

ASHESI UNIVERSITY FOUNDATION

FINANCIAL STATEMENTS  
With Independent Auditor's Report

YEARS ENDED DECEMBER 31, 2021 AND 2020

SUPPLEMENTARY FINANCIAL REPORTS  
YEAR ENDED DECEMBER 31, 2021



**ASHESI  
UNIVERSITY  
FOUNDATION**

ASHESI UNIVERSITY FOUNDATION

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Ashesi University Foundation  
Seattle, Washington

We have audited the accompanying financial statements of Ashesi University Foundation, a nonprofit corporation, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activity, functional expenses and cash flows for the years 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 Ashesi University Foundation as of December 31, 2021 and 2020, 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.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Ashesi University 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Ashesi University Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' 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 and *Government 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 and *Government 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 Ashesi University 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 Ashesi University 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.

#### **Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Office of American Schools and Hospitals Abroad and 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 financial statements.

The 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with Government Auditing Standards, we have also issued our report dated June 14, 2022 on our consideration of the Ashesi University Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Ashesi University Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Ashesi University Foundation's internal control over financial reporting and compliance.



Jacobson Jarvis & Co, PLLC  
Seattle, Washington  
June 14, 2022

ASHESI UNIVERSITY FOUNDATION  
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 3,170,784	\$ 4,533,419
Promises to give	735,165	1,632,400
Interest receivable	31,231	51,865
Notes receivable - current portion	90,542	71,976
Prepaid expenses	9,972	8,627
Investments	2,235,714	1,261,098
University Fund investments	<u>2,933,361</u>	<u>-</u>
Total Current Assets	9,206,769	7,559,385
Promises to Give, less current portion	401,461	155,846
Notes Receivable, net of discount (See Note F)	845,318	935,860
AFM Scholarship Fund Investments	252,882	276,350
Endowment Investments	<u>2,076,012</u>	<u>1,315,252</u>
	<u>\$12,782,442</u>	<u>\$10,242,693</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 27,025	\$ 11,337
Accrued liabilities	37,218	60,061
Funds held for the benefit of Ashesi University	2,933,361	-
Loans payable - current portion	<u>119,232</u>	<u>119,232</u>
Total Current Liabilities	3,116,836	190,630
Loans Payable, net of discount (See Note I)	<u>837,247</u>	<u>907,977</u>
Total Liabilities	<u>3,954,083</u>	<u>1,098,607</u>
Net Assets		
Without donor restrictions	2,951,111	4,143,920
With donor restrictions	<u>5,877,248</u>	<u>5,000,166</u>
Total Net Assets	<u>8,828,359</u>	<u>9,144,086</u>
	<u>\$12,782,442</u>	<u>\$10,242,693</u>

See notes to financial statements.

ASHESI UNIVERSITY FOUNDATION

STATEMENTS OF ACTIVITY

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue						
Contributions	\$ 927,656	\$ 2,502,416	\$ 3,430,072	\$ 1,845,405	\$ 2,005,938	\$ 3,851,343
Grants from government agencies	-	625,203	625,203	-	1,215,750	1,215,750
In-kind contributions	17,500	-	17,500	15,000	-	15,000
Discount of notes payable	-	-	-	-	84,560	84,560
Interest on notes receivable	74,640	-	74,640	78,605	-	78,605
Investment interest and dividends	10,612	41,581	52,193	20,488	28,536	49,024
Total Public Support and Revenue	1,030,408	3,169,200	4,199,608	1,959,498	3,334,784	5,294,282
Net Assets Released from Restrictions						
Satisfaction of purpose restrictions	2,291,096	(2,291,096)	-	2,978,053	(2,978,053)	-
Satisfaction of time restrictions	148,501	(148,501)	-	257,960	(257,960)	-
Total Public Support, Revenue, and Other Support	3,470,005	729,603	4,199,608	5,195,511	98,771	5,294,282
Expenses						
Program services	4,058,446	-	4,058,446	3,452,364	-	3,452,364
Management and general	225,445	-	225,445	205,513	-	205,513
Fundraising	371,994	-	371,994	256,030	-	256,030
Total Expenses	4,655,885	-	4,655,885	3,913,907	-	3,913,907
Gains and Losses						
Net gain on investments	(13,616)	147,479	133,863	3,209	134,934	138,143
Net recovery on uncollectible promises to give	6,687	-	6,687	417	-	417
Changes in Net Assets	(1,192,809)	877,082	(315,727)	1,285,230	233,705	1,518,935
Net Assets – beginning of year	4,143,920	5,000,166	9,144,086	2,858,690	4,766,461	7,625,151
Net Assets – end of year	\$ 2,951,111	\$ 5,877,248	\$ 8,828,359	\$ 4,143,920	\$ 5,000,166	\$ 9,144,086

ASHESI UNIVERSITY FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021				2020			
	Program Services	Management and General	Fundraising	Total Expenses	Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 124,263	\$ 106,614	\$ 177,273	\$ 408,150	\$ 91,137	\$ 89,685	\$ 132,351	\$ 313,173
Employee benefits	22,602	20,721	31,717	75,040	18,179	17,095	27,436	62,710
Payroll taxes	10,553	9,189	15,034	34,776	7,721	7,747	11,312	26,780
	<u>157,418</u>	<u>136,524</u>	<u>224,024</u>	<u>517,966</u>	<u>117,037</u>	<u>114,527</u>	<u>171,099</u>	<u>402,663</u>
Grants to Ashesi University	3,719,074	-	-	3,719,074	3,197,019	-	-	3,197,019
Professional fees	84,569	73,251	94,500	252,320	38,375	72,723	40,936	152,034
Interest expense	74,450	-	-	74,450	77,857	-	-	77,857
Office and other expenses	9,487	7,051	18,454	34,992	9,405	8,224	22,757	40,386
Occupancy	8,794	7,548	12,773	29,115	9,349	9,348	13,539	32,236
Travel and training	3,760	30	13,719	17,509	2,828	91	6,509	9,428
Miscellaneous	894	1,041	8,524	10,459	494	600	1,190	2,284
Total Expenses	<u>\$ 4,058,446</u>	<u>\$ 225,445</u>	<u>\$ 371,994</u>	<u>\$ 4,655,885</u>	<u>\$ 3,452,364</u>	<u>\$ 205,513</u>	<u>\$ 256,030</u>	<u>\$ 3,913,907</u>



ASHESI UNIVERSITY FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities</b>		
Cash received from:		
Donors	\$ 3,691,134	\$ 3,519,335
Government agencies	625,203	1,215,750
Investment income	35,236	6,897
Cash paid for:		
Grants to Ashesi University	(842,603)	(3,118,881)
Employees	(518,143)	(399,018)
Services and supplies	(312,552)	(214,734)
Interest	(48,615)	-
Net Cash Provided by Operating Activities	<u>2,629,660</u>	<u>1,009,349</u>
<b>Cash Flows from Investing Activities</b>		
Payments on notes receivable from Ashesi University	115,385	-
Purchase of University Fund investments	(2,876,471)	-
Purchase of investments	(7,379,749)	(449,084)
Proceeds from sale of investments	6,267,771	714,827
Net Cash (Used) Provided by Investing Activities	<u>(3,873,064)</u>	<u>265,743</u>
<b>Cash Flows Used by Financing Activities</b>		
Payments on loans payable	(119,231)	-
Change in Cash and Cash Equivalents	(1,362,635)	1,275,092
Cash and Cash Equivalents - beginning of year	<u>4,533,419</u>	<u>3,258,327</u>
Cash and Cash Equivalents - end of year	<u>\$ 3,170,784</u>	<u>\$ 4,533,419</u>

ASHESI UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Ashesi University Foundation (the Foundation) was founded in 1999 to provide educational opportunities in Ghana. It accomplishes this purpose by forming and providing operating, program, scholarship, and capital support to Ashesi University (the University) in Ghana. The University's mission is to educate a new generation of ethical, entrepreneurial leaders in Africa; to cultivate within our students the critical thinking skills, the concern for others and the courage it will take to transform their continent.

Basis of presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board of Trustees has designated certain otherwise unrestricted net assets as follows as of December 31:

	<u>2021</u>	<u>2020</u>
Foundation Operating Reserve	\$ 900,000	\$ 600,000
University Critical Needs Reserve	1,208,300	985,000
University Student Housing	317,389	674,284
University Capital and Equipment	-	330,000
University Priorities	-	318,000
University Capital Reserve	-	250,100
University Education Collaborative	-	85,000
University Faculty Development and Research	100,000	70,000
University General Programs	235,000	40,000
University Engineering Program	-	1,083
	<u>\$ 2,760,689</u>	<u>\$ 3,353,467</u>

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions restricted by donors are reported as increases in net assets with donor restrictions when received. 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 statements of activity as net assets released from restriction.

ASHESI UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specific purposes:		
Scholarships	\$1,965,475	\$ 2,752,142
AFM Scholarship Fund	252,882	276,350
Faculty Development and Research	483,250	152,500
Entrepreneurship Center	760,000	-
University Capital Fund	50,000	74,815
University Programs	34,954	25,930
Unamortized Discount on Loans Payable	139,675	188,176
Available for future periods	<u>100,000</u>	<u>100,000</u>
	<u>3,786,236</u>	<u>3,569,913</u>
Endowments:		
Subject to endowment spending policy and appropriation:		
Kofi Tawiah Good Citizenship Scholar Award	1,168,783	611,546
Jan Stenbeck Scholarship	613,392	465,147
Fred and Vera Orthlieb Scholarship	119,720	115,912
Emmanuel Kofi Effah Osei Scholarship	31,338	29,299
Scholarship Endowment	74,706	54,095
University Priorities Endowment Fund	68,073	39,254
Not subject to spending policy or appropriation:		
Pledges to Jan Stenbeck Scholarship Endowment	-	100,000
Pledges to Scholarship Endowment	-	15,000
Pledges to University Priorities Endowment	<u>15,000</u>	<u>-</u>
	<u>2,091,012</u>	<u>1,430,253</u>
Total net assets with donor restrictions	<u>\$ 5,877,248</u>	<u>\$ 5,000,166</u>

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Federal income taxes

The Internal Revenue Service has recognized the Foundation as exempt from federal income taxes under provision of Section 501(a) of the Internal Revenue Code as an entity described in Section 501(c)(3) and not as a private foundation.

ASHESI UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Cash and cash equivalents represent checking, savings, and money market accounts held at various regional financial institutions.

Fair value measurement

In accordance with financial accounting standards, a three-tiered hierarchy of input levels is used for measuring fair value. Financial accounting standards defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques utilized to determine fair value are consistently applied. The three tiers of inputs used for fair value measurements are as follows:

Level 1: Fair values are based on quoted prices in active markets for identical assets and liabilities.

Level 2: Fair values are based on observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets.

Level 3: Fair values are calculated by the use of pricing models and/or discounted cash flow methodologies, and may require significant management judgment or estimation. These methodologies may result in a significant portion of the fair value being derived from unobservable data.

Investments

Investments are stated at fair value and include investments held for board reserves, scholarships and endowment fund investments. Net investment return is reported in the statements of activity and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment expenses. The fair values of investments are subject to market risk. However, the Foundation believes that the investment policies and guidelines are prudent for its long-term financial stability.

Promises to give

Promises to give are shown net of an allowance for uncollectibility. The fair value of promises to give is estimated by discounting the future cash flows using the rates currently offered for deposits of similar remaining maturities. Amortization of the discount is reported as contribution revenue.

ASHESI UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unconditional promises to give are due as follows as of December 31:

	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 735,165	\$ 1,632,400
Receivable in one to five years	<u>420,000</u>	<u>177,631</u>
Total unconditional promises to give	1,155,165	1,810,031
Less:		
Discounts to net present value (0.76% - 1.12% discount rate)	(7,126)	(3,685)
Allowance for uncollectible pledges	<u>(11,413)</u>	<u>(18,100)</u>
	<u>\$ 1,136,626</u>	<u>\$ 1,788,246</u>

Concentrations

The Foundation maintains cash deposits in bank accounts which exceed federally insured limits. The Foundation has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

For the year ended December 31, 2021, two donors represented 29% of total support and revenue. As of December 31, 2021, outstanding pledges from two donors represent 67% of total promises to give. For the year ended December 31, 2020, one donor represented 28% of total support and revenue. As of December 31, 2020, outstanding pledges from two donors represent 77% of total promises to give.

Equipment

Equipment is recorded at cost or, if donated, at the estimated fair value at date of donation. Equipment purchases that exceed \$5,000 are capitalized as assets. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, typically five years. All equipment was fully depreciated as of December 31, 2021 and 2020.

Support and revenue recognition

The Foundation recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. The Foundation's federal grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. As of December 31, 2021, contributions and grants conditioned upon incurrence of allowable qualifying expenses totaled \$995,000, of which no amounts had been received in advance. As of December 31, 2020, contributions and grants conditioned upon incurrence of allowable qualifying expenses totaled \$625,203.

ASHESI UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-kind goods and services

Contributed materials and use of facilities have been recorded on the basis of rates that otherwise would have been paid for similar items. Donated services are recorded as in-kind contributions and are recognized as revenue at estimated fair values at the date of receipt if they (a) create or enhance non-financial assets, or (b) require specialized skills and would need to be purchased if not provided by donation. Corresponding expenses are recognized as the assets and services are utilized.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activity and of functional expenses. Where possible, specific expenses have been charged directly to the appropriate category. When functions are shared or costs are intermingled, expenses are allocated based on employee counts and estimated percentage of effort.

Reclassifications

Certain accounts in the 2020 financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. These reclassifications had no effect on the net assets or change in net assets as of or for the year ended December 31, 2020.

NOTE B - LIQUIDITY

As shown in Note A, the Foundation maintains funds with donor restrictions for grants to the University as well as funds designated by the Board of Trustees for use by the University. To ensure financial assets are sufficient to meet Foundation cash needs for the year, the Board has designated a Foundation Operating Reserve to be available for use by the Foundation for operating expenses included in the board-approved budget if there is a shortfall of available funds. The target amount of the Foundation Operating Reserve is 100% of the Foundation's personnel and operations expenses for one calendar year. The operating reserve as of December 31, 2021 and 2020 was \$900,000 and \$600,000, respectively and those funds are included in the total below of financial assets available to meet cash needs for general expenditures within one year.

As part of its liquidity management plan, the Foundation invests cash in excess of daily requirements in an ultra-short-term bond fund and a U.S. Treasury money fund.

ASHESI UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE B - LIQUIDITY (Continued)

Financial assets available for general expenditure within one year as of December 31 are as follows:

	<u>2021</u>	<u>2020</u>
Total financial assets	\$12,772,470	\$10,234,066
Financial assets not available for general expenditure:		
Notes receivable in more than one year	(845,318)	(935,860)
Funds held for the benefit of Ashesi University	(2,933,361)	-
Donor-imposed restrictions:		
Subject to expenditure for specific purposes	(3,786,236)	(3,569,913)
Endowments	<u>(2,091,012)</u>	<u>(1,430,253)</u>
Net financial assets after donor-imposed restrictions	3,116,543	4,298,040
Internal designations:		
University Capital Reserve	-	(250,100)
University Student Housing, Capital and Equipment	(317,389)	(1,004,284)
University Critical Needs and Priorities	(1,208,300)	(1,303,000)
Other University Programs	<u>(335,000)</u>	<u>(196,083)</u>
	<u>\$ 1,255,854</u>	<u>\$ 1,544,573</u>

NOTE C - FAIR VALUE MEASUREMENTS

Fair value of assets measured on a recurring basis as of December 31 are as follows:

	<u>Fair Value Inputs</u>		
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
As of December 31, 2021:			
Equity Securities	\$ 3,983	\$ -	\$ -
Vanguard Total International Stock			
Index Fund Admiral Shares	1,100,919	-	-
Vanguard Total International Bond			
Market Index Fund Admiral Shares	297,619	-	-
Vanguard Total Stock Market			
Index Fund Admiral Shares	1,121,043	-	-
Vanguard Total Bond Market Index			
Fund Admiral Shares	1,198,672	-	-
Vanguard Total Real Estate			
Index Fund Admiral Shares	454,673	-	-
PIMCO Short Asset Investment Fund	1,356,434	-	-
Vanguard Short Term Bond Fund ETF	<u>875,297</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,408,640</u>	<u>\$ -</u>	<u>\$ -</u>

ASHESI UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE C - FAIR VALUE MEASUREMENTS (Continued)

	Fair Value Inputs		
	(Level 1)	(Level 2)	(Level 3)
As of December 31, 2020:			
Equity Securities	\$3,504	\$ -	\$ -
Vanguard Total International Stock Index Fund Admiral Shares	378,492	-	-
Vanguard Total International Bond Market Index Fund Admiral Shares	84,109	-	-
Vanguard Total Stock Market Index Fund Admiral Shares	387,391	-	-
Vanguard Total Bond Market Index Fund Admiral Shares	390,877	-	-
Vanguard Total Real Estate Index Fund Admiral Shares	228,128	-	-
PIMCO Short Asset Investment Fund	1,257,594	-	-
	<u>\$ 2,730,095</u>	<u>\$ -</u>	<u>\$ -</u>

Assets and liabilities carried at fair value on a nonrecurring basis using level 2 inputs generally include donated goods, facilities and services. Long-term promises to give are valued on a nonrecurring basis using the net present value of future cash flows discounted at a risk-free rate of return which is a level 3 input.

NOTE D - ASHESI UNIVERSITY

Ashesi University (the University) was founded in 2002 by Patrick Awuah, a Ghanaian who chose to return to Ghana after a successful career in the U.S. software industry. He believed that for Africa to move forward, it needed a new kind of university, one that focused on quality, ethics and personal empowerment.

The University aims to be a catalyst for change not only in the lives of the students but in the manner education is conducted in Ghana and other parts of Africa. The University has built an impressive track record over the past nineteen years and is widely considered the highest quality private university in the country. The University's curriculum combines a liberal arts core that emphasizes critical thinking, communication skills and ethics, with in-depth major programs in Business Administration, Computer Science, Management Information Systems, and Engineering.

The University is the only university in Ghana to feature a student honor code which places responsibility for reporting exam malpractice on the students. Relationships with top universities around the world help ensure that the University's classes are meeting global standards.



## ASHESI UNIVERSITY FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

#### NOTE D - ASHESI UNIVERSITY (Continued)

Top Ghanaian and international companies actively recruit students from the University. On average, 90% of Ashesi graduates receive job offers, enter graduate school, or launch a business within six months of starting their search. In addition to academic quality, the University is committed to diversity in its classrooms and offers scholarships to women and students from disadvantaged backgrounds.

As stated in Note A, the Foundation accomplishes its mission of providing educational opportunities in Ghana by providing operating, program, scholarship, and capital support to the University. During the years ended December 31, 2021 and 2020 \$3,719,074 and \$3,118,881, respectively, in cash grants was provided to the University. The President of the Foundation also currently serves as the President of the University.

#### NOTE E - CHARITIES AID FOUNDATION

On May 11, 2019, the Foundation received a contribution of \$649,121 from the Charities Aid Foundation (CAF) of which one half was restricted for scholarships and one half was restricted for the Ghana Climate Innovation Center (GCIC). The full amount restricted to the GCIC, \$324,561, was granted by the Foundation to the University on June 3, 2019. A total of \$194,522 in scholarship funding has been distributed from CAF funds as of December 31, 2021: \$39,132 on August 26, 2019; \$39,132 on February 12, 2020; \$40,110 on September 29, 2020; \$40,110 on July 2, 2021; and \$36,038 on November 30, 2021. The remaining \$130,038 in CAF scholarship funding is included in net assets with donor restrictions as of December 31, 2021.

On December 4, 2020, the Foundation received an additional contribution of \$132,900 from CAF, of which one half was restricted for the GCIC and one half was restricted for equipment and capital expenditures at Ashesi University. On December 14, 2020, the Foundation granted \$66,450 to the University for the GCIC. On November 30, 2021, the Foundation granted the remaining \$66,450 in CAF equipment funding to the University for dormitory construction.

On July 19, 2021, the Foundation received an additional contribution of \$750,000 from CAF which was restricted for Entrepreneurship. The full \$750,000 in CAF entrepreneurship funding is included in net assets with donor restrictions as of December 31, 2021.

#### NOTE F - NOTES RECEIVABLE

On April 30, 2014, the Foundation entered into a \$1,000,000 loan agreement whereby the capital raised from the issuance of the Unsecured Student Housing Revenue Notes discussed in Note I was loaned to Ashesi University (the University). The loan proceeds were used by the University to build a dormitory (approximately 96 beds).

ASHESI UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE F - NOTES RECEIVABLE (Continued)

Interest-only payments were due annually in 2015 and 2016. Annual principal payments on this note began in April 2017, in the amount of \$76,923 plus accrued interest. In August 2014, the initial funding request was disbursed by the Foundation to the University in the amount of \$947,882, with the balance of \$52,118 disbursed in December 2014.

On April 30, 2015, the Foundation entered into an additional \$500,000 loan agreement whereby the additional capital raised from the issuance of the Unsecured Student Housing Revenue Notes discussed in Note I was loaned to Ashesi University (the University). These loan proceeds were used by the University to help build the dormitory. The terms of this additional loan are the same as above, with interest-only payments due annually in 2016 and 2017. Annual principal payments on this note began in April 2018, in the amount of \$38,462 plus accrued interest. In December 2015, the additional \$500,000 funding request was disbursed by the Foundation to the University.

The notes receivable are considered below-market rate notes. As such, when the note proceeds were advanced, the Foundation recorded a grant to the University and a note discount for the difference between the stated rate of 4.35% and the estimated market rate of 7.36%. The notes are reported in the statements of financial position net of unamortized discount of \$141,063 and \$184,472 as of December 31, 2021 and 2020, respectively.

In order to enhance the availability of funds at the University during the initial year of the global pandemic in 2020, the Foundation agreed to defer interest and principal payments due from the University in 2020 and each subsequent year, by twelve months. Payments resumed in 2021.

The discount on the notes is amortized to interest income over the life of the note. Due to the nature of the notes receivable and the relationship between the Foundation and the University, no allowance has been made for estimated uncollectibility of the notes. Management believes the notes to be fully collectible.

NOTE G - ENDOWMENTS

The Foundation's endowment fund was established in November 2009 and consists of funds that are donor-restricted for student scholarships and University priorities. In March 2010, the Board adopted an Endowment Investment and Spending Policy in an attempt to provide a predictable stream of funding for programs supported by the endowment, while seeking to maintain the purchasing power of endowed assets and honor the donors' desired restrictions. The Foundation's investment policy guidelines and performance of invested assets are reviewed by the Foundation's Finance Committee no less than annually. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

ASHESI UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE G - ENDOWMENTS (Continued)

The Foundation accounts for its endowments in accordance with the "Uniform Prudent Management of Institutional Funds Act," (UPMIFA) as stated in the Revised Code of Washington (RCW) 24.55.

**Interpretation of Relevant Law**

The Foundation has determined that requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary, is appropriate. As a result of this interpretation, the Foundation classifies as perpetually restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment, as applicable, made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the foundation and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investment;
- (6) Other resources of the Foundation; and
- (7) The investment policies of the Foundation.

**Return Objectives and Risk Parameters**

The Foundation has adopted investment policies for endowment assets that focus on long-term results. At a minimum, these policies attempt to provide a predictable stream of funding to programs supported by The Foundation, while seeking to maintain the purchasing power of the endowment assets. Under the policy, the endowment assets are invested in a manner that is intended to produce maximum long-term total returns consistent with reasonable risk to principal for their asset category.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term total return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield.

To enhance return and reduce risk, the endowment portfolio is composed of diversified assets, including equities and fixed-income investments. The equities are intended to provide current income, growth of income and appreciation of principal. The fixed-income investments are intended to provide a predictable and reliable source of interest income while reducing the volatility of the portfolio.

ASHESI UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE G - ENDOWMENTS (Continued)

The current allocation ratio goal is 0%-30% cash, 30%-70% equities and 30%-70% fixed income. The Foundation's investment policy guidelines are reviewed and reconfirmed or revised on at least an annual basis. Performance of the Foundation's investments is reviewed on a regular basis by the Finance Committee.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

At the Foundation's first Board meeting of each fiscal year after the Finance Committee has prepared the endowment analysis, the Finance Committee will recommend to the Board Spending Rates and distribution for the upcoming academic year.

The approved Spending Rate will be applied to the average of the market value of all endowment funds for the preceding 12 quarters. To honor individual endowment agreements for four-year scholarships, the Finance Committee can approve endowment spending in line with current tuition rates and evaluate the frequency of four-year scholarships to maintain endowment principal.

**Change in Endowment Funds for the Years Ended December 31:**

	<u>2021</u>	<u>2020</u>
Endowment funds, beginning of year	\$ <u>1,315,252</u>	\$ <u>1,040,971</u>
Investment return:		
Investment income	35,820	22,441
Net unrealized gain (loss)	<u>121,951</u>	<u>109,418</u>
Total investment return	<u>157,771</u>	<u>131,859</u>
Contributions, net	640,000	165,000
Appropriated for expenditure	<u>(37,011)</u>	<u>(22,578)</u>
Endowment funds, end of year	<u>\$ 2,076,012</u>	<u>\$ 1,315,252</u>

NOTE H - DONATIONS SENT DIRECTLY TO ASHESI UNIVERSITY

Ashesi University Foundation and Ashesi University both have staff who cultivate and solicit gifts. On occasion, a donor or grantor who has been working with Foundation staff to develop their gift may prefer to make their gift directly to the University. Those gifts are acknowledged in the Foundation's reports because they resulted from Foundation efforts. However, they are not included in the Foundation's financial statements.

In 2021 and 2020, gifts that were cultivated and solicited by Foundation staff, but sent directly to the University by the donors included gifts from the ELMA Growth Foundation in the amount of \$250,000 in each year for general operations and dormitory construction.

ASHESI UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE I - LOANS PAYABLE

In 2013, Ashesi University Foundation (the Foundation) launched a new project that raises funds to build housing on campus and allows more students to have full access to the Ashesi education experience. The Foundation solicits and collects funds from investors through the issuance of Unsecured Student Housing Revenue Notes (loans).

The loans have a 15-year term and pay interest at a 4% annual rate. In 2014, the Foundation loaned the capital raised from the issuance of these loans to Ashesi University (the University) which will use the note proceeds to build a dormitory (approximately 96 beds) at the University. Repayment of the investor loans will be dependent upon the Foundation's receipt of repayment of the note between the Foundation and the University.

The loans payable are considered below-market rate loans. As such, when the loan proceeds are advanced, the Foundation records support and a loan discount for the difference between the stated rate of 4% and the estimated market rate of 7.36%. The loans are reported in the statements of financial position net of unamortized discounts. The discount on the loans is amortized to interest expense over the lives of the loans.

In 2013, the Foundation issued the first of the loans in the amount of \$200,000 net of unamortized discount of \$41,401. Interest-only payments were due annually in 2014 and 2015. Annual principal payments on this note began in 2016 in the amount of \$15,385 plus accrued interest and continue through 2029. In 2014, the Foundation issued six additional loans totaling \$850,000 net of unamortized discount of \$175,952. The terms of these additional loans are the same as above, with interest-only payments due annually in 2015 and 2016 and annual principal payments beginning in 2017, in the aggregate amount of \$65,385 plus accrued interest, continuing through 2030.

On April 30, 2015, the Foundation issued an additional loan in the amount of \$500,000 net of unamortized discount of \$110,028. The terms of this additional loan are the same as above with interest-only payments due annually in 2016 and 2017 and annual principal payments beginning in 2018 in the amount of \$38,462 plus accrued interest, continuing through 2031.

In response to the global pandemic in 2020, the Housing Revenue Note holders agreed to defer interest and principal payments due from the Foundation in 2020 and each subsequent year, by twelve months which is reflected in the payments terms above. Payments resumed in 2021. Total remaining unamortized discount on the loans payable as of December 31, 2021 and 2020 was \$139,675 and \$188,176, respectively.

ASHESI UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE I - LOANS PAYABLE (Continued)

Minimum future principal payments on the loans are as follows for the years ending December 31:

2022	\$	119,232
2023		119,232
2024		119,323
2025		119,323
2026		119,323
Thereafter		<u>499,721</u>
		<u>\$ 1,096,154</u>

NOTE J - IFC LOAN TO UNIVERSITY

In 2017, the University signed a loan agreement with the International Finance Corporation (IFC) for \$6,300,000 to facilitate construction of a research lab, student housing cluster, student center, and sports center. Per terms of this agreement, the Foundation, as the Sponsor of the University, was required to make a grant to the University in the amount of \$2,000,000 as a condition of disbursement of funds by IFC. In addition, the Foundation has agreed to the following:

- Prior to the completion of the project as defined by the terms of the agreement, the Foundation will cover any cost overruns on the project and any deficiencies, up to \$1,200,000, of the University due to financial obligations. In addition, the Foundation has agreed to continue reasonable fundraising efforts to cover the University's obligation to the IFC if required.
- The Foundation will maintain a minimum of \$1,200,000 in cash or cash equivalents until project completion.
- The Foundation subordinated its notes receivable from the University to the IFC loan.

The Foundation completed its disbursement obligations in 2017. On November 13, 2020, project completion was certified by the IFC and the Foundation's obligations to maintain a minimum of \$1,200,000 in cash or cash equivalents, and to fund cost overruns or deficiencies, were terminated.

NOTE K - RETIREMENT PLAN

During 2019, the Foundation adopted a retirement savings plan (the Plan) under section 401(k) of the Internal Revenue Code. Employees are eligible to participate in the Plan after three consecutive months of employment in which they complete at least 240 hours of service. Eligible employees may contribute pre-tax or post-tax (Roth) compensation deferrals to the Plan. The Plan also provides for discretionary employer contributions which are fully vested after three years of service. In 2021 and 2020, the employer contribution consisted of 3% of employee compensation plus a 4.5% match of employee contributions. Employer contributions to the Plan totaled \$28,036 and \$22,156, respectively, for the years ended December 31, 2021 and 2020.

## ASHESI UNIVERSITY FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

#### NOTE L - ASHESI UNIVERSITY FUND

The Foundation created a new support structure for Ashesi University based on the interest of the University in diversifying and investing certain of its assets into securities and other investment instruments made available within the United States. To that end, the Foundation created an investment account, the University Fund (the Fund), and has set up a corresponding liability, Funds held for the benefit of Ashesi University. The University has sent funds to the Foundation for deposit into the Fund. The transfer of funds is governed by the University Fund Transfer Agreement, and the management of the Fund is governed by the University Fund Investment Management Agreement. During the year ended December 31, 2021, the Foundation transferred \$2,876,471 to the Fund in lieu of cash grants to the University. As of December 31, 2021 the fair market value of the Fund investments and corresponding liability total \$2,933,361.

#### NOTE M - ASHESI UNIVERSITY FOUNDATION CANADA

The Ashesi Foundation Canada (AUFC) is a Canadian charity established to contribute to the Ashesi mission of educating a new generation of ethical, entrepreneurial leaders in Africa.

AUFC was launched in 2021 with an initial donation of \$67,000,000 from a private foundation. Through its current programming, AUFC will provide scholarships, enable original research, and empower entrepreneurs. It will also drive the growth of the Education Collaborative—an education initiative focused on deepening collaboration within African higher education—to transform education outcomes for the continent's young people, and influence education policies broadly. AUFC will be working closely with both the Ashesi University Foundation in the US, and Ashesi University in Ghana. While AUFC is hiring staff and getting established, Foundation staff are providing administrative support. Beginning in 2022, the costs associated with this administrative support will be reimbursed to the Foundation and is governed by a contract between the two institutions.

#### NOTE N - RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. The COVID-19 pandemic drove some budget variance in 2020, particularly with regards to expenditures planned for travel and events, but did not have a significant impact on the Foundation's fundraising activity, net assets, or cash flows. Although it is possible that the virus could have a negative impact on the Foundation's financial position in the future, the specific impact is not readily quantifiable and financial statements do not include any adjustments that might result from the outcome of this uncertainty.

ASHESI UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE N - RISKS AND UNCERTAINTIES (Continued)

Due to the impact of COVID-19 in Ghana, the University's campus was closed in March 2020 and education has continued online into 2021. In the fall of 2021, students were back on campus with in person and online classes. Despite the challenging circumstances, strong enrollment numbers were recorded in 2020 and 2021, leaving leadership optimistic about the resiliency of the University in the face of the pandemic.

NOTE O - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to December 31, 2021 through June 14, 2022, which is the date the financial statements were available to be issued and has recognized in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at December 31, 2021, including the estimates inherent in the processing of financial statements.



**SUPPLEMENTARY INFORMATION**

ASHESI UNIVERSITY FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2021

Federal Grantor "Program Title"	Award Number	CFDA Number	Passed Through to Subrecipients	Federal Expenditures
<b>Agency for International Development</b>				
"Foreign Assistance to American Schools and Hospitals Abroad (ASHA)"	AID-ASHA-G-17-00012		\$ 176,029	\$ 176,029
"Foreign Assistance to American Schools and Hospitals Abroad (ASHA)"	72ASHA18CA00007		<u>449,174</u>	<u>449,174</u>
		98.006	* <u>\$ 625,203</u>	<u>\$ 625,203</u>

\* Denotes major program

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Ashesi University Foundation and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - INDIRECT COST RATE

Ashesi University Foundation does not have a negotiated indirect cost rate for use on federal grants and contracts. As such, Ashesi University Foundation is eligible to elect use of the 10% *de minimis* indirect cost rate but has not chosen to do so.

INDEPENDENT AUDITOR'S REPORT  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees  
Ashesi University Foundation  
Seattle, Washington

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Ashesi University Foundation, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 14,

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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



Jacobson Jarvis & Co, PLLC

Seattle, Washington

June 14, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Trustees  
Ashesi University Foundation  
Seattle, Washington

**Report on Compliance with Each Major Federal Program**

We have audited Ashesi University Foundation's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Ashesi University Foundation's major federal programs for the year ended December 31, 2021. Ashesi University Foundation's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

In our opinion, Ashesi University Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Ashesi University Foundation and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Ashesi University Foundation's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Ashesi University Foundation's federal programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Ashesi University Foundation's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Ashesi University Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Ashesi University Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Ashesi University Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Ashesi University Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

*Government Auditing Standards* requires the auditor to perform limited procedures on Ashesi University Foundation's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Ashesi University Foundation's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Jacobson Jarvis & Co, PLLC  
Seattle, Washington  
June 14, 2022

ASHESI UNIVERSITY FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2021

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Ashesi University Foundation.
2. No material weaknesses relating to the financial statements are reported in the "Independent Auditor's Report Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."
3. No instances of noncompliance material to the financial statements of Ashesi University Foundation were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal award programs are reported in the "Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance."
5. The auditor's report on compliance for the major federal award program for Ashesi University Foundation expresses an unmodified opinion.
6. Audit findings relative to the major federal award program for Ashesi University Foundation are reported in Part C of this Schedule.
7. The program tested as major was Foreign Assistance to American Schools and Hospitals Abroad, CFDA No. 98.006.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Ashesi University Foundation was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None