OFFICE OF INSPECTOR GENERAL
U.S. Agency for International Development

Audit of USADF's Financial Statements for Fiscal Years 2026 and 2025

Audit Report 0-ADF-27-004-C
November 13, 2026

Audit



Office of Audits, Inspections, and Evaluations

OFFICE OF INSPECTOR GENERAL
U.S. Agency for International Development

DATE: November 13, 2026

TO: Elisabeth Feleke
Chief Program Officer
U.S. African Development Foundation

FROM: Khadija Walker /s/
Deputy Assistant Inspector General for Audits, Inspections, and Evaluations

SUBJECT: Audit of USADF's Financial Statements for Fiscal Years 2026 and 2025 (0-ADF-27-004-C)

This memorandum transmits our final audit report. Our audit objectives were to: (1) express an opinion on whether the U.S. African Development Foundation's (USADF) financial statements as of September 30, 2026, and 2025, were presented fairly, in all material respects; (2) evaluate USADF's internal controls over financial reporting; and (3) determine whether USADF complied with applicable laws regulations, contracts and grant agreements. In finalizing the report, we considered your comments on the draft and included them in their entirety, excluding attachments, in Appendix B.

The report contains our audit findings and six recommendations to improve USADF's management of and processes for internal control over financial reporting and compliance with provisions of applicable laws, regulations, contracts, and grant agreements. After reviewing the information you provided in response to the draft report, we consider the six recommendations resolved but open pending completion of planned activities.

For recommendations 1, 2, 3, 4, 5, and 6, please provide evidence of final action to OIGAuditTracking@oig.usaid.gov.

We appreciate the assistance you and your staff provided to us during this audit.

Contents

Independent Auditor's Report....1
Report on the Financial Statements....2
Report on Internal Control Over Financial Reporting....4
Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements....5
Agency Comments....6
Appendix A. Findings....7
Appendix B. Agency Comments....16
Appendix C. Status of Prior Year Recommendations....20

Pursuant to Pub. L. No. 117-263 § 5274, USAID OIG provides nongovernmental organizations and businesses specifically identified in this report 30 days from the date of report publication to submit a written response to USAID OIG. Comments received will be posted on https://oig.usaid.gov/. Please direct inquiries to oignotice_ndaa5274@oig.usaid.gov.

Independent Auditor's Report

Elisabeth Feleke
Chief Program Officer
U.S. African Development Foundation

Dear Ms. Feleke:

In our audit of the fiscal years (FYs) 2026 and 2025 financial statements of the U.S. African Development Foundation (USADF), we found:

- USADF's financial statements as of and for the FYs ended September 30, 2026, and 2025, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles except for the following;
- One material weakness and two significant deficiencies in internal control over financial reporting based on the limited procedures we performed[1]; and
- One material weakness and material non-compliance for FY 2026 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our opinion on the financial statements; (2) our report on internal control over financial reporting; and (3) our report on compliance with laws, regulations, contracts, and grant agreements; and (4) agency comments.

[1] A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, 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 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.

Report on the Financial Statements

Qualified Opinion

In accordance with generally accepted government auditing standards and Office of Management and Budget (OMB) Bulletin No. 24-02, Audit Requirements for Federal Financial Statements, we have audited USADF's financial statements, which comprises the statement of financial position as of September 30, 2026, and 2025; the statements of operations and changes in net position, statements of cash flow or the FYs then ended; and the related notes to the financial statements. In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, USADF's financial statements present fairly, in all material respects, USADF's financial position as of September 30, 2026, and 2025; its statements of operations and changes in net position; and statements of cash flow for the FYs then ended in accordance with U.S. generally accepted accounting principles.

Basis for Qualified Opinion

USADF reported approximately $9.5 million in two categories of Funds Held Outside Treasury (FHOT) accounts as of September 30, 2026. However, due to an incomplete listing of both accounts' population and authorized signatories by country, we could not determine the effect of the lack of sufficient appropriate evidence to verify the reported balance on the FY 2026 financial statements. We could not gain assurance by performing alternative procedures because of the incomplete population.

In addition, USADF did not comply with the Federal Acquisition Regulation (FAR) requirements and procurement laws when awarding a contract and addendum totaling $1.3 million.

We conducted our audit in accordance with U.S. generally accepted government auditing standards. 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 USADF 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 qualified audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for:

- The preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles;
- Designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and
- Preparing and presenting other information included in USADF's Annual Management Report (AMR) and ensuring the consistency of that information with the audited financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) 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 of the financial statements conducted in accordance with generally accepted government auditing standards will always detect a material misstatement or a material weakness 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 to be 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 U.S. generally accepted 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 our audit of the financial statements 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 USADF's internal control over financial reporting. 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.
- Perform other procedures we consider necessary in the circumstances.

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 financial statement audit.

Other Information

USADF's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements. Management is responsible for the other information included in USADF's AMR. The other information comprises the following sections: management's discussion and analysis, the statement of assurance, the CFO message, and other supplementary information. Other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Internal Control Over Financial Reporting

In connection with our audits of USADF's financial statements, we considered USADF's internal control over financial reporting, consistent with our auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control Over Financial Reporting

Our consideration of internal control was for the limited purpose described below and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies[2] or to express an opinion on the effectiveness of USADF's internal control over financial reporting. Given these limitations, during our 2026 audit, we identified one material weakness and two significant deficiencies in internal control over financial reporting (see Appendix A). However, other material weaknesses or significant deficiencies may exist that have not been identified.

We also identified deficiencies in USADF's internal control over financial reporting that we do not consider to be material weaknesses or significant deficiencies. Nonetheless, these deficiencies warrant USADF's management's attention. We have communicated these matters to USADF's management and, where appropriate, will report on them separately.

Basis for Results of Our Consideration of Internal Control Over Financial Reporting

We performed our procedures related to USADF's internal control over financial reporting in accordance with generally accepted government auditing standards and OMB audit guidance.

Responsibilities of Management for Internal Control Over Financial Reporting

USADF's management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Consideration of Internal Control Over Financial Reporting

In planning and performing our audit of USADF's financial statements as of and for the FY ended September 30, 2026, in accordance with generally accepted government auditing standards, we considered USADF's internal control relevant to the financial statement 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 USADF's internal control over financial reporting.

Accordingly, we do not express an opinion on USADF's internal control over financial

[2] Significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control Over Financial Reporting

An entity's internal control over financial reporting is a process affected by those charged with governance, management, and other personnel. The objectives of internal control over financial reporting are to provide reasonable assurance that:

- Transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and
- Transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Intended Purpose of Report on Internal Control Over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of USADF's internal control over financial reporting and the results of our procedures and not to provide an opinion on the effectiveness of USADF's internal control over financial reporting. This report is an integral part of an audit performed in accordance with generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audits of USADF's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed one instance of material weakness and material non-compliance for FY 2026 that would be reportable under generally accepted government auditing standards (see Appendix A). However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to USADF. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

USADF's management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to USADF's.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of laws, regulations, contracts, and grant agreements applicable to USADF's that have a direct effect on the determination of material amounts and disclosures in USADF's financial statements and to perform certain other limited procedures. Accordingly, we did not test compliance with all provisions of laws, regulations, contracts, and grant agreements applicable to USADF's. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Agency Comments

In commenting on a draft of this report, USADF management provided a written response. We did not audit USADF's response and, accordingly, we express no opinion on the response. The complete text of USADF's response is reprinted in appendix B.

USAID Office of Inspector General
Washington, DC

November 13, 2026

USAID Office of Inspector General

Appendix A. Findings

Material Weakness and Material Non-Compliance

I. Noncompliance with Federal Acquisition Regulation Requirements in the Award and Execution of a Contract.

Condition:
A former USADF official, who was Acting Chairman and Chief Executive Officer (CEO) awarded a material contract to a logistics firm, with an effective date of December 17, 2025, for $954,880. Subsequently, an addendum expanding on the original statement of work was awarded on January 21, 2026, for $362,000, bringing the total contract value to $1,316,880. The contract award and addendum were issued without adequate documentation demonstrating compliance with applicable laws, regulations, and FAR requirements. We verified that $477,440 was paid out as an advance immediately to the contractor and posted to the financial statements later on December 18, 2025, and an additional $181,000 was posted on January 26, 2026, for a total of $658,440. On March 13, 2026, a federal court determined that the Acting CEO was not lawfully appointed to his role at USADF and that actions taken by him in the performance of any function or duty in that role, have no force or effect.[3]

USADF normally utilizes the Bureau of Fiscal Services (BFS) under the U.S. Department of the Treasury (Treasury) for contracting services; however, Treasury informed USADF that they did not administer the contract nor had any role in creating it on May 5, 2026. We noted the contract did not contain sufficient evidence such as whether:

- The contract was awarded by a duly warranted Contracting Officer with authority to bind the Government;
- The acquisition was conducted using full and open competition or supported by a properly approved statutory exception to competition;
- The proposed contract action was publicized, or that a documented exception to the publicizing requirement was applicable;
- Required acquisition planning and market research were completed and documented prior to award;
- The contract included all mandatory FAR provisions and clauses applicable to the procurement;
- An affirmative determination of contractor responsibility, including verification of the contractor's status in the System for Award Management Exclusions, was completed and documented prior to award; and
- Funds were certified and determined to be legally available before contract execution.

In addition:

- The contract was not on a USG Standard Form, but rather vendor letterhead.

[3] *Rural Development Innovations Limited v. Pete Marocco* (D.D.C., No. 1:25-cv-01631, 2026).

- There was no Contracting Officer Representative appointed.

As a result, we could not determine whether the procurement was awarded in accordance with applicable procurement statutes and the FAR requirements.

Criteria:

I. FAR 1.602 Contracting Officers

> FAR 1.602-1 Authority.
>
> (a) Contracting officers have authority to enter into, administer, or terminate contracts and make related determinations and findings. Contracting officers may bind the Government only to the extent of the authority delegated to them. Contracting officers shall receive from the appointing authority (see 1.603-1) clear instructions in writing regarding the limits of their authority. Information on the limits of the contracting officers' authority shall be readily available to the public and agency personnel.
>
> (b) No contract shall be entered into unless the contracting officer ensures that all requirements of law, executive orders, regulations, and all other applicable procedures, including clearances and approvals, have been met.
>
> FAR 1.602-2 Responsibilities.
>
> Contracting officers are responsible for ensuring performance of all necessary actions for effective contracting, ensuring compliance with the terms of the contract, and safeguarding the interests of the United States in its contractual relationships.

II. FAR subpart 4.8 Government Contract Files requires agencies to maintain contract files containing documentation sufficient to constitute a complete history of the transaction, including documentation supporting acquisition planning, source selection, award, and contract administration.

III. FAR part 6 Competition Requirements

> FAR 6.101 Policy.
>
> (a) 10 U.S.C. 3201 and 41 U.S.C.3301 require, with certain limited exceptions (see subpart 6.2 and 6.3), that contracting officers shall promote and provide for full and open competition in soliciting offers and awarding Government contracts.
>
> FAR 6.303-1 Requirements (for Other Than Full and Open Competition)
>
> (a) A contracting officer shall not commence negotiations for a sole source contract, commence negotiations for a contract resulting from an unsolicited proposal, or award any other contract without providing for full and open competition unless the contracting officer-
>
> *(1)* Justifies, if required in 6.302, the use of such actions in writing;
>
> *(2)* Certifies the accuracy and completeness of the justification; and
>
> *(3)* Obtains the approval required by 6.304.

IV: FAR part 7 Acquisition Planning

FAR 7.102 Policy.

a) Agencies shall perform acquisition planning and conduct market research (see part 10) for all acquisitions in order to promote and provide for—

(1) Acquisition of commercial products or commercial services, or to the extent that commercial products suitable to meet the agency's needs are not available, nondevelopmental items, to the maximum extent practicable (10 U.S.C. 3453 and 41 U.S.C. 3307); and

(2) Full and open competition (see part 6) or, when full and open competition is not required in accordance with part 6, to obtain competition to the maximum extent practicable, with due regard to the nature of the supplies or services to be acquired (10 U.S.C. 3206(a)(1) and 41 U.S.C. 3306a)(1)).

(3) Selection of appropriate contract type in accordance with part 16; and

(4) Appropriate consideration of the use of pre-existing contracts, including interagency and intra-agency contracts, to fulfill the requirement, before awarding new contracts.(See 8.002 through 8.004 and subpart 17.5).

(b) This planning shall integrate the efforts of all personnel responsible for significant aspects of the acquisition. The purpose of this planning is to ensure that the Government meets its needs in the most effective, economical, and timely manner. Agencies that have a detailed acquisition planning system in place that generally meets the requirements of 7.104 and 7.105 need not revise their system to specifically meet all of these requirements.

V: FAR part 10 Market Research

FAR 10.001 Policy.

(a) Agencies shall—

(1) Ensure that legitimate needs are identified and trade-offs evaluated to acquire items that meet those needs;

(2) Conduct market research appropriate to the circumstances–

(i) Before developing new requirements documents for an acquisition by that agency;

(ii) Before soliciting offers for acquisitions with an estimated value in excess of the simplified acquisition threshold;

(iii) Before soliciting offers for acquisitions with an estimated value less than the simplified acquisition threshold when adequate information is not available and the circumstances justify its cost;

Cause:
Notwithstanding the Acting CEO, whose was later found by a federal court to lack the authority to enter into a contract on behalf of USADF,[4] most USADF staff were going through significant dismantling effects and were not in a position to be aware or ensure that the contract was executed in accordance with the criteria and resources were safeguarded against fraud and mismanagement.

Effect:
Failure to comply with applicable FAR requirements and procurement laws and regulations increases the risk that:

- The Government enters into contracts that are not supported by proper contracting authority and is exposed to increased risk of unauthorized commitments.
- Competition requirements established by federal law are circumvented.
- Contractors are awarded contracts without documented responsibility determinations.
- Lack of competitive bidding process in the award of contract could lead to fraud, waste, and abuse of public funds.
- Federal funds are obligated without compliance with appropriations and acquisition requirements.
- Required contractual protections are omitted.
- Procurement actions may be vulnerable to bid protests, contract disputes, or legal challenges.
- Public confidence in the integrity, fairness, and transparency of the federal procurement process is diminished.

Recommendation: None. We are not making a recommendation because USADF's career staff were not in control of the agency for a few months of the FY and USADF is still in the process of rebuilding the Agency's infrastructure.

Material Weaknesses

II. Excessive Concentration of Signatory Authority to a single individual over Funds Held Outside of Treasury Accounts (FHOT).

Condition:
USADF did not maintain an appropriate distribution of signatory authority over its FHOT bank accounts, resulting in an excessive concentration of control with a single individual. In addition, USADF lacked a formal process to periodically update, remove, or replace bank-account signatories when personnel separated from the agency.

[4] *Rural Development Innovations Limited v. Pete Marocco* (D.D.C., No. 1:25-cv-01631, 2026).

USADF maintains multiple FHOT accounts outside of the United States to support its international operations, representing a significant financial statement line item of over $9.5 million. During our review, we identified discrepancies in the bank account listings and noted weaknesses in the controls for approving and maintaining signatory information which is necessary to ensure the validity, accuracy, and completeness of account records. For example, during our audit:

- *Bank Accounts* – We requested and obtained the listing of bank accounts in one of the countries and noted eight accounts exist and the former Chief Financial Officer (CFO) was the current single signatory to all accounts.
- *Strategic Partnership Fund Accounts (SPF)* – We also requested and obtained the listing of all SPF accounts and noted that the former CFO was a single signatory to a third of the accounts. Also, some of the signatories listed on these accounts were also former employees.

Criteria:

I. Financial Audit Manual (FAM) 395C.05 - Safeguards over Access to and Use of Assets and Records

Access controls are designed to protect assets and records against physical harm, theft, loss, misuse, or unauthorized alteration. These controls restrict unauthorized access to assets and records. The auditor should determine whether to evaluate segregation of duties of persons who have authorized access to assets and records based on FAM 330.08.

II. GAO Standards for Internal Controls in the Federal Government, Section 10.03

Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form.

Cause:

Lack of formal process to update, remove, and replace bank account signatories, combined with the concentration of signatory authority in a single individual, continues to pose a significant risk to the USADF's ability to safeguard assets.

Effect:

The concentration of signatory authority for FHOT accounts in a single individual, combined with the absence of a formal process to update or remove signatories who are no longer employed by USADF, severely impacts the Agency's ability to obtain reasonable assurance regarding the completeness and accuracy assertions.

Furthermore, this undermines the reliability of financial reporting, diminishes stakeholder confidence, and exposes USADF to potential fraud, which is critical for accountability and transparency in the use of public funds.

The current control posture represents a pervasive breakdown in recordkeeping and internal control over financial reporting. These deficiencies significantly impaired our ability to obtain sufficient, appropriate audit evidence as required under generally accepted government auditing standards and created an increased audit risk.

Recommendations: We recommend that USADF Management:

1. Update and maintain an accurate roster of FHOT bank account signatories by removing individuals who are no longer employed and adapting a governance structure that prevents excessive concentration of signatory authority with the CFO through appropriate delegation of authority.
2. Develop and implement a plan for quarterly reviews of FHOT account signatories to safeguard assets and lower risk.

Significant Deficiency

III. Terminated Employees Had Access to Financial Systems

Condition:

We identified two employees who separated from USADF that had access to BFS systems, though USADF did not request their access to be restored. Specifically:

- One terminated user separated from USADF on February 27, 2026, and had access to the Procurement Request Information System Management (PRISM) system from March 23, 2026, to July 5, 2026—104 days.
- A second terminated user separated from USADF on February 13, 2026, and had access to the Oracle Business Intelligence (OBI) and PRISM systems from March 23, 2026, to March 24, 2026. BFS discovered that the employee plead guilty to a crime. Further, according to a BFS financial manager, reinstating that individual's access allowed him to potentially approve of invoices. Therefore, based on BFS legal guidance, the service removed the user's access the next day.

Criteria:

I. According to the USADF General Support System (GSS) Information Technology Security Implementation Handbook, Version 4.6, dated August 31, 2026, the USADF Personnel Planning (PS) Policy mandates that all USADF bureaus and offices conform to the following established personnel security control for personnel termination**:**

> Personnel Termination (PS-4)
>
> 1. USADF terminates information system access upon termination of individual employment and conducts exit interviews.
> 2. USADF shall terminate system access within 24 hours of an employee's termination. Any exceptions must be documented and approved by the CISO or an authorized representative.

II. USADF Accounts Creation, Closures and Review Procedures dated August 31, 2026, states

that USADF employees (FTEs) or Personal Service Contractors with access to Government Shared Services shall do the following upon service termination with USADF:

1. Have a submitted written request (email) to the Shared Service provider for immediate account termination (this is enforceable only by the Shared Service provider's internal policy).

III. According to the USADF Information Technology Access Control Policy and Procedures, dated August 31, 2026, a periodic review of accounts and access to USADF resources shall be conducted every 30 days.

IV. A Department of the Treasury (Treasury) report provides controls related to Oracle and PRISM users' account terminations and inactivity.[5] According to that report, customer agencies are required to submit a formal request for account termination to revoke a user's access.

Cause:

BFS restored access for two terminated users who separated from USADF in February 2026. Specifically, USADF Acting CFO submitted a formal request to the BFS on March 16, 2026, for the immediate restoration and access to the BFS ARC financial systems for certain USADF staff that previously had access on December 11, 2025. However, those two employees were not included in the list but still had their access restored.

Further, USADF's *The U.S. African Development Foundation Information Technology Access Control Policy and Procedures* (August 31, 2026) documented Agency polices, but did not clearly provide procedures. Specifically, it states that:

- Only current USADF staff should be granted access to Agency systems, but it did not explain how USADF officials should confirm whether staff are currently employed with the Agency, such as reviewing human resources lists of current employees, before restoring system access.
- The Agency should review accounts and access to its resources every 30 days, but it did not provide procedures for systems owned by external service providers. Therefore, USADF did not identify the user account that remained active for 104 days.

In addition, USADF Accounts Creation, Closures and Review Procedures requires a written request to be sent to the shared service provider for immediate account termination. That policy also states, "this is enforceable only by the Shared Service provider's internal policy," making it unclear whether USADF should enforce its policy. Nonetheless, the Treasury report required the Agency to submit the request.

[5] The Department of the Treasury, BFS, Administrative Resource Center Control Objective 18, System Access, as documented in the Department of the Treasury Office of Inspector General, *Report on the Description of Bureau of the Fiscal Service Center for Financial Management and Treasury Common Services Center's Shared Services System and the Suitability of the Design and Operating Effectiveness of its Controls for the Period July 1, 2025 to June 30, 2026*, (October 19, 2026).

Further, USADF did not provide evidence that the Agency requested that BFS formally terminate access for the two employees. According to a senior USADF official, both resigned during the Agency's shutdown.

Effect:
By not timely removing unneeded access, USADF is at risk that its financial information may become compromised, affecting the confidentiality, integrity, and availability of its information. Further, there was a risk that invoices could be approved that should not be paid.

Recommendations: We recommend that USADF Management:

3. Develop procedures to explain how USADF officials should confirm whether employees are currently employed with the Agency, such as reviewing human resources lists of current employees, before restoring system access.
4. Develop procedures to review external service provider accounts every 30 days.
5. Update USADF policy to clarify whether to submit a formal notification to shared service providers for immediate account termination to revoke users' access.

Significant Deficiency

IV. Weakness in Internal Controls Over Funds Held Outside Treasury (FHOT) Reconciliations

Condition:
USADF did not have access to the FHOT bank accounts during the first and second quarters, FY 2026 and could not perform any monthly reconciliations for that period. After access was restored, we noted that USADF did not fully perform the required monthly reconciliations timely. The absence of these reconciliations indicates that the agency's internal controls over monthly FHOT reconciliations were not operating effectively during the FY 2026.

Criteria:
I. OMB Circular No. A-123, Section II.B: Requirements for an Effective System of Internal Control- Operational Requirements (1, 3, and 5)

> A-123 specifically requires managers, staff, and personnel to "(1) Assess the effectiveness of internal controls including those associated with financial reporting, performance, and operations within their program or activity (3) implement control activities to mitigate identified risks within their program or activity (5) continuously monitor controls to ensure their effectiveness."

II. Treasury Financial Manual (TFM), Vol. I, Part 2, Section 3445: Reconciling Cash and Investments Held Outside of the U.S. Treasury

> Each entity must do the following: Reconcile all transactions involving cash and investments held outside of the U.S. Treasury on a periodic basis, but no less frequently than monthly.

III. USADF Manual MS 581.3.2.2- FD Routine Monthly Procedures

Routine monthly activities include:

a) Prepare bank reconciliations on a monthly basis for each Strategic Partnerships (SP) foreign bank account. Reconciled bank balances are reconciled to USADF's general ledger and subledgers.
b) Verify that all monthly bank statements have been received, follow up on any missing statements, and documentation of outstanding requests.
c) Verify that SP donation collections per bank statement have been entered into the general ledger.
d) Verify that SP authorized disbursements per bank statement have been entered into the general ledger.
e) Determine foreign gain/loss adjustment, prepare manual journal entry for fees and interest and submit to BFS for entry into the general ledger.
f) Determine any other adjustments that are necessary, prepare manual journal entries, and submit to BPD for entry into the general ledger.
g) Absent of bank statement for the current month, use the latest bank statement to revalue the account balance and record foreign currency adjustments as needed

Cause:
Initially USADF did not perform the monthly FHOT reconciliation process for the first and second quarters due to lack of system access. However, when access was restored, USADF did not prioritize and fully perform the required monthly reconciliations timely. Further, many unreconciling items have not been resolved since FY 2024.

Effect:
The lack of monthly FHOT reconciliations increases the risk that differences between bank activity and USADF's financial reporting may not be identified and resolved timely. This could result in an understatement or overstatement of the FHOT balance.

Recommendation: We recommend that USADF Management:

6. Consistently perform documented monthly reconciliations for all FHOT accounts, including a comparison of bank records to the accounting records, and timely investigate and resolve reconciling items for accurate financial reporting.

Appendix B. Agency Comments

MEMORANDUM

DATE: November 10, 2026

TO: Khadija Walker, Deputy Assistant Inspector General for Audits, USAID OIG

FROM: Elisabeth Feleke, Chief Program Officer, US African Development Foundation

SUBJECT: USADF Management Comments and Corrective Action Plan (CAP) – Draft Audit Report on USADF's Financial Statements for Fiscal Years 2026 and 2025 (0-ADF-27-004-C)

1. Management Response & Context Regarding the Qualified Opinion

USADF management concurs with the audit findings and the six recommendations contained in the draft report. Management accepts the basis for the qualified opinion and is actively taking steps to address the root systemic deficiencies.
To provide necessary context, USADF experienced unprecedented operational and structural disruption during Fiscal Year 2026. The agency underwent a multi-month breakdown of control infrastructure, during which staff were not in control of operations. Following this period, staff have been working diligently to rebuild the agency's financial infrastructure from the ground up.

Regarding the **$1.3 million contract noncompliance (Finding I)**, management notes that this contract was executed by an unlawfully appointed former official whose actions were later declared by a federal court to have no force or effect. Because career staff were sidelined during this execution and could not enforce FAR requirements, we appreciate OIG's decision to issue no formal recommendation for this item. USADF has returned exclusively to utilizing the General Services Administration for all domestic validated contracting services to prevent unauthorized commitments.

Regarding the **$9.5 million in Funds Held Outside Treasury (FHOT)**, the gaps in account populations and signatory records were direct results of the temporary operational shutdown. Our Corrective Action Plan below outlines the immediate and long-term milestones designed to stabilize our recordkeeping and secure these assets.

2. Corrective Action Plan (CAP)
Finding II: Material Weakness – Excessive Concentration of Signatory Authority over FHOT Accounts

Recommendation 1

Update and maintain an accurate roster of FHOT bank account signatories by removing individuals who are no longer employed and adapting a governance structure that prevents excessive concentration of signatory authority with the CFO through appropriate delegation of authority.

- **Management Position:** Concur.
- **Corrective Action Plan:** USADF has been working on updating the account signatories and has completed the signatories update on majority of the accounts. Simultaneously, the agency will draft and implement a *Dual-Signatory and Delegation of Authority Policy*, which mandates a co-signatory framework for all material transactions, eliminating single-point concentrations of control.
- **Responsible Official:** Acting Chief Financial Officer / Chief Program Officer
- **Target Completion Date:** February 28, 2027.

Recommendation 2

Develop and implement a plan for quarterly reviews of FHOT account signatories to safeguard assets and lower risk.

- **Management Position:** Concur.
- **Corrective Action Plan:** USADF will establish a mandatory quarterly review process where the financial operations division reviews active bank signatory. A formal sign-off of compliance will be required by the Acting CFO at the end of each quarter to ensure continuous monitoring. For any termination involving an active signatory, USADF will update the signatory as part of the termination package.
- **Responsible Official:** Acting Chief Financial Officer
- **Target Completion Date:** December 31, 2026.

Finding III: Significant Deficiency – Terminated Employees Had Access to Financial Systems.

Recommendation 3

Develop procedures to explain how USADF officials should confirm whether employees are currently employed with the Agency, such as reviewing human resources lists of current employees, before restoring system access.

- **Management Position:** Concur.
- **Corrective Action Plan:** USADF separated employees did not have access to our systems. However, USADF will draft step-by-step Standard Operating Procedures (SOPs) to govern all future financial system access requests sent to external service providers. The procedures will strictly require that any access restoration request be validated against an active employment list verified within 48 hours prior to submission.

- **Responsible Official:** Acting Chief Financial Officer/IT Manager
- **Target Completion Date:** February 1, 2027.

Recommendation 4
Develop procedures to review external service provider accounts every 30 days.
- **Management Position:** Concur.
- **Corrective Action Plan:** While USADF maintains a 30-day review policy for internal systems, the agency will expand its procedures to incorporate external shared service systems (such as PRISM and OBI). Every 30 days, designated IT Manager will request active user logs from BFS ARC and audit them against current staff rosters to identify and offboard residual accounts.
- **Responsible Official:** IT Manager
- **Target Completion Date:** January 31, 2027.

Recommendation 5
Update USADF policy to clarify whether to submit a formal notification to shared service providers for immediate account termination to revoke users' access.
- **Management Position:** Concur.
- **Corrective Action Plan:** USADF will update its *Accounts Creation, Closures and Review Procedures* policy. The revision will remove ambiguous language regarding enforcement limitations and explicitly declare that USADF has an unconditional operational mandate to submit a formal revocation notice to BFS within 24 hours of any employee separation.
- **Responsible Official:** IT Manager
- **Target Completion Date:** December 31, 2026.

Finding IV: Significant Deficiency – Weakness in Internal Controls Over FHOT Reconciliations.

Recommendation 6
Consistently perform documented monthly reconciliations for all FHOT accounts, including a comparison of bank records to the accounting records, and timely investigate and resolve reconciling items for accurate financial reporting.
- **Management Position:** Concur.
- **Corrective Action Plan:** USADF lost banking system access during Quarters 1 and 2 of FY 2026, creating a backlog. Now that access is restored, the agency staff responsible for Reconciliation is working to clear all unresolved items stretching back to FY 2024. Going forward, the Finance Division will strictly enforce *USADF Manual MS 581.3.2.2*, requiring monthly bank statement matching, ledger verification, and foreign currency revaluations to be processed timely through BFS.
- **Responsible Official:** Acting Chief Financial Officer
- **Target Completion Date:** March 1, 2027.

Sincerely,

Elisabeth Feleke

Elisabeth Feleke
Chief Program Officer
US African Development Foundation

Appendix C. Status of Prior Year Recommendations

Our assessment of the status of the prior years' findings and recommendations is presented below.

Audit Report Number	FY 2025 Recommendations	Current Status
0-ADF-26-003-C	**Material Weakness: Lack of Proper Recordkeeping and Data Integrity for Significant Financial Statement Accounts**	
	Recommendation 1: Identify key balances, such as high-risk balances or high dollar value items and ensure that supporting schedules agree with stated balances.	Open
	Recommendation 2: For material transactions that sample support cannot be located, obtain alternative evidence such as confirmations from vendors, grantees or banks.	Open
	Recommendation 3: Develop and document retention controls that take into consideration USADF's current structure.	Open
0-ADF-26-003-C	**Material Weakness: USADF CFO Management Did Not Approve the Financial Statements – Quarters 2, 3, and 4**	
	Recommendation 4: Establish and implement a financial reporting process to ensure timely preparation of quarterly and annual financial statements in compliance with OMB Circular A-136 that is appropriate for its current size, staffing levels, and mission.	Open
	Recommendation 5: Determine personnel gaps in its financial reporting function and determine whether these roles can be filled by existing USADF personnel.	Open
	Recommendation 6: Implement monitoring mechanisms to ensure adherence to federal financial management requirements and timely corrective action for deficiencies.	Open
0-ADF-26-003-C	**Material Weakness: Ineffective Entity-Level Controls**	
	Recommendation 7: Consider implementing alternative solutions, to provide internal control support, including FMFIA/A-123 testing and documentation updates.	Open
	Recommendation 8: Develop and implement a streamlined internal control and risk assessment plan focused on the drawdown of operations, prioritizing high-risk areas such as disbursements, funds held outside of treasury (FHOT), grants, and closeout procedures to maintain compliance and financial integrity.	Open
	Recommendation 9: Strengthen communication and accountability by issuing clear written guidance on roles and	Open

	responsibilities for remaining personnel and establishing a simple escalation process for unresolved control issues.	
0-ADF-26-003-C	**Material Non-compliance: Absence of FMFIA, and OMB Circular A 123 Internal Control Assessments and Assurance**	
	Recommendation 10: Develop a plan for completing the FY 2026 internal controls assessment and resulting assurance statements, including the timing and who is responsible for completing the assessment.	Open
	Recommendation 11: Perform the FY 2026 internal controls assessment and prepare the resulting assurance statements in accordance with Federal requirements and within the required due date.	Open
0-ADF-26-003-C	**Material Non-compliance: Agency Did not Produce an Annual Management Report**	
	Recommendation 12: Establish and implement a financial reporting process to ensure timely preparation of an OMB Circular A-136-compliant AMR that is appropriate for its current size, staffing levels, and mission.	Open
	Recommendation 13: Develop procedures to analyze systems, controls, and legal compliance to the extent necessary to prepare management's assurances related to FMFIA.	Open
	FY 2024 Recommendations	**Current Status**
0-ADF-25-003-C	**Significant Deficiency: Improvements Needed Over the Recording of Funds Held Outside of Treasury (FHOT) Related Transactions**	
	Recommendation 3: Reassess the FHOT reconciliation process for ways to improve the process to maximize the use of electronic records and bank access.	Open
	Recommendation 5: Reassess the FHOT reconciliation process for ways to improve the process to address inactive accounts and close accounts as necessary.	Open
	Recommendation 6: Revisit the current policy and procedures related to the recording of financial transactions and reconciliation of bank accounts for the FHOT accounts and make the appropriate changes to ensure that the trial balance and financial statements reflect the true course of events that occurred in their appropriate period.	Open
	FY 2021 Recommendations	**Current Status**
0-ADF-22-003-C	**Non-compliance: USADF Did Not Comply in FY 2021 With the Digital Accountability and Transparency Act of 2014**	
	Recommendation 4: Begin submitting financial assistance award data into Financial Assistance Broker System and its File C.	Open

Visit our website at oig.usaid.gov and follow us on social media.

X: @AidOversight

LinkedIn: USAID Office of Inspector General

Instagram: @usaid.oig



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

Report Fraud, Waste, and Abuse



U.S. AFRICAN DEVELOPMENT FOUNDATION
FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2026, AND 2025

TABLE OF CONTENTS

STATEMENTS OF FINANCIAL POSITION 1

STATEMENTS OF OPERATION AND CHANGES IN NET POSITION 2

STATEMENTS OF CASH FLOW 3

NOTES TO THE FINANCIAL STATEMENTS 4-16

U.S. AFRICAN DEVELOPMENT FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2026 AND 2025
(In Dollars)

	2026	2025
Assets		
Intragovernmental Assets		
Fund Balance with Treasury (Note 2)	$ 67,309,599	$ 66,411,155
Advances and Prepayments	2,747	5,691
Total Intragovernmental Assets	67,312,346	66,416,846
Other than Intragovernmental Assets		
Cash and Other Monetary Assets (Note 3)	9,578,062	9,160,453
Accounts Receivable, Net (Note 4)	48,468	85,392
Property, Plant, and Equipment, Net (Note 5)	6,751,987	7,541,341
Advances and Prepayments	25,966	85,838
Total Other than Intragovernmental Assets	16,404,483	16,873,024
Total Assets	**$ 83,716,829**	**$ 83,289,870**
Liabilities (Note 6)		
Intragovernmental Liabilities		
Accounts Payable	$ 282,922	$ 373,522
Advances from Others and Deferred Revenue	2,194,824	2,194,824
Other Liabilities (Note 7)	25,948	28,111
Total Intragovernmental Liabilities	2,503,694	2,596,457
Other than Intragovernmental Liabilities		
Accounts Payable	373,422	309,958
Federal Employee Salary, Leave, and Benefits Payable	617,910	477,063
Other Liabilities (Note 7)	6,191,771	6,887,804
Total Other than Intragovernmental Liabilities	7,183,103	7,674,825
Total Liabilities	**$ 9,686,797**	**$ 10,271,282**
Net Position		
Unexpended Appropriations		
Funds from Other than Dedicated Collections	$ 62,837,538	$ 61,985,697
Total Unexpended Appropriations (Consolidated)	62,837,538	61,985,697
Cumulative Results of Operations		
Funds from Other than Dedicated Collections	11,192,494	11,032,891
Total Cumulative Results of Operations (Consolidated)	11,192,494	11,032,891
Total Net Position	**$ 74,030,032**	**$ 73,018,588**
Total Liabilities and Net Position	**$ 83,716,829**	**$ 83,289,870**

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

U.S. AFRICAN DEVELOPMENT FOUNDATION
STATEMENTS OF OPERATIONS AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2026 AND 2025
(In Dollars)

		2026		2025
Revenue:				
Appropriations Used	$	9,655,777	$	23,357,941
Other Revenue		-		237,101
Imputed Financing (Note 10)		410,130		559,848
Revenue to be Transferred		(1,464)		(81)
Collections for Others		1,464		81
Donations		702,353		253,918
Total Revenue	**$**	**10,768,260**	**$**	**24,408,808**
Expenses:				
Grant Program	$	10,608,657	$	25,050,846
Total Expenses	**$**	**10,608,657**	**$**	**25,050,846**
Net Revenue (Loss)	$	159,603	$	(642,038)
Net Position:				
Net Revenue (Loss)	$	159,603	$	(642,038)
Increase/(Decrease) in Unexpended Appropriations, Net		851,841		(1,860,381)
Increase/(Decrease) in Net Position, Net		1,011,444		(2,502,419)
Net Position, Beginning Balance		73,018,588		75,521,007
Net Position, Ending Balance	**$**	**74,030,032**	**$**	**73,018,588**

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

U.S. AFRICAN DEVELOPMENT FOUNDATION
STATEMENTS OF CASH FLOW
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2026 AND 2025
(In Dollars)

		2026		2025
Cash Flows From Operating Activities:				
Net Revenue (Loss)	$	159,603	$	(642,038)
Adjustments Affecting Cash Flow:				
Depreciation Expense	$	93,321	$	163,661
Amortization Expense		696,033		641,016
Decrease/(Increase) in Other Assets		62,816		5,203,047
Decrease/(Increase) in Accounts Receivable		36,923		(85,392)
Decrease/(Increase) in Lessee Right-to-Use Lease Asset		696,033		641,016
Increase/(Decrease) in Lease Liability		(696,033)		(641,016)
Increase/(Decrease) in Accounts Payable and Other Liabilities		111,549		(1,341,948)
Total Adjustments		1,000,642		4,580,384
Net Cash Provided/(Used) by Operating Activities	**$**	**1,160,245**	**$**	**3,938,346**
Cash Flows From Investing Activities:				
Purchase of Property, Equipment, and Software	$	-	$	(564,011)
Net Cash Provided/(Used) by Investing Activities	**$**	**-**	**$**	**(564,011)**
Cash Flows From Financing Activities:				
Appropriations Received, Net	$	2,344,223	$	21,642,059
Rescissions and Cancellations		(1,492,382)		(23,502,440)
Payments on Lease Liabilities		(696,033)		(641,016)
Net Cash Provided by Financing Activities	**$**	**155,808**	**$**	**(2,501,397)**
Net Increase/(Decrease) in Fund Balance With Treasury	$	1,316,053	$	872,938
Fund Balance with Treasury and Funds Held Outside of Treasury, Beginning		75,571,608		74,698,670
Fund Balance with Treasury and Funds Held Outside of Treasury, Ending	**$**	**76,887,661**	**$**	**75,571,608**

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The United States African Development Foundation ("USADF" or "the Foundation") is a government-owned corporation established by Congress under the African Development Foundation Act in 1980 and began operations in 1984. The Foundation has a unique mission among U.S. foreign assistance programs, by-passing layers of inefficiencies and working directly with the neediest communities in Africa.

The Foundation uses a participatory approach to actively engage marginalized local community groups or enterprises in the design and implementation of development projects. This approach ensures these programs are distinctively African initiated and led, resulting in outcomes that best address the real needs of the community. Together, the focus on underserved populations and participatory development ensures greater equity and ownership in the development process.

Project success and long-term impact is further enhanced through USADF efforts to establish a network of partner organizations, local non-governmental organizations, that provide project design, implementation, and management support to USADF grant recipients. The Foundation reporting entity is comprised of Trust Funds, General Funds, and General Miscellaneous Receipts.

The Foundation maintains a Trust Fund with the U.S. Treasury in accordance with its gift authority. Trust Funds are credited with receipts that are generated by terms of a trust agreement or statute.

General Funds are accounts used to record financial transactions arising under congressional appropriations or other authorizations to spend general revenues. The Foundation provides grants and program support to community groups and small enterprises that benefit under served and marginalized groups in Africa.

General Fund Miscellaneous Receipts are accounts established for receipts of non-recurring activity, such as fines, penalties, fees and other miscellaneous receipts for services and benefits.

B. Basis of Presentation

The financial statements have been prepared to report on the financial position and results of operations of the USADF. The Balance Sheet presents the financial position of the agency. The Statement of Net Cost presents the agency's operating results. The Statement of Changes in Net Position displays the changes in the agency's equity accounts. The Statement of Budgetary Resources presents the sources, status, and uses of the agency's resources and follows the rules for the Budget of the United States Government.

The statements are a requirement of the Chief Financial Officers Act of 1990, the Government Management Reform Act of 1994 and the Accountability of Tax Dollars Act of 2002. They have been prepared from, and are fully supported by, the books and records of the USADF in accordance with the hierarchy of accounting principles generally accepted in the United States of America, standards issued by the Federal Accounting Standards Advisory Board (FASAB), Office of Management and Budget (OMB) Circular A-136, Financial Reporting Requirements, as amended, and the USADF's accounting policies which are summarized in this note. These statements, with the exception of the Statement of Budgetary Resources, are different from financial management reports, which are also prepared pursuant to OMB directives that are used to monitor and control the USADF's use of budgetary resources. The financial statements and

associated notes are presented on a comparative basis. Unless specified otherwise, all amounts are presented in dollars.

C. Basis of Accounting

Transactions are recorded on both an accrual accounting basis and a budgetary basis. Under the accrual method, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates the control and monitoring of federal funds as well as the compliance with legal requirements on the use of those funds.

D. Fund Balance with Treasury

Fund Balance with Treasury is an asset of a reporting entity and a liability of the General Fund. It is the aggregate amount of the USADF's funds with Treasury in expenditure, receipt, revolving, and deposit fund accounts. Appropriated funds recorded in expenditure accounts are available to pay current liabilities and finance authorized purchases.

E. Funds Held Outside of Treasury

Funds held outside U.S. Treasury are generally maintained in accounts in each country with which the Foundation has a Strategic Partnership Agreement. Strategic Partner Governments deposit donations into these in-country accounts. The Ecobank Kenya account has $100,000 from Somalia's Dahabshiil Bank International MOU, and funds from other expired MOUs from Botswana, CapeVerde, and Ghana post grants disbursements made from the account. In general, grants are funded equally with appropriated funds and donated funds (funds held outside U.S. Treasury). USADF controls all disbursements from these accounts. See Note 3 for a list of banks where the funds are maintained and where grant funds are processed. Funds held outside the Treasury are available to pay agency liabilities. 22 U.S. Code § 290h–4(a)(9) authorizes USADF to accept gifts or donations of services or of property (real, personal, or mixed), tangible or intangible, in furtherance of the purposes of the mission of the Foundation. Donations referenced on Statement of Operations and Changes in Net Position include both Funds Held Outside the Treasury (FHOT) and Fund Balance with Treasury (FBWT). Donated funds are restricted for grant purposes. Donations totaling $702,353 are composed of the following: African Governments $239,902; private donations totaling $6; upward adjustments to foreign accounts due to currency fluctuations $462,445. Disclosure: USADF had received a deposit from the country of Namibia in fiscal year 2025, but the deposit was not recorded until fiscal year 2026 due largely to the major disruption caused by the agency shutdown.

Funds held outside U.S. Treasury for Country Program Coordinator (CPC) operations are reported under Other than Intragovernmental Assets: Advances and Prepayments.

F. Foreign Currencies

The Foundation awards grants to private organizations in Africa. Most of the grants are denominated in local currencies to facilitate accounting by the recipient organizations. Depending on the nature of the transaction, foreign currencies are translated into dollars at the actual exchange rate received by the Foundation when the transaction is made. The value of obligations incurred by the Foundation in foreign currencies varies from time to time depending on the current exchange rate. The Foundation adjusts the value of both funds held outside of treasury and obligations during the year to reflect the prevailing exchange rates. Downward adjustments to prior year obligations based on favorable foreign currency exchange rates will be made available for obligation. Upward adjustment to prior year obligations based on unfavorable foreign currency exchange rate with the U.S. dollar will be made from funds made available

for upward adjustments. Obligations in the appropriated multi-year funds will not be adjusted based on the foreign exchange rate until they are paid out.

G. Grant Accounting

The Foundation disburses funds to grantees to cover their projected expenses over a three-month period. Grantees report to the Foundation quarterly on the actual utilization of these funds. For purposes of these financial statements, the Foundation treats disbursements to grantees as advances. To ensure timeliness in reporting grantee expenditures, the Foundation will use estimates to calculate the last quarter's grantee expenditures. In compliance with alternative methodology allowed by FASAB Technical Release 12 *Accrual Estimates for Grant Programs*, the estimates are calculated based on cash on hand (COH) from last quarter divided by the summation of COH from the quarter prior plus disbursements from the last quarter. The advance will be reversed in the following quarter's financial statements. Once a grant has closed (expired or cancelled) any excess disbursement is reclassified as an Account Receivable.

Advance and Prepayment Liability on September 30, 2026, includes balances from past Inter-agency agreements, two with USAID and one with DOS, totaling $2,194,824.

H. Accounts Receivable

Accounts receivable consists of amounts owed to the USADF by other federal agencies and the general public. Amounts due from federal agencies are considered fully collectible. Accounts receivable from the public include reimbursements from employees. An allowance for uncollectible accounts receivable from the public is established when, based upon a review of outstanding accounts and the failure of all collection efforts, management determines that collection is unlikely to occur considering the debtor's ability to pay.

I. Property, Equipment, and Software

Property, equipment, and software represent furniture, fixtures, equipment, and information technology hardware and software which are recorded at original acquisition cost and are depreciated or amortized using the straight-line method over their estimated useful lives. Major alterations and renovations are capitalized, while maintenance and repair costs are expensed as incurred. The USADF's capitalization threshold is $25,000 for individual purchases. Property, equipment, and software acquisitions that do not meet the capitalization criteria are expensed upon receipt. Applicable standard governmental guidelines regulate the disposal and convertibility of agency property, equipment, and software. The useful life classifications for capitalized assets are as follows:

Description	Useful Life (years)
Vehicles	5
Leasehold Improvements	5
Office Furniture	5
Computer Equipment	5
Office Equipment	5
Software	5
Right-to-Use Lease	10

J. Advances and Prepaid Charges

Advance payments are generally prohibited by law. There are some exceptions, such as reimbursable agreements, subscriptions, etc. Payments made in advance of the receipt of goods and services are recorded as advances or prepaid charges at the time of prepayment and recognized as expenses when the related goods and services are received.

To facilitate operations, USADF advances funds for grants and Country Program Coordinator (CPC) operations. These disbursements are initially recorded as expenses and, at the end of each quarter, the estimated unliquidated amounts are reclassified to advances by applying an allocation percentage to expenses recorded. In addition to grants, USADF estimates its CPC FHOT-related advances by applying a percentage to the total disbursements made to all offices. The allocation percentage is derived by dividing the estimated cash on hand (COH) of the reported offices by the sum of their beginning COH and total disbursements made to those offices. The total CPC FHOT advances as of fiscal year end 2026 and 2025, were estimated at $25,966 and $85,838, respectively.

K. Liabilities

Liabilities represent the amount of funds likely to be paid by the USADF as a result of transactions or events that have already occurred.

The USADF reports its liabilities under two categories, Intragovernmental and Other than Intragovernmental. Intragovernmental liabilities represent funds owed to another government agency. Liabilities other than intragovernmental represent funds owed to any entity or person that is not a federal agency, including private sector firms and federal employees. Each of these categories may include liabilities that are covered by budgetary resources and liabilities not covered by budgetary resources.

Liabilities covered by budgetary resources are liabilities funded by a current appropriation or other funding source. These consist of accounts payable and accrued payroll and benefits. Accounts payable represent amounts owed to another entity for goods ordered and received and for services rendered except for employees. Accrued payroll and benefits represent payroll costs earned by employees during the fiscal year which are not paid until the next fiscal year.

Liabilities not covered by budgetary resources are liabilities that are not funded by any current appropriation or other funding source. These liabilities consist of accrued annual leave, deferred rent, actuarial FECA, lease liability and the amounts due to Treasury for collection and accounts receivable of civil penalties and FOIA request fees.

L. Annual, Sick, and Other Leave

Annual leave is accrued as it is earned, and the accrual is reduced as leave is taken. The balance in the accrued leave account is adjusted to reflect current pay rates. Liabilities associated with other types of vested leave, including compensatory, restored leave, and sick leave in certain circumstances, are accrued at year-end, based on latest pay rates and unused hours of leave. Funding will be obtained from future financing sources to the extent that current or prior year appropriations are not available to fund annual and other types of vested leave earned but not taken. Nonvested leave is expensed when used. Any liability for sick leave that is accrued but not taken by a Civil Service Retirement System (CSRS)-covered employee is transferred to the Office of Personnel Management (OPM) upon the retirement of that individual. Credit is given for sick leave balances in the computation of annuities upon the retirement of Federal Employees Retirement System (FERS)-covered employees.

M. Accrued and Actuarial Workers' Compensation

The Federal Employees' Compensation Act (FECA) administered by the U.S. Department of Labor (DOL) addresses all claims brought by the USADF's employees for on-the-job injuries. The DOL bills each agency annually as its claims are paid, but payment of these bills is deferred for two years to allow for funding through the budget process. Similarly, employees that the USADF terminates without cause may receive unemployment compensation benefits under the unemployment insurance program also administered by the DOL, which bills each agency quarterly for paid claims. Future appropriations will be used for the reimbursement to DOL. The liability consists of (1) the net present value of estimated future payments calculated by the DOL.

N. Retirement Plans

The USADF's employees participate in either the CSRS or the FERS. The employees who participate in CSRS are beneficiaries of the USADF's matching contribution, equal to seven percent of pay, distributed to their annuity account in the Civil Service Retirement and Disability Fund.

Prior to December 31, 1983, all employees were covered under the CSRS program. From January 1, 1984 through December 31, 1986, employees had the option of remaining under CSRS or joining FERS and Social Security. Employees hired as of January 1, 1987 are automatically covered by the FERS program. Both CSRS and FERS employees may participate in the federal Thrift Savings Plan (TSP). FERS employees receive an automatic agency contribution equal to one percent of pay and the USADF matches any employee contribution up to an additional four percent of pay. For FERS participants, the USADF also contributes the employer's matching share of Social Security.

FERS employees and certain CSRS reinstatement employees are eligible to participate in the Social Security program after retirement. In these instances, the USADF remits the employer's share of the required contribution.

USADF recognizes the imputed cost of pension and other retirement benefits during the employees' active years of service. OPM actuaries determine pension cost factors by calculating the value of pension benefits expected to be paid in the future and communicate these factors to the USADF for current period expense reporting. OPM also provides information regarding the full cost of health and life insurance benefits. The USADF recognized the offsetting revenue as imputed financing sources to the extent these expenses will be paid by OPM.

The USADF does not report on its financial statements information pertaining to the retirement plans covering its employees. Reporting amounts such as plan assets, accumulated plan benefits, and related unfunded liabilities, if any, is the responsibility of the OPM, as the administrator.

O. Other Post-Employment Benefits

The USADF's employees eligible to participate in the Federal Employees' Health Benefits Plan (FEHBP) and the Federal Employees' Group Life Insurance Program (FEGLIP) may continue to participate in these programs after their retirement. The OPM has provided the USADF with certain cost factors that estimate the true cost of providing the post-retirement benefit to current employees. The USADF recognizes a current cost for these and Other Retirement Benefits (ORB) at the time the employee's services are rendered. The ORB expense is financed by OPM, and offset by the USADF through the recognition of an imputed financing source.

P. Use of Estimates

The preparation of the accompanying financial statements in accordance with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

Q. Reclassification

Certain fiscal year 2025 balances have been reclassified, retitled, or combined with other financial statement line items for consistency with the current year presentation.

R. Classified Activities

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

NOTE 2. FUND BALANCE WITH TREASURY

Fund Balance with Treasury account balances as of September 30, 2026 and 2025, were as follows:

		2026		2025
Status of Fund Balance with Treasury:				
Unobligated Balance	$	18,683,703	$	15,369,093
Obligated Balance Not Yet Disbursed		48,625,896		51,042,062
Total Fund Balance with Treasury	**$**	**67,309,599**	**$**	**66,411,155**

No discrepancies exist between the Fund Balance reflected on the Statements of Financial Position and the balances in the Treasury accounts.

The obligated balance not yet disbursed includes accounts payable, accrued expenses, and undelivered orders that have reduced unexpended appropriations but have not yet decreased the fund balance on hand.

NOTE 3. CASH AND OTHER MONETARY ASSETS

The USADF's funds held outside the Treasury consist of local currency donations made by African governments and certain private sector entities for program purposes in each respective country.

Cash and other monetary assets balances as of September 30, 2026 and 2025, consisted of totaled $9,578,062 and $9,160,453, respectively. The comparative balances are summarized below:

		2026		2025
EcoBank Benin	$	2,649,808	$	2,673,342
EcoBank Cote D'ivoire		530,997		536,192
EcoBank Guinea		19,105		19,105
EcoBank Kenya		125,311		125,515

Stanbic Bank of Kenya	413,468	413,746
EcoBank Mali	75,870	77,107
EcoBank Malawi	369,848	372,449
Zenith Bank Nigeria	141,049	158,484
EcoBank Nigeria	706,768	630,978
Sterling Bank Nigeria	113,614	99,398
I&M Bank Limited Rwanda	169	169
EcoBank Senegal	35,089	35,692
BNDE Bank Senegal	418,144	422,140
Stanbic Bank of Uganda	3,128,525	3,021,873
EcoBank Zimbabwe	3	3
Banque Mauritanienne de l'Investissement	344,297	348,392
Nedbank Namibia	246,977	-
United Bank for Africa, Nigeria	259,020	225,868
Total Funds Held Outside Treasury	**$ 9,578,062**	**$ 9,160,453**

NOTE 4. ACCOUNTS RECEIVABLE, NET

Accounts receivable balances as of September 30, 2026 and 2025, were as follows:

		2026		2025
Other than Intragovernmental Accounts Receivable	$	48,468	$	85,392
Total Other than Intragovernmental Accounts Receivable	$	48,468	$	85,392
Total Accounts Receivable	**$**	**48,468**	**$**	**85,392**

Historical experience has indicated that the majority of the receivables are collectible. There are no material uncollectible accounts as of September 30, 2026 and 2025.

NOTE 5. PROPERTY, PLANT, AND EQUIPMENT, NET

Schedule of General Property, Plant, and Equipment, Net as of September 30, 2026 and 2025:

		Acquisition Cost		Accumulated Depreciation and Amortization		Net Book Value
2026						
Furniture and Equipment	$	1,646,318	$	1,128,829	$	517,489
Software		1,243,799		1,243,799		-
Software-in-Development		272,678		-		272,678
Lessee Right-To-Use Lease Asset		8,149,223		2,187,403		5,961,820
Total	**$**	**11,312,018**	**$**	**4,560,031**	**$**	**6,751,987**
2025						
Furniture and Equipment	$	1,646,318	$	1,035,508	$	610,810
Software		1,243,799		1,243,799		-
Software-in-Development		272,678		-		272,678
Lessee Right-To-Use Lease Asset		8,149,223		1,491,370		6,657,853
Total	**$**	**11,312,018**	**$**	**3,770,677**	**$**	**7,541,341**

NOTE 6. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The liabilities for the USADF as of September 30, 2026 and 2025, include liabilities not covered by budgetary resources. Congressional action is needed before budgetary resources can be provided. Although future appropriations to fund these liabilities are likely and anticipated, it is not certain that appropriations will be enacted to fund these liabilities.

	2026	2025
Intragovernmental-Unemployment Insurance	$ 1,533	$ 2,156
Unfunded Leave	403,167	275,534
Unfunded Lessee Lease Liability	6,191,771	6,839,257
Total Liabilities Not Covered by Budgetary Resources	$ 6,596,471	$ 7,116,947
Total Liabilities Covered by Budgetary Resources	3,089,567	3,154,335
Liabilities Not Requiring Budgetary Resources	759	-
Total Liabilities	**$ 9,686,797**	**$ 10,271,282**

Unemployment Insurance liabilities represent the unfunded liability for actual workers compensation claims and unemployment benefits paid on the USADF's behalf and payable to the DOL.

Unfunded leave represents a liability for earned leave and is reduced when leave is taken. The balance in the accrued annual leave account is reviewed quarterly and adjusted as needed to accurately reflect the liability at current pay rates and leave balances. Accrued annual leave is paid from future funding sources and, accordingly, is reflected as a liability not covered by budgetary resources. Sick and other leave is expensed as taken.

NOTE 7. OTHER LIABILITIES

Other liabilities account balances as of September 30, 2026 and 2025, were as follows:

	Current	Non-Current	Total
2026			
Intragovernmental Other Liabilities			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	$ 5,077	$ -	$ 5,077
Custodial Liability (to the general fund)	659	-	659
Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity (to the general fund)	100	-	100
Employer Contributions and Payroll Taxes Payable	18,579	-	18,579
Other Unfunded Employment Related Liability	1,533	-	1,533
Total Intragovernmental Other Liabilities	**$ 25,948**	**$ -**	**$ 25,948**
Other than Intragovernmental Other Liabilities			
Unfunded Lessee Lease Liability	$ 754,234	$ 5,437,537	$ 6,191,771
Total Other than Intragovernmental Other Liabilities	**$ 754,234**	**$ 5,437,537**	**$ 6,191,771**

Total Other Liabilities	**$ 780,182**	**$ 5,437,537**	**$ 6,217,719**
2025			
Intragovernmental Other Liabilities			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	$ 5,528	$ -	$ 5,528
Employer Contributions and Payroll Taxes Payable	20,427	-	20,427
Other Unfunded Employment Related Liability	2,156	-	2,156
Total Intragovernmental Other Liabilities	**$ 28,111**	**$ -**	**$ 28,111**
Other than Intragovernmental Other Liabilities			
Lessee Lease Liability	$ 48,547	$ -	$ 48,547
Unfunded Lessee Lease Liability	647,486	6,191,771	6,839,257
Total Other than Intragovernmental Other Liabilities	**$ 696,033**	**$ 6,191,771**	**$ 6,887,804**
Total Other Liabilities	**$ 724,144**	**$ 6,191,771**	**$ 6,915,915**

NOTE 8. LEASES

The USADF has determined that it holds one non-governmental lease agreement for an office building, beginning May 1, 2015, and expiring April 30, 2033. The lease qualifies under the RTU asset recognition threshold and is accounted for in accordance with SFFAS-54. The Agency recognized a right-to-use asset on the balance sheet at the commencement of the lease term. The amortization expense for fiscal year 2026 is $696,033 and the ending balance for September 30, 2026, is $6,191,771. Lease payments are structured over a period of 8 years with interest recognized over the lease term.

Below is a schedule of future payments for the term of the lease:

	Principal	Interest	Total
Fiscal Year			
2027	$ 754,035	$ 267,958	$ 1,021,993
2028	815,385	232,157	1,047,542
2029	880,257	193,474	1,073,731
2030	948,831	151,744	1,100,575
2031	1,021,297	106,792	1,128,089
2032-2033	1,771,966	68,763	1,840,729
Total	**$ 6,191,771**	**$ 1,020,888**	**$ 7,212,659**

The operating lease amount does not include estimated payments for leases with annual renewal options.

NOTE 9. COMMITMENTS AND CONTINGENCIES

The USADF records commitments and contingent liabilities for legal cases in which payment has been deemed probable and for which the amount of potential liability has been estimated, in accordance with SFFAS 5, Accounting for Liabilities of the Federal Government, as amended by SFFAS 12, Recognition of Contingent Liabilities Arising from Litigation. Legal cases for which an unfavorable outcome is reasonably possible are disclosed but not recognized. As of September 30, 2026, management and legal counsel have determined that an unfavorable outcome is probable for one legal matter with an estimated loss of $60,000, which is expected to be paid out of the Judgement Fund; USADF will record the corresponding liability and related expense to the extent the Judgement Fund issues a billing notice for reimbursement. The USADF is also a party to one pending legal action for which, according to the USADF's legal counsel, an unfavorable outcome is reasonably possible. An estimate of the amount or range of potential loss cannot be made at this time, and accordingly no liability has been recognized. In the opinion of the USADF's management, the ultimate resolution of these proceedings, actions and claims will not materially affect the financial position or results of operations of the USADF.

NOTE 10. INTER-ENTITY COSTS

USADF recognizes certain inter-entity costs for goods and services that are received from other federal entities at no cost or at a cost less than the full cost. Certain costs of the providing entity that are not fully reimbursed are recognized as imputed cost and are offset by imputed revenue. Such imputed costs and revenues relate to employee benefits and claims to be settled by the Treasury Judgement Fund. USADF recognizes as inter-entity costs the amount of accrued pension and post-retirement benefit expenses for current employees.

The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the fiscal years ended September 30, 2026 and 2025, respectively, inter-entity costs were as follows:

		2026		2025
Office of Personnel Management	$	410,130	$	559,848
Total Inter-Entity Costs	**$**	**410,130**	**$**	**559,848**

NOTE 11. UNDELIVERED ORDERS AT THE END OF THE PERIOD

Budgetary resources obligated for undelivered orders as of September 30, 2026 and 2025, were as follows:

	Intragovernmental	Other than Intragovernmental	Total
2026			
Paid Undelivered Orders	$ 2,747	$ 25,966	$ 28,713
Unpaid Undelivered Orders	3,092,807	49,402,171	52,494,978
Total Undelivered Orders	**$ 3,095,554**	**$ 49,428,137**	**$ 52,523,691**
2025			
Paid Undelivered Orders	$ 5,691	$ 85,838	$ 91,529
Unpaid Undelivered Orders	481,033	54,740,410	55,221,443
Total Undelivered Orders	**$ 486,724**	**$ 54,826,248**	**$ 55,312,972**

NOTE 12. EXPLANATION OF DIFFERENCES BETWEEN THE STATEMENT OF BUDGETARY RESOURCES AND THE BUDGET OF THE U.S. GOVERNMENT

The President's Budget that will include fiscal year 2026 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2027 and can be found at the OMB website: https://www.whitehouse.gov/omb/. The Fiscal Year 2027 Budget of the United States Government, with the "Actual" column completed for 2025, has been reconciled to the Statement of Budgetary Resources and there were no material differences.

(In Millions)

	Total Budgetary Resources	New Obligations & Upward Adjustments (Total)	Net Outlays
Combined Statement of Budgetary Resources	$ 40	$ 20	$ 21
Unobligated Balance Not Available	(7)	-	-
Difference Due to Rounding	-	(1)	(1)
Budget of the U.S. Government	**$ 33**	**$ 19**	**$ 20**

NOTE 13. CUSTODIAL ACTIVITY

The USADF's custodial collection primarily consists of employee accounts receivable interest and penalties While these collections are considered custodial, they are neither primary to the mission of the USADF nor material to the overall financial statements. The USADF's total custodial collections are $1,463 and $31 as of September 30, 2026, and 2025, respectively.

NOTE 14: RECONCILIATION OF NET OPERATING COST & NET BUDGETARY OUTLAYS

The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information.

The reconciliation of Net Cost to Net Outlays as of September 30, 2026:

	Intragovern-mental	Other than Intragovern-mental	Total
Net Operating Cost (Revenue) Reported on Statement of Net Cost	**$ 3,128,794**	**$ 7,479,763**	**$ 10,608,557**
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, Plant, and Equipment Depreciation Expense	-	(93,321)	(93,321)
Lessee Lease Amortization	-	(696,033)	(696,033)
Increase/(Decrease) in Assets Not Affecting Budgetary Outlays:			
Accounts Receivable, Net	-	(37,583)	(37,583)
Advances and Prepayments	(2,944)	(59,872)	(62,816)
(Increase)/Decrease in Liabilities Not Affecting Budgetary Outlays:			
Accounts Payable	(71,437)	98,573	27,136
Lessee Lease Liability	-	696,033	696,033
Federal Employee Salary, Leave, and Benefits Payable	-	(140,847)	(140,847)
Other Liabilities	2,922	-	2,922
Financing Sources:			
Imputed Cost	(410,130)	-	(410,130)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	**$ (481,589)**	**$ (233,050)**	**$ (714,639)**

Components of the Budgetary Outlays That Are Not Part of Net Operating Cost			
Financing Sources:			
Donated Revenue	-	(702,353)	(702,353)
Total Components of the Budgetary Outlays That Are Not Part of Net Operating Cost	**$ -**	**$ (702,353)**	**$ (702,353)**
Misc Items			
Distributed Offsetting Receipts (SBR 4200)	-	702,353	702,353
Custodial/Non-Exchange Revenue	1,464	(1,464)	-
Appropriated Receipts for Trust/Special Funds	-	702,353	702,353
Total Other Reconciling Items	**$ 1,464**	**$ 1,403,242**	**$ 1,404,706**
Total Net Outlays (Calculated Total)	**$ 2,648,669**	**$ 7,947,602**	**$ 10,596,271**
Budgetary Agency Outlays, Net (SBR 4210)			
Budgetary Agency Outlays, Net			**$ 10,596,271**

The reconciliation of Net Cost to Net Outlays as of September 30, 2025:

	Intragovern-mental	Other than Intragovern-mental	Total
Net Operating Cost (Revenue) Reported on Statement of Net Cost	**$ 3,373,442**	**$ 21,440,253**	**$ 24,813,695**
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, Plant, and Equipment Depreciation Expense	-	(163,661)	(163,661)
Lessee Lease Amortization	-	(641,016)	(641,016)
Increase/(Decrease) in Assets Not Affecting Budgetary Outlays:			
Accounts Receivable, Net	-	85,392	85,392
Advances and Prepayments	2,411	(5,205,458)	(5,203,047)
(Increase)/Decrease in Liabilities Not Affecting Budgetary Outlays:			
Accounts Payable	29,496	610,363	639,859
Lessee Lease Liability	-	641,016	641,016
Federal Employee Salary, Leave, and Benefits Payable	-	240,742	240,742
Advances from Others and Deferred Revenue	397,290	-	397,290
Other Liabilities	35,692	28,364	64,056
Financing Sources:			
Imputed Cost	(559,848)	-	(559,848)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	**$ (94,959)**	**$ (4,404,258)**	**$ (4,499,217)**
Components of the Budgetary Outlays That Are Not Part of Net Operating Cost			
Acquisition of Capital Assets	-	564,011	564,011

Financing Sources:				
Donated Revenue		-	(253,918)	(253,918)
Total Components of the Budgetary Outlays That Are Not Part of Net Operating Cost	**$**	**-**	**$ 310,093**	**$ 310,093**
Misc Items				
Distributed Offsetting Receipts (SBR 4200)		-	253,918	253,918
Custodial/Non-Exchange Revenue		31	(31)	-
Non-Entity Activity		50	-	50
Appropriated Receipts for Trust/Special Funds		-	253,918	253,918
Total Other Reconciling Items	**$**	**81**	**$ 507,805**	**$ 507,886**
Total Net Outlays (Calculated Total)	**$**	**3,278,565**	**$ 17,853,892**	**$ 21,132,457**
Budgetary Agency Outlays, Net (SBR 4210)				
Budgetary Agency Outlays, Net				**$ 21,132,457**