP requires recognition of in-kind services, if such services (1) create or enhance nonfinancial assets or (2) require specialized skills and are provided by individuals possessing those skills, who would typically charge a fee. For the years ended December 31, 2024 and 2023, volunteers provided services to assist the Organization's management and fundraising functions for which no amount has been recorded in the financial statements because the services did not meet the criteria for recognition under GAAP.

Property and Equipment

Property and equipment are recorded at cost or, if donated, the estimated fair value at the date of donation. Favor has a policy of capitalizing expenditures for property and equipment with costs greater than $1,000. Depreciation is provided using the straight-line method over the estimated useful lives. The Organization's computer and equipment, and its vehicle, are depreciated over a useful life of three years.

If donors stipulate how long the assets must be used or restrict the use of such assets for a specific purpose, the contributions are recorded as restricted support. In the absence of such stipulations, gifts of property are recorded as unrestricted support.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing Favor's programs and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Natural expenses directly attributable to a specific functional area of the Organization are reported as direct expenses of those functional areas. Personnel expenses are indirect costs that benefit multiple functional areas and have been allocated among the functional areas based on time and effort spent by employees.

Summarization of Certain 2023 Information

The financial information for the year ended December 31, 2023, presented for comparative purposes, is not intended to be a complete presentation.

Federal Income Tax

Favor is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Management has evaluated Favor's tax position and concluded that no uncertain tax positions have been taken that would require adjustment to the financial statements to comply with the provisions of the Income Tax Topic of the FASB ASC. With few exceptions, the Organization is subject to income tax examinations for up to three years after tax returns are filed.

Subsequent Events

The Organization evaluated subsequent events through May 5, 2025, the date the financial statements were available for issue.

NOTE 3 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Favor's current financial assets available for general expenditures, that is, without donor imposed or other restrictions limiting their use, within one year of the Statement of Financial Position date as of December 31 were as follows:

	December 31,	
	2024	**2023**
Current financial assets at year end		
Cash	$1,138,795	$ 250,630
Less amount not available for general use withing one year		
Net assets with donor restrictions	81,905	136,227
Net assets with time restrictions to be met in less than a year	–	–
	81,905	136,227
Current financial assets available to meet cash needs for general expenditures within one year	$1,056,890	$ 114,403

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist as of December 31 as follows:

	December 31, 2024	December 31, 2023
Computer and equipment	$ 19,446	$ 13,892
Motor vehicle	6,500	6,500
Buildings	456,034	456,034
	481,980	476,426
Less accumulated depreciation	(40,691)	(24,911)
Total property and equipment, net	$ 441,289	$ 451,515

Depreciation expense was approximately $16,000 for the years ended December 31, 2024 and 2023.

NOTE 5 LOANS PAYABLE

Favor received a $300,000 non-interest-bearing loan from a related party in December 2022. This loan, which was due to mature in March 2023, was paid back in full in January 2023. The proceeds from the loan were used to purchase property.

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were as follows as of December 31:

	December 31, 2024	December 31, 2023
Subject to purpose		
Bible distribution	$ 40,151	$ 81,227
Community Revitalization (REEP):Chad Missions Stations	41,754	35,000
Community Revitalization (REEP):Water Wells	–	20,000
	$ 81,905	$ 136,227

NOTE 7 RELATED PARTY TRANSACTIONS

Favor's Executive Director is also the Executive Director of three closely related organizations, Favor of God Ministries (Uganda) and Favour Africa Ministries International (South Sudan and Chad), the Africa Ministry Organizations. Her salary and benefits compensation is fully paid by Favor International. Miscellaneous support (e.g. in-country housing & local transportation) is directly provided & arranged by the Africa Ministry Organizations commensurate with allocation of the Executive Director's time in-country and spent fulfilling the purpose of each of the relevant organizations.

The majority of Favor's program expenses are ultimately fulfilled through the operation of the Africa Ministry Organizations as established by Favor. These expenses are included on the Statement of Functional Expenses.

In 2022, the Organization also received a loan, described in more detail in Note 5, *Loans Payable*, from a related party. This loan was repaid in full in January 2023.

NOTE 8 CREDIT AND FUNDING CONCENTRATION

Financial instruments that potentially subject Favor to concentrations of credit risk consist primarily of bank deposits. Favor mitigates this risk through the use of an insured cash sweep network of its main bank deposit account to maintain a guarantee that balances do not exceed federally insured limits in that account. Through the normal course of business, Favor will transfer funds to its other bank accounts, and, at times, these account balances may exceed federally insured limits. Favor has not experienced any losses on such accounts, and believes it is not exposed to any significant risk on bank deposit accounts.

The Organization also receives a significant portion of its funding from a small number of funding sources. Approximately 30% and 26% of Favor's 2024 and 2023 contributions were received from a private foundation.