Heart for Africa, Inc.
and Consolidated Entity

Report on Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

Heart for Africa, Inc. and Consolidated Entity

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Independent Auditor's Report

To the Board of Directors
Heart for Africa, Inc.
Roswell, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Heart for Africa, Inc. and its consolidated entity, Heart for Africa Swaziland (collectively, the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the "financial statements").

In our opinion, based on our audits and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Heart for Africa Swaziland, a consolidated entity whose statements reflect total assets constituting 88% and 74%, respectively, of consolidated total assets as of December 31, 2025 and 2024, and total revenue and support after eliminations constituting 31% and 28%, respectively, of consolidated total revenues for the years then ended. Those statements, which were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, were audited by other auditors, whose report has been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of Heart for Africa Swaziland, which conform those financial statements to accounting principles generally accepted in the United States of America. Our opinion, insofar as it relates to the amounts included for Heart for Africa Swaziland, prior to those conversion adjustments, is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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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 the Organization'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 GAAS 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 GAAS, 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 the Organization'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 the Organization'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 Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations and changes in net assets of the individual entities, and it is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2025 financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information, which insofar as it relates to Heart for Africa Swaziland, is based on the report of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Chattanooga, Tennessee
November 6, 2026

Heart for Africa, Inc. and Consolidated Entity

Consolidated Statements of Financial Position

As of December 31, 2025 and 2024

	2025	2024
Assets		
Current assets		
Cash and cash equivalents	$ 1,280,205	$ 2,225,723
Other receivables	77,654	36,436
Promises to give	71,000	549,500
Investments, at fair value	4,083	258
Inventory	58,580	33,958
Total current assets	1,491,522	2,845,875
Property and equipment, net	9,778,085	7,646,041
Total assets	$ 11,269,607	$ 10,491,916
Liabilities and Net Assets		
Current liabilities		
Bank overdraft	$ 167,022	$ -
Accounts payable and accrued expenses	243,904	294,270
Reserve for Employee Retention Credits	164,724	164,724
Total current liabilities	575,650	458,994
Net assets		
Without donor restrictions	9,775,388	7,256,139
With donor restrictions	918,569	2,776,783
Total net assets	10,693,957	10,032,922
Total liabilities and net assets	$ 11,269,607	$ 10,491,916

See Notes to Consolidated Financial Statements

Heart for Africa, Inc. and Consolidated Entity

Consolidated Statement of Activities and Changes in Net Assets

For the year ended December 31, 2025

	Without donor restrictions	With donor restrictions	Total
Revenue and support			
Contributions	$ 2,708,611	$ 1,916,413	$ 4,625,024
Noncash donations	437,003	-	437,003
Special events revenue, net of direct costs of $14,489	4,269	-	4,269
Jewelry and farm sales	827,957	-	827,957
Other income	146,319	-	146,319
	4,124,159	1,916,413	6,040,572
Net assets released from restrictions	3,774,627	(3,774,627)	-
Total revenue and support	7,898,786	(1,858,214)	6,040,572
Expenses			
Program services	4,917,220	-	4,917,220
Supporting services:			
Management and general	952,911	-	952,911
Fundraising	548,737	-	548,737
Total supporting services	1,501,648	-	1,501,648
Total expenses	6,418,868	-	6,418,868
Change in net assets before currency translation adjustment	1,479,918	(1,858,214)	(378,296)
Currency translation adjustment	1,039,331	-	1,039,331
Change in net assets	2,519,249	(1,858,214)	661,035
Net assets, beginning of year	7,256,139	2,776,783	10,032,922
Net assets, end of year	$ 9,775,388	$ 918,569	$ 10,693,957

See Notes to Consolidated Financial Statements

Heart for Africa, Inc. and Consolidated Entity

Consolidated Statement of Activities and Changes in Net Assets

For the year ended December 31, 2024

	Without donor restrictions	With donor restrictions	Total
Revenue and support			
Contributions	$ 2,409,364	$ 2,962,908	$ 5,372,272
Noncash donations	648,959	-	648,959
Special events revenue, net of direct costs of $674,269	(674,269)	1,159,500	485,231
Jewelry and farm sales	846,213	-	846,213
Other income	180,596	-	180,596
	3,410,863	4,122,408	7,533,271
Net assets released from restrictions	3,070,614	(3,070,614)	-
Total revenue and support	6,481,477	1,051,794	7,533,271
Expenses			
Program services	4,847,584	-	4,847,584
Supporting services:			
Management and general	796,346	-	796,346
Fundraising	442,121	-	442,121
Total supporting services	1,238,467	-	1,238,467
Total expenses	6,086,051	-	6,086,051
Change in net assets before currency translation adjustment	395,426	1,051,794	1,447,220
Currency translation adjustment	(187,928)	-	(187,928)
Change in net assets	207,498	1,051,794	1,259,292
Net assets, beginning of year	7,048,641	1,724,989	8,773,630
Net assets, end of year	$ 7,256,139	$ 2,776,783	$ 10,032,922

See Notes to Consolidated Financial Statements

Heart for Africa, Inc. and Consolidated Entity

Consolidated Statement of Functional Expenses

For the year ended December 31, 2025

		Supporting services		
	Program services	**Management and general**	**Fundraising**	**Total**
Salaries and wages	$ 1,672,303	$ 320,899	$ 280,675	$ 2,273,877
Project grants	1,557,446	-	-	1,557,446
Trip expenses	92,193	-	-	92,193
Advertising	-	-	18,989	18,989
Banking and financial expenses	-	27,926	-	27,926
Office expenses	34,378	114,534	12,726	161,638
Professional and contract labor	-	68,585	-	68,585
Fundraising and development fees	-	-	172,086	172,086
Direct cost of sales	306,911	-	-	306,911
Occupancy	342,041	264,166	-	606,207
Employee benefits	54,337	39,836	19,753	113,926
Payroll taxes	45,907	19,080	16,688	81,675
Depreciation	434,885	24,052	1,165	460,102
Travel and meetings	64,305	26,727	23,377	114,409
Repairs and maintenance	146,671	-	-	146,671
Motor vehicles and transport	121,747	-	-	121,747
Miscellaneous	44,096	47,106	3,278	94,480
	$ 4,917,220	$ 952,911	$ 548,737	$ 6,418,868

See Notes to Consolidated Financial Statements

Heart for Africa, Inc. and Consolidated Entity

Consolidated Statement of Functional Expenses

For the year ended December 31, 2024

	Program services	Supporting services: Management and general	Supporting services: Fundraising	Total
Salaries and wages	$ 1,153,341	$ 478,084	$ 215,384	$ 1,846,809
Project grants	2,020,047	26,688	-	2,046,735
Trip expenses	145,299	-	-	145,299
Advertising	-	-	15,122	15,122
Banking and financial expenses	-	10,146	-	10,146
Office expenses	50,542	133,207	10,413	194,162
Professional and contract labor	-	51,394	-	51,394
Fundraising and development fees	-	-	161,780	161,780
Direct cost of sales	399,338	-	-	399,338
Occupancy	196,700	1,745	-	198,445
Employee benefits	48,930	30,847	10,975	90,752
Payroll taxes	50,128	22,490	15,209	87,827
Depreciation	356,461	20,052	988	377,501
Travel and meetings	112,391	15,344	10,376	138,111
Repairs and maintenance	85,726	-	-	85,726
Motor vehicles and transport	134,088	-	-	134,088
Miscellaneous	94,593	6,349	1,874	102,816
	$ 4,847,584	$ 796,346	$ 442,121	$ 6,086,051

See Notes to Consolidated Financial Statements

Heart for Africa, Inc. and Consolidated Entity

Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

	2025	2024
Operating activities		
Change in net assets before currency translation adjustment	$ (378,296)	$ 1,447,220
Adjustments to reconcile change in net assets before currency translation adjustment to net cash flows from operating activities:		
Depreciation	460,203	377,501
Gain on sale of property and equipment	(3,080)	(7,797)
Noncash contribution of investment securities	(89,735)	(367,662)
Changes in operating assets and liabilities:		
Other receivables	(112,635)	39,140
Promises to give	478,500	(106,197)
Prepaid expenses	-	203,676
Inventory	(135,192)	(47,724)
Accounts payable and accrued expenses	(64,050)	78,793
Reserve for Employee Retention Credits	-	(46,750)
Net cash flows from operating activities	155,715	1,570,200
Investing activities		
Proceeds from sale of investment securities	85,910	367,662
Proceeds from sale of property and equipment	1,476	17,325
Purchase of property and equipment	(1,492,033)	(1,154,629)
Net cash flows from investing activities	(1,404,647)	(769,642)
Financing activities		
Bank overdraft	148,232	-
Effect of exchange rate changes on cash and cash equivalents	155,182	96,680
Net change in cash and cash equivalents	(945,518)	897,238
Cash and cash equivalents, beginning of year	2,225,723	1,328,485
Cash and cash equivalents, end of year	$ 1,280,205	$ 2,225,723

See Notes to Consolidated Financial Statements

Note 1. Nature of Operations

Overview of activities:

Heart for Africa, Inc. is the consolidated financial reporting entity for Heart for Africa, Inc. ("HFA") and Heart for Africa Swaziland ("HFA Swaziland") (formerly known as "Dream for Africa") (collectively, the "Organization"). HFA was incorporated in 2003 as a Georgia not-for-profit corporation and is exempt from federal income taxes on related activities under section 501(c)(3) of the Internal Revenue Code (the "Code"). Contributions to HFA are tax deductible within the limits prescribed by the Code.

HFA is a faith-based humanitarian organization working to bring hope to Africans by addressing poverty issues such as hunger, orphaned children and education. Working with partners in Africa, HFA supports and encourages self-sustainable homes for orphans and vulnerable children through long-term programs and short-term service trips that deliver quality care, shelter, food, water, clothing, health care, social work, mentoring and education. HFA specializes in bringing people from North America to work in service projects in Swaziland.

HFA has facilitated thousands of westerners traveling to Africa for its volunteer programs. Volunteers traveling to Africa see for themselves the challenges of this continent and have made a commitment to impacting the lives of those they encounter. HFA believes that while it may not be able to save every life in Africa, that one person at a time, people in North America can have a serious impact on the lives of millions on this continent.

In April 2018, King Mswati III renamed Swaziland to Eswatini. HFA Swaziland was incorporated in 2004, in Swaziland, now known as Eswatini, as a not-for-profit organization and holds tax-exempt status in Eswatini. HFA Swaziland's mission is to provide seeds to communities, support to orphanages and to train communities and orphanages to grow gardens to alleviate hunger and malnutrition, especially for the HIV/AIDS victims. HFA Swaziland is a partner of HFA and HFA financially supports HFA Swaziland as it furthers HFA's vision in Africa.

During 2009, HFA Swaziland made a large purchase of land in Eswatini. This purchase has increased HFA Swaziland's presence and activity in the country. This land is used to carry out a multi-faceted initiative that includes large-scale farming, a children's home and preschool, poultry houses and a dairy farm. The agribusiness development seeks to address food shortage, generate employment, stimulate the local economy, allow for export and provide a sustainable business model to support other orphanages and projects of HFA Swaziland.

Note 2. Summary of Significant Accounting Policies

A summary of significant accounting policies and practices used in the preparation of the consolidated financial statements is as follows:

Basis of accounting:

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) and practices within the not-for-profit industry. The Financial Accounting Standards Board (FASB) has established the Accounting Standards Codification (ASC) as the sole source of authoritative GAAP.

Note 2. Summary of Significant Accounting Policies, Continued

Principles of consolidation:

The consolidated financial statements include the accounts of Heart for Africa, Inc. and HFA Swaziland. All significant inter-entity balances and transactions have been eliminated.

The 2009 Swaziland land purchase was made through two subsidiaries, Sawubona Khaya (Proprietary) Ltd. and Tintsabeni (Proprietary) Ltd. These subsidiaries are owned 100% by HFA Swaziland and are dormant outside of holding the title to the land.

Foreign currency translation:

The functional currency for the Organization's foreign operations is the applicable local currency. The translation from the applicable foreign currencies to U.S. dollars is performed for assets and liabilities using current exchange rates in effect at the consolidated statement of financial position date, historical rates for net assets and the weighted average exchange rate during the period for revenue and expense accounts. Foreign currency translation adjustments resulting from such translations are reflected in the consolidated statements of activities and changes in net assets.

Financial statement presentation:

The Organization is required to report information regarding its financial position and activities, as necessary, according to two classes of net assets:

> *Net assets without donor restrictions*: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.
>
> *Net assets with donor restrictions*: Net assets subject to stipulations imposed by donors and grantors. Donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. For contributions restricted to the acquisition of property and equipment, the restrictions are released when the asset is placed in service unless the donor has provided more explicit requirements.

From time to time, donors may modify or remove previously imposed restrictions on contributions. When the Organization receives written or other appropriate authorization from a donor releasing or modifying a restriction, the related net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the period the authorization is received.

Note 2. Summary of Significant Accounting Policies, Continued

Cash and cash equivalents:

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The Organization maintains cash and cash equivalent accounts at various financial institutions which may exceed federally insured amounts at times, and which may exceed consolidated statements of financial position amounts due to outstanding checks.

Certain foreign operating accounts may periodically reflect overdraft balances due to the timing of cash receipts and disbursements and normal cash management practices. Overdraft balances that are payable on demand are presented as current liabilities in the consolidated statements of financial position. Activity related to these overdraft balances is reported within financing activities in the consolidated statements of cash flows.

Other receivables:

Other receivables consist primarily of contributions in-transit to the bank. Other receivables are short-term in nature and are recorded at net realizable value.

Promises to give:

Unconditional promises to give are recognized as revenue when received. Conditional promises to give are recognized only when conditions for which they depend are substantially met and the promise to give becomes unconditional. Promises to give are deemed fully collectible, therefore, management determined no allowance for losses was necessary as of December 31, 2025 and December 31, 2024.

Investments:

Investment securities are carried at fair value. Market values are determined based on quoted prices in active markets for identical assets. Realized gains and losses on sales of securities are recognized on the trade date using the specific identification method. Unrealized gain or loss is the difference between cost and fair value of investments held at the measurement date. Interest income is recognized as earned. Dividends are recognized on the ex-dividend date.

Inventory:

Inventory of African jewelry and other handmade African items are carried at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis. Net realizable value is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation.

Property and equipment:

Property and equipment are stated at cost less accumulated depreciation. Expenditures for equipment in excess of $500 are capitalized at cost. Depreciation is provided over the estimated useful life of an asset ranging from 3 to 39 years using the straight-line method. When assets are sold or otherwise retired from service, the related cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the consolidated statement of activities and changes in net assets. The cost of maintenance and repairs is charged to expenses as incurred.

Note 2. Summary of Significant Accounting Policies, Continued

Revenue recognition and support:

Heart for Africa, Inc. is primarily supported by contributions, African-made product sales and special events.

Contributions:
The Organization recognizes contributions when cash, securities or an unconditional promise to give is received.

Product sales:
Product sales generally consist of jewelry, home and garden products and farm produce sales. Revenue from product sales is recognized at a point in time when the goods are shipped, or for certain products, when delivered to the customer. Product sales totaled approximately $828,000 and $846,000 and direct cost of sales totaled approximately $307,000 and $399,000 for 2025 and 2024, respectively. Included in this amount are shipping and handling costs, which are treated as fulfillment costs, totaling approximately $13,000 and $9,100 for 2025 and 2024, respectively.

Special events revenue:
The Organization records special events revenue at the time of the event, net of direct cost of benefits to attendees. The Organization held the following special events during the years ended December 31, 2025 and 2024, to inform supporters about current operations and increase donor exposure:

	2025	
	Revenue	**Direct costs**
Golf Tournament	$ 18,758	$ 14,489

	2024	
	Revenue	**Direct costs**
Golf Tournament	$ 32,886	$ 14,665
Founders Weekend	1,126,614	657,649
Celebrate HOPE	-	1,955
	$ 1,159,500	$ 674,269

Noncash donations:

Contributed materials, investment securities and equipment are reflected as contributions at their estimated fair values at the date of receipt. Donated volunteer services requiring specific expertise are recognized as contributions at their estimated fair values at the date of donation in the period the services are provided. In addition, a large number of volunteers have donated significant amounts of time to assist with various programs, special events and committee assignments, which do not meet the criteria for recognition and, therefore, are not reflected in the consolidated financial statements. Fair value is estimated based on wholesale value and the value that would be received for selling similar products in the United States.

Note 2. Summary of Significant Accounting Policies, Continued

Noncash donations, continued:

From time to time, HFA will receive noncash donations of goods, supplies and food to be loaded on containers and forwarded to HFA Swaziland. For these containers of noncash donations, HFA acts as the agent as HFA Swaziland is the principal recipient. Such noncash donations are only recognized as revenue by HFA Swaziland.

Cash receipts from the sale of donated financial assets that upon receipt were directed without any imposed limitations for sale and were converted nearly immediately into cash are classified as cash inflows from operating activities, unless the donor restricted the use of the contributed resources to long-term purposes, in which case those receipts are classified as cash inflows from financing activities. Otherwise, cash receipts from the sale of donated financial assets are classified as cash inflows from investing activities.

Functional allocation of expenses:

The costs of providing program and other activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets and the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management to be on a reasonable and consistent basis.

The Organization classifies expenses as program services or support expenses. Program services are the activities that fulfill the Organization's mission and include husbandry, educational and orphanage expenses. Support expenses are all activities other than program services and include human resources, management and general expenses. All fundraising costs are classified as support expenses.

Management allocates these expenses as follows:

Expense	**Method of allocation**
Salaries and wages	Time and effort
Project grants	Nature of expenses
Office expenses	Nature of expenses
Occupancy	Time and effort
Employee benefits	Time and effort
Payroll taxes	Time and effort
Depreciation	Nature of assets
Travel and meetings	Time and effort
Miscellaneous	Nature of expenses

Income taxes:

HFA and HFA Swaziland are exempt from federal and state income taxes. The Organization believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements.

Note 2. Summary of Significant Accounting Policies, Continued

Estimates and uncertainties:

The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reserve for Employee Retention Credits:

The Employee Retention Credit ("ERC") program was created under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and was significantly modified, expanded and extended into the first three quarters of the calendar year 2021 by the Consolidated Appropriations Act, 2021 (the "Act"). The goal of the ERC program is to encourage employers to retain and continue paying employees during periods of pandemic-related reduction in business volume even if those employees are not actually working, and therefore, are not providing service to the employer. After applying for and receiving funding from the ERC program in 2022, management determined the qualifications for participating in the program were uncertain and recorded a reserve for employee retention credits on its consolidated statements of financial position as disclosed further in Note 12.

Reclassifications:

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported change in net assets previously reported.

Subsequent events:

The Organization has evaluated subsequent events for potential recognition and disclosure through November 8, 2026, the date the consolidated financial statements were available to be issued, as disclosed in Notes 7, 14 and 15.

Note 3. Availability and Liquidity

The following represents the Organization's financial assets as of December 31, 2025 and 2024, reduced by amounts not available to meet general expenditures within one year:

	2025	2024
Financial assets at year end:		
Cash and cash equivalents, net of bank overdraft	$ 1,113,183	$ 2,225,723
Other receivables	77,654	36,436
Promises to give	71,000	549,500
Investments	4,083	258
Total financial assets	1,265,920	2,811,917
Less amounts not available to be used within one year:		
Net assets with donor restrictions	918,569	2,314,783
Financial assets available to meet general expenditures over the next twelve months	$ 347,351	$ 497,134

Note 3. Availability and Liquidity, Continued

As part of HFA's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in an interest-bearing money market account in order to earn interest on funds that are idle. The Organization receives over $10,900 per month as undesignated funds from their "Hero" donors (these are donors who have elected to provide unrestricted cash support on a monthly basis for HFA).

There is a $100,000 credit card line and a $200,000 bank line of credit that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

Note 4. Promises to Give

Promises to give are reported in the consolidated financial statements as revenue in the appropriate net asset classification.

Promises to give as of December 31, 2025 and 2024, respectively, are expected to be utilized as follows:

	2025	2024
Operating support	$ 46,000	$ 462,000
Project Canaan Academy	-	7,500
Project Canaan Children	25,000	37,500
Project Canaan Medical	-	37,500
Project Canaan General	-	5,000
	$ 71,000	$ 549,500

As of December 31, 2025, all promises to give are expected to be collected within one year.

As of December 31, 2025, three individual constituents represented 90% of total promises to give. As of December 31, 2024, no individual constituent represented a significant concentration of total promises to give.

Note 5. Noncash Donations

The Organization receives noncash donations from various sources. Noncash donations meeting the criteria for recognition are as follows:

	2025	2024
Program supplies	$ 347,268	$ 281,297
Stocks	89,735	367,662
	$ 437,003	$ 648,959

Note 6. Property and Equipment

Property and equipment consist of the following major classifications:

	2025	2024
Land	$ 925,801	$ 821,651
Building	8,136,470	6,760,151
Farm machinery	787,851	698,899
Software	1,923	1,707
Motor vehicles	896,862	610,271
Computer equipment	79,175	58,018
Furniture and equipment	1,122,501	944,741
Fire browser	3,666	3,253
Biological assets	131,090	70,868
Satellite equipment	6,695	5,942
Construction in progress	1,149,385	311,685
	13,241,419	10,287,186
Accumulated depreciation	(3,463,334)	(2,641,145)
	$ 9,778,085	$ 7,646,041

Construction in progress represents buildings under construction. Substantially all of the construction in progress is expected to be completed and placed into service in 2028.

Note 7. Line of Credit

On June 11, 2025, the Organization executed a new line of credit agreement with a financial institution for a maximum borrowing of $200,000, replacing the previous line of credit agreement which allowed for borrowings of up to $100,000. The new line of credit has a variable interest rate of the financial institution's base rate plus 1%, not to exceed 20.5% or be less than 4%. The agreement requires monthly payments of interest with the principal due at maturity on September 11, 2026. Subsequent to December 31, 2025, the line of credit was renewed which extended the maturity to December 2027.

As of December 31, 2025 and 2024, there was no balance outstanding on the line of credit facility.

Note 8. Net Assets with Donor Restrictions

Net assets with donor restrictions are as follows:

	2025	2024
Subject to expenditure for specified purpose:		
Project Canaan	$ 878,121	$ 2,299,364
Long-term and short-term volunteers	813	959
Mission trips	39,635	14,460
	918,569	2,314,783
Operational support due in future periods	-	462,000
	$ 918,569	$ 2,776,783

Note 8. Net Assets with Donor Restrictions, Continued

During 2025 and 2024, net assets released from restrictions by incurring expenses to satisfy the restricted purposes consisted of the following:

	2025	2024
Satisfaction of purpose restrictions:		
Project Canaan	$ 3,123,102	$ 2,093,179
Long-term and short-term volunteers	1,225	8,604
Mission trips	188,300	298,028
	3,312,627	2,399,811
Operational support subject to time restrictions	462,000	670,803
	$ 3,774,627	$ 3,070,614

Note 9. Cumulative Foreign Currency Translation Adjustment

Cumulative foreign currency translation adjustments included in net assets without donor restrictions for the Organization are as follows:

Balance, December 31, 2023	$ (2,077,731)
2024 currency translation adjustment	(187,928)
Balance, December 31, 2024	(2,265,659)
2025 currency translation adjustment	1,039,331
Balance, December 31, 2025	$ (1,226,328)

Note 10. Administrative Assessments

Contributions with donor restrictions are subject to assessments of 7% to 12%, which are used for management and general expenses. Assessments are classified as contributions without donor restrictions at the time the contributions are received. Assessments totaled approximately $252,000 and $419,000 for the years ended December 31, 2025 and 2024, respectively.

Note 11. Related Party Transactions

Contributions made by members of the Board of Directors totaled approximately $270,000 and $347,000 for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024 pledge receivables from board members totaled approximately $14,000 and $40,000, respectively.

Heart for Africa Canada is a separately incorporated nonprofit organization that supports the mission and programs of Heart for Africa Swaziland through fundraising and donor engagement activities in Canada. Although certain members of management and/or governance are involved with both organizations, Heart for Africa Canada maintains an independent governing board and operates as a separate legal entity. Accordingly, the activities of Heart for Africa Canada are not included in the accompanying consolidated financial statements. During the years ended December 31, 2025 and 2024, Heart for Africa Swaziland received contributions and grants of approximately $849,000 and $549,000, respectively, from Heart for Africa Canada.

Note 12. Reserve for Employee Retention Credits

During 2022, the Organization applied for and received Employee Retention Credit ("ERC") funding in the amount of $211,474 for six quarters during 2020 and 2021. During 2023, management performed an additional review of the eligibility criteria under the program and determined that the Organization's eligibility was uncertain. Based on this uncertainty, management determined it was appropriate to record an ERC reserve liability of $211,474 on the consolidated statements of financial position as of December 31, 2023.

During 2024, the Organization participated in the Internal Revenue Service's ERC Voluntary Disclosure Program. Under the terms of the program, the Organization will repay a portion of the ERC proceeds while being permitted to retain approximately 20% of the original credit. As a result, the ERC reserve liability was reduced by approximately $47,000 for the year ended December 31, 2024. The ERC reserve liability as of December 31, 2025 and 2024 was $164,724 and is included in the consolidated statements of financial position.

Note 13. Major Donor Concentrations

During the year ended December 31, 2025, the Organization had one major donor contributing approximately $500,000 or 10% of total contribution revenues. During the year ended December 31, 2024, the Organization had one major donor contributing approximately $692,000 or 11% of total contribution revenues.

Note 14. Conditional Grant Commitment

In December 2025, the Organization entered into a grant agreement with World Outreach Fund for funding of up to $1,000,000. The agreement included an initial unconditional payment of $250,000, which was received and recognized as contribution revenue during the year ended December 31, 2025. The remaining $750,000 is conditional upon the Organization raising specified matching contributions and providing notification to the donor that such matching requirements have been satisfied. As these conditions had not been met as of December 31, 2025, the remaining grant commitment is not recognized in the accompanying consolidated financial statements.

During 2026, the Organization received the remaining $750,000 World Outreach Fund grant funding.

Note 15. Subsequent Events

In 2026, the Organization's Board of Directors and management approved and began implementing operational changes at Project Canaan designed to reduce costs and improve long-term financial sustainability. As part of these efforts, certain revenue-generating activities were paused or restructured during 2026, including the suspension of dairy production operations and sale of the dairy herd. In addition, the Organization paused operations within its Kufundza Carpentry Center while management evaluates future operating and marketing strategies. Management is also assessing the future structure and operation of certain farming activities and related business ventures at Project Canaan.

These activities historically generated program service and other operating revenues to HFA Swaziland through the sale of agricultural products, dairy products, handcrafted goods, and related products. Accordingly, the operational changes described above may impact the timing and amount of future revenues generated from these activities. The ultimate financial impact of these actions has not yet been determined; however, no adjustments have been made to the accompanying consolidated financial statements as these events occurred subsequent to year end.

Note 15. Subsequent Events, Continued

On March 10, 2026, HFA Swaziland changed its legal name to Project Canaan (Proprietary) Limited. The name change had no impact on the financial position or results of operations of the Organization.

Heart for Africa, Inc. and Consolidated Entity

Consolidating Statement of Financial Position

As of December 31, 2025

	HFA	HFA Swaziland	Eliminations	Total
Assets				
Current assets				
Cash and cash equivalents	$ 1,242,582	$ 37,623	$ -	$ 1,280,205
Other receivables	39,817	37,837	-	77,654
Promises to give	71,000	-	-	71,000
Investments, at fair value	4,083	-	-	4,083
Inventory	-	58,580	-	58,580
Total current assets	1,357,482	134,040	-	1,491,522
Property and equipment, net	12,480	9,765,605	-	9,778,085
Total assets	$ 1,369,962	$ 9,899,645	$ -	$ 11,269,607
Liabilities and Net Assets				
Current liabilities				
Bank overdraft	$ -	$ 167,022	$ -	$ 167,022
Accounts payable and accrued expenses	122,262	121,642	-	243,904
Reserve for Employee Retention Credits	164,724	-	-	164,724
Total current liabilities	286,986	288,664	-	575,650
Net assets				
Without donor restrictions	164,407	9,610,981	-	9,775,388
With donor restrictions	918,569	-	-	918,569
Total net assets	1,082,976	9,610,981	-	10,693,957
Total liabilities and net assets	$ 1,369,962	$ 9,899,645	$ -	$ 11,269,607

Heart for Africa, Inc. and Consolidated Entity

Consolidating Statement of Activities and Changes in Net Assets

For the year ended December 31, 2025

	HFA			HFA Swaziland				
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total	Eliminations	Total
Revenue and support								
Contributions	$ 2,086,180	$ 1,916,413	$ 4,002,593	$ 3,514,300	$ -	$ 3,514,300	$ (2,891,869)	$ 4,625,024
Noncash donations	89,735	-	89,735	347,268	-	347,268	-	437,003
Special events revenue, net of direct costs of $14,489	4,269	-	4,269	-	-	-	-	4,269
Jewelry and farm sales	85,193	-	85,193	742,764	-	742,764	-	827,957
Other income	7,726	-	7,726	138,593	-	138,593	-	146,319
	2,273,103	1,916,413	4,189,516	4,742,925	-	4,742,925	(2,891,869)	6,040,572
Net assets released from restrictions	3,774,627	(3,774,627)	-	-	-	-	-	-
Total revenue and support	6,047,730	(1,858,214)	4,189,516	4,742,925	-	4,742,925	(2,891,869)	6,040,572
Expenses								
Program services	4,244,637	-	4,244,637	3,564,452	-	3,564,452	(2,891,869)	4,917,220
Supporting services:								
Management and general	652,635	-	652,635	300,276	-	300,276	-	952,911
Fundraising	548,737	-	548,737	-	-	-	-	548,737
Total supporting services	1,201,372	-	1,201,372	300,276	-	300,276	-	1,501,648
Total expenses	5,446,009	-	5,446,009	3,864,728	-	3,864,728	(2,891,869)	6,418,868
Change in net assets before currency translation adjustment	601,721	(1,858,214)	(1,256,493)	878,197	-	878,197	-	(378,296)
Currency translation adjustment	-	-	-	1,039,331	-	1,039,331	-	1,039,331
Change in net assets	601,721	(1,858,214)	(1,256,493)	1,917,528	-	1,917,528	-	661,035
Net assets, beginning of year	(437,314)	2,776,783	2,339,469	7,693,453	-	7,693,453	-	10,032,922
Net assets, end of year	$ 164,407	$ 918,569	$ 1,082,976	$ 9,610,981	$ -	$ 9,610,981	$ -	$ 10,693,957