



Dear Friend,

Thank you so much for your interest in Restavek Freedom's work to end the system of child slavery in Haiti within our lifetime! As you requested, attached you will find our 2023 Freedom Report along with our audited Financial Statement (which includes our net assets).

As evidenced by our four-star rating from Charity Navigator, we value financial integrity and accountability. Should you have any questions, feel free to contact me at [emily@restavekfreedom.org](mailto:emily@restavekfreedom.org).

Best Regards,

Emily Vilardo  
Communications Specialist

[www.restavekfreedom.org](http://www.restavekfreedom.org)

*Restavek Freedom is a 501(c)3 Organization  
and your donation is tax deductible.*

*No goods or services were received in  
connection with this gift.*



11160 Kenwood Road, Cincinnati, OH 45242 | 513.475.3710

**100%** OF YOUR DONATION GOES DIRECTLY TO  
OUR PROGRAMS TO END CHILD SLAVERY IN HAITI





# Freedom Report

2023 VOLUME I





**If you've seen the news,  
or if you've received one  
of our letters or emails this  
past year, you know that  
Haiti is suffering right now.**

But the issue of restavek still remains, and as you'll see across these pages, our team in Haiti has been working hard to continue helping children and serving communities in the face of these new challenges.

Instead of feeling defeated by the things they can't do, **our team has been focusing intently on the things they can.**

Like opening a new child advocacy office in Cap-Haitien, which has enabled our team to serve all three major cities in Haiti and to help even more children in restavek who do not have the support or opportunities they need to grow and thrive.

And launching a community resiliency program in Port Salut in partnership with Woord en Daad, which is teaching communities how to construct infrastructure that can withstand earthquake and hurricane events. Through this program, communities are also learning agroforestry and how to plant and protect young fruit-bearing trees.

Meanwhile, enthusiasm for our Justice Curriculum continues to grow as more churches bring people together for extensive training. (In fact, the Justice Curriculum has been so successful, we are developing a program for schools to use across Haiti later this year.)

A major emphasis of our work has always been to relieve the suffering of children trapped in restavek through child advocacy. However, to end the widely accepted cultural practice of restavek, **we must also work to change the hearts and minds of the people in the communities where it thrives.**

Through our Justice Curriculum Training, Learning Centers, and other community programs in Haiti, people have the opportunity to better understand the issue of restavek and realize their potential to help end it for good.

Our team in Haiti is working hard toward this vision, but they need our support to keep doing this work.

**Will you continue to stand with us?**

With courage and gratitude,



Ray Conn

*Board Chair & President*

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In the midst of an unstable political climate, social unrest and economic turbulence, Haiti is currently facing one of the most serious child protection crises in its history, because the problem is multifaceted.

*Marcenat R.*  
Justice Training Participant

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## When Luckens joined the Restavek Freedom team last year, he was no stranger to the issue of restavek.

In addition to working as a civil engineer, Luckens served as a volunteer working with at-risk children for five years before becoming a child advocate with Restavek Freedom.

“After seeing the situation of children’s lives in Hinche during an evangelistic tour in 2017, I volunteered to help them, because **no child deserves to live without an education, or even without love, or without any support,**” Luckens shared.

But Luckens also has a more personal reason for working with children in restavek. “My father lived all his childhood with an uncle who not only did not help him in his studies, but made him work hard without pay,” Luckens explained. **“I promised myself that I would never**

# CREATING A BETTER FUTURE

## *Staff Spotlight: Meet Luckens*

**let my child go through this situation, but when I understood that I could help dozens of children to get out of this life of slavery, I immediately understood that it was a vocation to pursue.”**

For Luckens, an average day at the office is often spent out of the office. As a child advocate, he conducts school visits regularly, meets with children and families at their homes when possible, and supervises lessons through Restavek Freedom’s tutoring program.

When asked what he enjoys most about working with Restavek Freedom, Luckens said it is the feeling of fulfilling a social duty – of “getting involved in creating a better future for a special social group, and above all the pleasure of feeling appreciated and admired by the children.”

**But this work isn’t easy, and many days are hard.** “My experience with Restavek Freedom has shown me how much the restavek system can hurt a child, and sometimes we [child advocates] feel the sadness of the child take place in us,” Luckens said. “This is where it becomes hardest.”

In addition to working as a full-time child advocate for Restavek Freedom, Luckens is also studying law at the State University of Haiti. “I want to acquire the legal knowledge necessary to better defend the rule of law and social justice in Haiti,” he said.

**We are so thankful to have strong-hearted people like Luckens on our team** to help fight for social justice and show the children we serve that they are not alone. To learn more about Luckens and our team in Haiti, visit [restavekfreedom.org](http://restavekfreedom.org).

# MOVING FORWARD



*Over 1,000 adults graduated from our 6-week Justice Training over the past year.*

As you read in Ray's letter on page 2, Haiti is in a place of difficulty and suffering right now. It has been very hard to move around the country, and we have had to be flexible in the running of many of our well-established programs.

Even so, **we have seen exciting momentum** in programs such as our Justice Trainings and the expansion of our offices outside of Port-au-Prince.

Homes and community centers are being built, adults are learning to read and write, and children are being tutored between their classes. **We are even going to be able to host many of our summer camps this year!**

Hope is here, and Restavek Freedom isn't going anywhere.



One of our new areas, Saint Michel



"The restavek system in Haiti is protected by the weakness of the state and also by the standard of living of the population, it takes a lot of effort to fight it but we can do it."

*Valmont D.,*  
Justice Training Participant



Food and hygiene kit distribution

Child Advocate Alex and three of his students



Building projects at Compeche school



Literacy





# HEALING & HOPE



*Wilder's Story*

## **Wilder\* entered Restavek Freedom's child advocacy program in the fall of 2020, when he was in second grade.**

That school year came and went, and so did summer vacation – but a year after Wilder joined the program, he began to fall ill.

**When classes reopened for the 2021-22 school year, Wilder was nowhere to be found.** He was absent for school, but no one knew why. Noting his absence, child advocates in Les Cayes were motivated to find him. After lots of research, they learned that Wilder had gone to the countryside to live with his father.

Child advocates were determined to make sure Wilder was okay, and **they searched for him for three days before they finally found him.** When they did, they saw that he was very sick and had grown very thin. They immediately connected him with medical attention, and he went with his family to the hospital for lab tests and care. When the test results came back, they brought difficult news: Wilder tested positive for HIV/AIDS.

*\*pseudonym*

Luc, Wilder's child advocate, spoke with his family to help them understand the meaning of this diagnosis and their role in helping Wilder get well. The doctors showed Wilder how to take his medication and scheduled follow-up appointments to ensure he would have the medical care he needed moving forward.

**"If it were not for [Restavek Freedom], Wilder would have died," his parents said.**

Now, Wilder is doing much better.

"Wilder is in good health," said Luc. "He is back in school, and we are always close to him to give him advice at all levels, as well as food and hygiene kits. He and his parents are very satisfied with this progression in health and are grateful to the leaders of Restavek Freedom for their support and enthusiasm toward him."

*Support from friends like you equips our team in Haiti with the resources they need to advocate and care for children like Wilder who need help now. To learn more and get involved, visit [restavekfreedom.org](https://restavekfreedom.org).*



# KIDS IN ACTION



*On a mission for freedom*

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When Jane Bauer began researching slavery for her adult discussion group at Jerusalem Presbyterian Church in Wisconsin, **she was surprised and horrified to discover that there are children in Haiti who are trapped in slavery today.**

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The KIAs: Zach Schultz, Makenzie Zywicki, Sydney Parsons, Lily Schultz, Chase Parsons, Reese Parsons and their teacher, Jane Bauer

When Jane discovered the mission and work of Restavek Freedom, she felt compelled to share this issue with the church's youth group – the Kids in Action (KIAs) – as well.

“I wanted my young people to know about others like themselves who were experiencing this kind of life,” Jane recalls.

**Moved and motivated by what they had learned, the KIAs sprang into action.** The group collected a small donation to send to Restavek

Freedom, and after receiving a response of gratitude, they felt compelled to do even more. “Hearing from Restavek Freedom directly really meant a lot to our kids,” said Jane.

Fast-forward to the summer months, and the KIAs – who don't usually meet during the summertime – were **presented with a unique challenge: every week for the entire summer, they were to record something they had done that would make God smile.** In solidarity with the kids, Jane committed to donating a dollar for

each moment that each child wrote down.

At the end of the summer, when all the moments and dollars had been tallied up, it was the children's turn to issue a challenge, this time to the congregation: if any member wanted to match what had been raised by the kids, the KIAs would be delighted to receive those donations.

**When all was said and done, the KIAs raised a remarkable \$1,500 to help Restavek Freedom provide support services and programs to children in Haiti trapped in restavek.** "You can imagine the excitement of the kids, ages ten to fourteen, in being able to do something like that!" remarked Jane.

And you can imagine the amazement of Restavek Freedom, too! **Thank you to the big-hearted Kids in Action at Jerusalem Presbyterian Church for making a difference for children in Haiti!**

# GET INVOLVED

Are you interested in learning more about the issue of restavek and ways to get involved? **Invite Restavek Freedom to come speak to your group!**

Whether it's your book club, faith group, class, worship service, or another group gathering, we love opportunities to speak with big-hearted people about ending child slavery in Haiti during our lifetime.

We'll discuss the issue of restavek, what Restavek Freedom is doing to help, and ways you and your group can help build pathways to freedom.

Contact us today at (513) 475-3710 to learn more!







## RESTAVEK FREEDOM

11160 Kenwood Road  
Cincinnati, OH 45242

restavekfreedom.org  
513.475.3710

# Thank you

Thank you for **giving your time, energy and resources** to help give children who have been sent to live in restavek HOPE for their future.

Thank you for giving families who are **desperate to keep their children home** the skills they need to do so.

Thank you for giving communities throughout Haiti the **awareness and tools they need to be champions for vulnerable children** in their own neighborhood.

**Without your commitment to the people of Haiti, none of this would be possible.**



## **Restavek Freedom 2023 Board of Directors**

- Ray Conn, President and Founder
- Joan Conn, Executive Director and Founder
- Christine Lee Buchholz, Secretary
- Benjamin Hautt, Treasurer
- Christina Guérin, Director
- Steve Bosman, Director
- Randy Landis, Director



**Restavek Freedom Foundation**

**Financial Statements**

**Year Ended December 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Restavek Freedom Foundation

**Opinion**

We have audited the accompanying financial statements of Restavek Freedom Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 Restavek Freedom Foundation as of December 31, 2021, 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 Restavek Freedom Foundation 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.

**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 Restavek Freedom 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**

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 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.

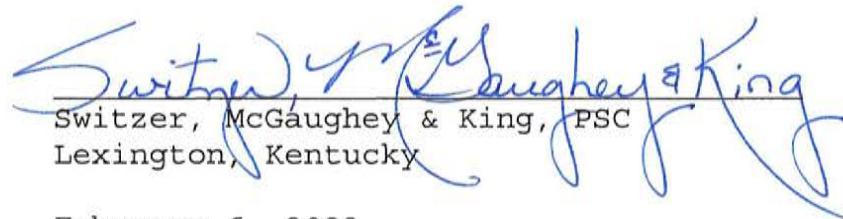
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 Restavek Freedom 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Restavek Freedom Foundation'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.

  
Switzer, McGaughey & King, PSC  
Lexington, Kentucky

February 6, 2023

RESTAVEK FREEDOM FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 208,770
Cash and Cash Equivalents - Board Designated	750,000
Investments	922,534
Other Receivables (net of allowance of \$16,782)	<u>58,800</u>

Total Current Assets 1,940,104

Fixed Assets:

Land and Buildings	3,582,162
Vehicles	408,804
Office Equipment	49,906
Other Equipment	<u>52,262</u>
	4,093,134
Less Accumulated Depreciation	<u>(495,516)</u>
Fixed Assets, Net	3,597,618

Total Assets \$5,537,722

LIABILITIES & NET ASSETS

Current Liabilities:

Accounts Payable	\$ 20,562
Accrued Payroll	<u>16,174</u>

Total Current Liabilities 36,736

Net Assets:

Net Assets without Donor Restrictions	5,344,390
Net Assets with Donor Restrictions	<u>156,596</u>

Total Net Assets 5,500,986

Total Liabilities and Net Assets \$5,537,722

See Independent Auditor's Report and Accompanying Notes

RESTAVEK FREEDOM FOUNDATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Revenues, Gains &amp; Other Support:</u>			
Contributions of Cash and Other Financial Assets	\$2,939,530	\$ 477,427	\$3,416,957
Other Income	24,389	--	24,389
Dividend & Interest Income, net	9,343	--	9,343
Gain on Investments	7,122	--	7,122
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	<u>578,584</u>	<u>(578,584)</u>	<u>--</u>
 Total Revenues, Gains & Other Support	 3,558,968	 (101,157)	 3,457,811
 <u>Expenses:</u>			
Program Services:			
Child Advocacy	849,511	--	849,511
Awareness	120,422	--	120,422
Rural Community Programs	145,874	--	145,874
Bridge Scholarship Program	165,243	--	165,243
Pwoteje	470,305	--	470,305
Other Program Development	758,108	--	758,108
Supporting Services:			
Management & General	279,372	--	279,372
Fundraising	<u>149,280</u>	<u>--</u>	<u>149,280</u>
 Total Expenses	 <u>2,938,115</u>	 <u>--</u>	 <u>2,938,115</u>
 Change in Net Assets	 620,853	 (101,157)	 519,696
Net Assets, Beginning of Year	<u>4,723,537</u>	<u>257,753</u>	<u>4,981,290</u>
 Net Assets, End of Year	 <u>\$5,344,390</u>	 <u>\$ 156,596</u>	 <u>\$5,500,986</u>

See Independent Auditor's Report and Accompanying Notes



RESTAVEK FREEDOM FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Child Advocacy	Awareness	Rural Community Program	Pwoteje	Scholarship Program	Other Program Development	Total Program	Management & General	Fundraising	Total
Tuition & Education	\$574,556	\$ --	\$ 6,725	\$ 9,909	\$ 64,891	\$ 76,267	\$ 732,348	\$ --	\$ --	\$ 732,348
Travel:										
Transportation to/from and in Haiti	23,298	3,355	--	23,701	7,226	16,701	74,281	3,105	87	77,473
Lodging/Housing	2,467	8	--	13,312	760	2,763	19,310	830	8	20,148
Miscellaneous	--	--	--	--	--	--	--	--	--	--
Construction & Labor	583	--	64,253	525	5,543	59,250	130,154	3,479	--	133,633
Food & Beverage										
Distribution	14,062	611	4,635	8,844	423	29,500	58,075	1,251	306	59,632
Staffing Costs	147,345	54,427	18,569	348,836	17,233	207,032	793,442	59,588	125,428	978,458
Supplies	3,515	1,620	6,978	2,533	711	30,862	46,219	2,269	1,832	50,320
Occupancy Costs	19,419	--	13,295	30,900	7,700	65,432	136,746	9,464	--	146,210
Utilities	7,069	1,739	346	9,430	4,641	14,162	37,387	6,822	2,593	46,802
Office, Meeting & Other Funding Other Organizations	4,637	266	5,327	8,315	13	4,846	23,404	12,514	2,943	38,861
Depreciation	--	--	--	--	--	11,688	11,688	--	--	11,688
Organizational Expenses	15,091	--	25,746	4,679	--	45,411	50,090	2,539	--	52,629
Website	--	26,000	--	1,228	55,830	171,077	268,972	54,114	--	323,086
Marketing	750	--	--	850	--	--	26,000	20,060	--	46,060
Processing Fees	--	6,748	--	300	--	--	1,600	203	7,100	8,903
Professional Fees	35,233	580	--	5,578	272	150	7,198	6,919	6,274	20,391
Software	197	1,239	--	56	--	917	55,724	56,198	829	112,751
Bad Debt	--	--	--	--	--	--	2,409	20,054	1,387	23,850
Postage & Printing	1,289	23,829	--	--	--	--	---	16,782	--	16,782
				1,309	--	7,989	34,416	3,181	493	38,090
Total Expense	\$849,511	\$120,422	\$145,874	\$470,305	\$165,243	\$758,108	\$2,509,463	\$279,372	\$149,280	\$2,938,115

See Independent Auditor's Report and Accompanying Notes.

RESTAVEK FREEDOM FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Cash Flow from Operating Activities:

Increase in Net Assets	\$ 519,696
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	52,629
Realized & Unrealized Gain on Investments, net	(15,421)
Contributions of Securities	(38,298)
Change in Operating Assets:	
Other Receivables	(24,510)
Change in Operating Liabilities:	
Accounts Payable	20,562
Accrued Payroll	<u>10,250</u>
Net Cash Provided by Operating Activities	524,908

Cash Flow from Investing Activities:

Purchase of Fixed Assets	(2,078,470)
Sale of Investments	<u>500,000</u>
Net Cash Used in Investing Activities	<u>(1,578,470)</u>
Decrease in Cash	(1,053,562)
Cash and Cash Equivalents at Beginning of Year	<u>2,012,332</u>
Cash and Cash Equivalents at End of Year	<u>\$ 958,770</u>

Supplemental Disclosures:

Cash Paid for Interest Expense	\$ <u>    --</u>
Cash Paid for Income Taxes	\$ <u>    --</u>

See Independent Auditor's Report and Accompanying Notes

RESTAVEK FREEDOM FOUNDATION  
NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2021

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Restavek Freedom Foundation (the Organization) exempt purpose is to help the population of former, current and potential restavecs, the majority of whom are located in Port au Prince, Haiti. By receiving and disbursing donations, money will be available to secure necessary educational supplies and medical supplies for Haitian children living in poverty, unable to attend school or to receive the most basic of hygienic and medical care.

In 2021, the Organization was supported through donor contributions. The officers of the Organization contributed approximately 6% of the Organization's support in 2021. The Organization is a 501(c)(3) non-profit corporation.

Revenue Recognition

The Organization adopted ASC 606 using the modified retrospective method applied to all contracts not completed as of January 1, 2019. Results for reporting periods beginning after January 1, 2019 are presented under ASC 606 while prior period amounts continue to be reported in accordance with legacy guidance found within generally accepted accounting principles.

While the majority of the Organization's contribution revenue consists of charitable giving with no expectation of goods or services in return, the Organization does receive grants from private organizations that are reimbursable in nature. Therefore, in order to receive grant funding in these instances, the Organization has an obligation to spend resources within the guidelines of the grant and to provide the necessary documented support to the grantor in order to receive reimbursement funding. The grants consist entirely of conditional contributions and not exchange transactions and therefore do not fall within the scope of ASC 606.

The Organization's other sources of revenue primarily consist of investment income and currency translation gains and losses, which are not subject to the provisions of ASC 606.



RESTAVEK FREEDOM FOUNDATION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
DECEMBER 31, 2021

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

Contributions are recognized when received. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are 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.

Grantors that previously provided promises to give have since changed their grants to expense reimbursements. The Organization now receives reimbursements on these grants based on money expended and therefore, no grant receivable is recorded as of December 31, 2021.

Contributed Services

During the year ended December 31, 2021, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization. The Organization receives more than 3,000 volunteer hours per year.

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.

Financial Statement Presentation

Under the Accounting Standards Update (ASU) No. 2016-14, *Financial Statements of Not-for-Profit Entities*, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

RESTAVEK FREEDOM FOUNDATION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
DECEMBER 31, 2021

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Under ASU No. 2016-14, *Financial Statements of Not-for-Profit Entities*, contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the absence or existence of any donor restrictions.

Also, under ASU No. 2018-18, receipts of unconditional promises to give with payments due in future periods have been reported as net assets with donor restrictions.

Income Taxes

The Organization is a not-for-profit organization exempt from taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization did not have 2021 income subject to unrelated business income tax on Form 990-T.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all bank balances, uninvested cash balances and highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are recorded at fair value based on available market values at year end. Unrealized and realized gains and losses are recorded in the Statement of Activities.

Fixed Assets

Fixed assets are recorded at cost if purchased or fair value if contributed. Depreciation is determined on the straight-line basis over the estimated useful lives of the assets. The fixed assets owned by the foundation are all in use in Haiti. The Organization normally capitalizes fixed assets that have lives over one year and a cost basis in excess of \$5,000.

RESTAVEK FREEDOM FOUNDATION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
ECEMBER 31, 2021

NOTE B - RESTRICTIONS ON NET ASSETS

During 2019 the organization received \$436,137 in contributions with donor restrictions and spent \$130,611 of those contributions during 2019 leaving \$305,526 remaining in net assets with donor restrictions as of December 31, 2019.

During 2020, the Organization received \$475,920 in contributions with donor restrictions and spent \$523,693 in donor restricted funds, leaving \$257,753 remaining in net assets with donor restrictions as of December 31, 2020.

During 2021, the Organization received \$477,427 in contributions with donor restrictions and spent \$578,584 in donor restricted funds, leaving \$156,596 remaining in net assets with donor restrictions as of December 31, 2021.

During 2020, the Board designated \$400,000 for capital projects and \$200,000 for the Brigade for the Protection of Minors Program for future expenses. These funds were used for the designated purposes in 2021.

During 2021, the Board designated \$750,000 for future capital projects.

NOTE C - INVESTMENTS

At December 31, 2021, the fair value of investments consisted of the following:

Common Stock	
Entertainment	\$ 7,125
Industrial	9,282
Information Technology	14,074
Financial Services	16,790
Healthcare	22,095
Consumer Products	30,960
Exchange Traded Funds	585
Mutual Funds	
Non-Directional	12,570
Fixed Income Bonds	282,375
Uninvested Cash	<u>526,678</u>
Total	<u>\$ 922,534</u>

RESTAVEK FREEDOM FOUNDATION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
DECEMBER 31, 2021

NOTE C - INVESTMENTS (CONTINUED)

Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Organization's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

This guidance establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes here levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date. The fair values of debt and equity investments that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges.
- Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that is observable or can be observable market data.
- Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

All of the Organization's investments, which include cash, equities and mutual funds and total \$925,534 as of December 31, 2021, are classified Level 1. The fair values of these investments are based upon quoted prices for identical assets in active markets that the entity has the ability to access as of the measurement date.



RESTAVEK FREEDOM FOUNDATION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
DECEMBER 31, 2021

NOTE C - INVESTMENTS (CONCLUDED)

Investment expenses are typically not a material amount and are netted with dividend and interest income in the Statement of Activities. Investment expenses were \$-0- for the year ended December 31, 2021.

NOTE D - LIQUIDITY

Liquidity and Availability of Assets

The Organization's assets available within one year of the balance sheet date for general expenditures are as follows:

Cash and Cash Equivalents	\$ 208,770
Investments	922,534
Other Receivables	<u>58,800</u>
	<u>\$1,190,104</u>

Availability of Organization's Financial Assets

Restavek Freedom Foundation has not adopted a formal liquidity management plan. The Organization continually reviews its financial assets and assesses if these financial assets are sufficient to meet cash needs for general expenditures. The Organization's cash and cash equivalents, as well as investments on hand at year end, are highly liquid and are available to meet the operating needs of the Organization for the next twelve months. There are no restrictions by donors or others on these assets that would preclude their use in funding the Organization's continued operations.

NOTE E - OTHER RECEIVABLES

The Organization routinely makes payroll advances to employees in Haiti for immediate financial needs such as medical emergencies, natural disasters and other personal needs. These loans are generally repaid through payroll deductions or other defined repayment terms. Advances are made at the discretion of the board president. As of December 31, 2021 the balance of employee advances receivable was \$62,281 less an allowance for doubtful accounts of \$16,782. Amounts are included in the allowance based on specific identification of employees that are no longer employed and therefore no method for collection is available.

RESTAVEK FREEDOM FOUNDATION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
DECEMBER 31, 2021

NOTE E - OTHER RECEIVABLES (Concluded)

Also included in Other Receivables are \$13,301 of expenses paid on behalf of a related non-profit organization.

NOTE F - METHODS USED FOR ALLOCATION OF EXPENSES FROM MANAGEMENT AND GENERAL ACTIVITIES

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Those expenses include depreciation, travel expense, salary and contract services, occupancy costs, information technology and website expense and other supplies and fees. Depreciation and occupancy costs are allocated based on square footage and on specific use for depreciable tangible personal property. Salaries and contract services are allocated based on estimates of time and effort expended. Information technology and website expense are allocated based on estimates of specific use by function or activity. Supplies and fees are allocated based on direct use or relationship to an activity. Travel costs to and from Haiti are allocated based on the primary purpose of specific travel on a case by case basis.

NOTE G - PROMISES TO GIVE

The only promises to give relates to individual donors who are making monthly payments to the Sponsor a Child program. There are no pledges to the Foundation that are for longer than one year.

NOTE H - CONCENTRATIONS

Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk are primarily cash and cash equivalents and accounts receivable. The Organization's cash deposits are in financial institutions in Ohio and Haiti and may at times exceed federally insured amounts. The Organization performs ongoing evaluations of their donors. Although the Organization is directly affected by the wellbeing of the economy in general, management does not believe significant credit risk exists at December 31, 2021.

RESTAVEK FREEDOM FOUNDATION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
DECEMBER 31, 2021

NOTE H - CONCENTRATIONS (Concluded)

Concentration of Credit Risk (Concluded)

Included in the Organization's Statement of Financial Position at December 31, 2021 are the net assets of the Organization's operating facilities in Haiti which total approximately \$3.6 million.

NOTE I - LEASES

The Organization is subject to year-to-year lease agreements for residential, office and educational space in Haiti. A one year lease agreement for the Port au Prince Transitional home was signed in September 2020 at which time rent of \$14,400 was pre-paid for that term. A one-year lease agreement for office space was renewed in January 2021 at which time annual rent of \$45,600 was paid. In January 2022, this agreement was renewed for an additional year at an annual rate of \$45,600. A one-year lease agreement for educational space was signed in December 2020 at which time annual rent of \$8,400 was paid. Therefore, no future minimum lease payments exist as of December 31, 2021.

The Organization has also signed an agreement with a vendor for use of hosted website applications including general ledger and online giving portals. The Organization agreed to a minimum annual renewal fee of \$27,548 per year for three additional years beginning in March 2016. This original agreement expired in March 2019 at which time the agreement was renewed for an additional three years at \$13,121 per year.

Total rent expense for 2021 was \$148,737 and is included in occupancy costs on the Statement of Functional Expenses.

NOTE J - COMPENSATION POLICY

The Organization's management decided that all officers, directors and direct family members of the officers and directors would serve the organization without compensation during 2021.

NOTE K - FOREIGN CURRENCY TRANSACTIONS

The Organization's operations in Haiti often require transactions to be converted from U.S. dollars to Haitian Gourde and vice versa.

RESTAVEK FREEDOM FOUNDATION  
NOTES TO THE FINANCIAL STATEMENT (CONCLUDED)  
DECEMBER 31, 2021

NOTE K - FOREIGN CURRENCY TRANSACTIONS (Concluded)

During 2021, the Organization recognized a gain on currency translation of \$23,413 which is included in Other Income on the Statement of Activities.

It is typical for currency transactions to fluctuate daily, however due to political and economic conditions in Haiti, the average exchange rate has increased from 100 Haitian Gourde to 1 U.S. Dollar at 12/31/21 to 150 Haitian Gourde to 1 U.S. Dollar as of February 6, 2023.

NOTE L - SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 6, 2023, which is the date that the financial statements were available to be issued.