

AGROS INTERNATIONAL AND AFFILIATE

Consolidated Financial Statements

For the 18-Month Period Ended December 31, 2020

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Independent Auditor's Report

**To the Board of Directors
Agros International and Affiliate
Seattle, Washington**

We have audited the accompanying consolidated financial statements of Agros International and Affiliate (collectively, the Organization) which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities and change in net assets, functional expense and cash flows for the 18-month period then ended, and the related notes to the consolidated financial statements.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2020, and the changes in net assets and its cash flows for the 18-month period then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Organization changed its fiscal year end from June 30 to December 31, effective July 1, 2019. Therefore the audited financial statements are presented for the 18-month period ended December 31, 2020. Our opinion is not modified with respect to this matter.

Clark Nuber P.S.

Certified Public Accountants
November 8, 2021

AGROS INTERNATIONAL AND AFFILIATE

**Consolidated Statement of Financial Position
December 31, 2020**

Assets

Cash and cash equivalents	\$ 1,359,055
Prepaid expenses and other assets	172,828
Microloans receivable from community members, net	195,630
Pledges and grants receivable, net	510,412
Land held for village development	1,805,185
Property and equipment, net	<u>183,092</u>

Total Assets	<u>\$ 4,226,202</u>
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Liabilities and Net Assets

Liabilities:

Accounts payable and accrued expenses	\$ 334,622
Land loan payments	<u>548,794</u>

Total Liabilities	883,416
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Net Assets:

Without donor restrictions	514,782
With donor restrictions	<u>2,828,004</u>

Total Net Assets	<u>3,342,786</u>
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Total Liabilities and Net Assets	<u>\$ 4,226,202</u>
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See accompanying notes.

AGROS INTERNATIONAL AND AFFILIATE

**Consolidated Statement of Activities and Changes in Net Assets
For the 18-Month Period Ended December 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Operating			
Revenues:			
Contributions and grants	\$ 1,611,406	\$ 1,743,321	\$ 3,354,727
In-kind contributions of goods and services	45,024		45,024
Special events, net of related expenses of \$162,325	505,669	191,900	697,569
Paycheck Protection Program loan revenue	186,047		186,047
Interest income	3,356		3,356
Other income	82,748		82,748
Net assets released from restriction	1,490,271	(1,490,271)	
Total Revenues	3,924,521	444,950	4,369,471
Expenses:			
Program	2,188,772		2,188,772
Administration	326,379		326,379
Resource development	799,851		799,851
Total Expenses	3,315,002		3,315,002
Change in Net Assets Before Gains/(Losses)	609,519	444,950	1,054,469
Loss on disposal of assets	(5,300)		(5,300)
Loan portfolio adjustments	(12,522)		(12,522)
Other gains, losses and recoveries, net	18,065		18,065
Change in Net Assets	609,762	444,950	1,054,712
Net assets, beginning of year	(94,980)	2,383,054	2,288,074
Net Assets, End of Year	\$ 514,782	\$ 2,828,004	\$ 3,342,786

See accompanying notes.

AGROS INTERNATIONAL AND AFFILIATE

**Consolidated Statement of Functional Expense
For the 18-Month Period Ended December 31, 2020**

	Program Expenses							
	International Program Development	Nicaragua	El Salvador	Honduras	Total Program	Administration	Resource Development	Total
Salaries, payroll taxes and benefits	\$ 463,105	\$ 550,632	\$ -	\$ 145,688	\$ 1,159,425	\$ 253,008	\$ 515,173	\$ 1,927,606
Project costs and infrastructure	1	91,061	50	16,700	107,812			107,812
Service teams		486			486			486
Travel	12,377	63,709	134	3,217	79,437	884	12,078	92,399
Professional services	15,151	134,157	4,384	5,366	159,058	48,909	90,031	297,998
Rent and occupancy	37,747	86,476		1,911	126,134	22,945	53,014	202,093
Vehicle expense and local transportation		78,432	25	3,433	81,890			81,890
Training, conferences and staff development	1,663	5,819			7,482	4,173	1,752	13,407
Supplies and postage	674	4,376		571	5,621	553	20,674	26,848
Telephone and communications	3,552	14,648	1	3,575	21,776	1,587	5,657	29,020
Fees, taxes and licenses	26,584	9,625	116	4,359	40,684	19,776	47,383	107,843
Printing and publications	861	1,729		21	2,611	529	97,934	101,074
Insurance	5,589	7,965		69	13,623	3,273	7,571	24,467
Equipment rental and maintenance		4,981		193	5,174			5,174
Grants to Guatemala program	189,247				189,247			189,247
Interest and other	728	14,192		18,485	33,405	11,107	8,678	53,190
Allocations		91,140		18,023	109,163	(43,103)	(66,060)	
Depreciation	5,022	39,140		1,582	45,744	2,738	5,966	54,448
Special event expenses							162,325	162,325
Total expenses	762,301	1,198,568	4,710	223,193	2,188,772	326,379	962,176	3,477,327
Less special event expenses netted with special events revenue							(162,325)	(162,325)
Total Expenses Presented on the Consolidated Statement of Activities and Changes in Net Assets	\$ 762,301	\$ 1,198,568	\$ 4,710	\$ 223,193	\$ 2,188,772	\$ 326,379	\$ 799,851	\$ 3,315,002

See accompanying notes.

AGROS INTERNATIONAL AND AFFILIATE**Consolidated Statement of Cash Flows
For the 18-Month Period Ended December 31, 2020**

Cash Flows From Operating Activities:	
Change in net assets	\$ 1,054,712
Adjustments to reconcile change in net assets to net cash provided by operating activities-	
Gain on land held for village development	(7,539)
Disposal of property and equipment	(3,664)
Depreciation	54,448
Changes in assets and liabilities:	
Prepaid expenses and other assets	(104,216)
Microloans receivable from community members, net	(21,386)
Pledges and grants receivable, net	43,651
Accounts payable and accrued expenses	<u>(27,598)</u>
Net Cash Provided by Operating Activities	988,408
Cash Flows From Investing Activities:	
Land loan payments received from villagers	76,599
Purchases of property and equipment	(88,810)
Proceeds from sale of property and equipment	<u>4,172</u>
Net Cash Used in Investing Activities	(8,039)
Cash Flows From Financing Activities:	
Payments on note payable	<u>(250,000)</u>
Net Cash Used in Financing Activities	<u>(250,000)</u>
Net Change in Cash and Cash Equivalents	730,369
Cash and cash equivalents, beginning of period	<u>628,686</u>
Cash and Cash Equivalents, End of Period	<u>\$ 1,359,055</u>
Supplemental Disclosure of Cash Flow Information:	
Cash paid for interest	\$ 10,000

See accompanying notes.

AGROS INTERNATIONAL AND AFFILIATE

Notes to Consolidated Financial Statements For the 18-Month Period Ended December 31, 2020

Note 1 - Nature of the Organization

Agros International (Agros) was formed in October 1984. Its mission is to break the cycle of poverty and create paths to prosperity for farming families in rural Latin America. Agros has provided development assistance to 45 Agros villages (projects) in Guatemala, El Salvador, Nicaragua, Honduras and Mexico, helping more than 1,695 families achieve food security, organize self-sustaining communities, develop agricultural businesses and obtain potable water and other essential needs (unaudited).

Agros is a Washington State nonprofit corporation with headquarters in Seattle, Washington and branch offices in Nicaragua, Honduras, and El Salvador.

Land Hope Life, an affiliated organization that is controlled by Agros, was incorporated on June 23, 2010, for the purpose of purchasing and holding land in countries where Agros works.

Note 2 - Summary of Significant Accounting Policies

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of Agros and Land Hope Life, collectively referred to as "the Organization". All inter-organization transactions have been eliminated.

Change in Fiscal Year End - The Organization elected to change its fiscal year end from June 30 to December 31, effective July 1, 2019. Therefore, these consolidated financial statements present activity as of and for the 18-month period ended December 31, 2020.

Basis of Presentation - The Organization follows accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to nonprofit organizations, which require the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that will be met by actions of the Organization or the passage of time or are to be maintained in perpetuity by the Organization.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets.

Noemí Fund - In October 2003, the Board of Directors authorized the formation of the Noemí Fund (the Fund), to hold gifts in perpetuity to be used for land and housing loans. These gifts are accounted for as net assets with permanent donor restrictions unless other donor restrictions apply. Monies from the Fund are advanced to acquire land and purchase building materials. The Fund holds, as its investment, cash, promissory notes and land. Losses on investments may be charged to the applicable restricted net asset class.

AGROS INTERNATIONAL AND AFFILIATE

Notes to Consolidated Financial Statements For the 18-Month Period Ended December 31, 2020

Note 2 - Continued

Cash and Cash Equivalents - For purposes of the consolidated statement of cash flows, the Organization considers all highly liquid investments without donor restrictions with an initial maturity of three months or less to be cash equivalents. The Organization at times maintains cash balances that are in excess of Federal Deposit Insurance Corporation insurance limits. Cash and cash equivalents balances in foreign countries as of December 31, 2020 totaled \$97,804.

Receivables - Accounts, microloans and notes receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Pledges and Grants Receivable - Unconditional promises to give (pledges receivable and grants from foundations) are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are met and the promises become unconditional.

Concentration of Credit Risk - Approximately 82% of the Organization's pledges and grants receivable were due from four donors as of December 31, 2020. There were no revenue concentrations for the 18-month period ended December 31, 2020.

Property, Equipment and Depreciation - All acquisitions of property and equipment in excess of \$150 and all expenditures for repairs and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the useful lives of the assets, generally three to seven years for vehicles and furniture and equipment and the life of the lease for leasehold improvements.

Donated Securities and Other Assets - Donated marketable securities are recorded as contributions at their estimated fair values at the date of donation. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation.

In-kind Donations - Donated services are recognized if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization received donated professional services and other advertising services of \$45,024 for the 18-month period ended December 31, 2020. Such amounts, which are based upon information provided by third-party service providers, are recorded at their estimated fair value determined on the date of contribution and are reported as contributions in-kind and supporting services on the accompanying consolidated statements of activities and changes in net assets and functional expense.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with its programs and administration. These services totaled 2,143 hours (unaudited) during the 18-month period ended December 31, 2020. Due to applicable accounting guidelines, these were not recognized as contributions in the consolidated financial statements.

AGROS INTERNATIONAL AND AFFILIATE

Notes to Consolidated Financial Statements For the 18-Month Period Ended December 31, 2020

Note 2 - Continued

Supported Organization - Agros works with an organization in Guatemala, which is governed by a separate board of directors in that country. Fundación Agros, operating in Guatemala, is a Guatemalan nonprofit corporation with headquarters in Guatemala City, Guatemala. Certain individuals serve on the boards of directors of both Fundación Agros and Agros and accordingly Fundación Agros is considered a related party to Agros as defined by U.S. GAAP. The accompanying consolidated financial statements for the 18-month period ended December 31, 2020 do not include the accounts of Fundación Agros. Grants provided to Fundación Agros are included in the detail on the consolidated statement of functional expense as a part of program activities.

Use of Estimates - Management uses estimates and assumptions in preparing consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates. Significant estimates used in preparing these consolidated financial statements include those used in recording land held for development at the lower of cost or net realizable value as well as the valuation allowance established against microloans and notes receivable. It is reasonably possible that the significant estimates used will change within the next year.

Income Tax Status - The Internal Revenue Service (IRS) has determined that Agros and Land Hope Life are exempt from U.S. income tax under section 501(c)(3) of the U.S. Internal Revenue Code (IRC). In addition, Agros qualifies for the charitable contribution deduction under section 170(b)(1)(A) and has been classified as an organization other than a private foundation under section 509(a)(1).

Foreign Currency Translation - The functional currency of some of the Organization's field offices is the local currency in which the office is located. Assets and liabilities of the offices have been translated into U.S. dollars at year-end exchange rates. Revenues and expenses have been translated at average monthly exchange rates. Any translation adjustments are included in the consolidated statements of activities and changes in net assets.

Functional Expense Allocation - The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets and in the consolidated statement of functional expense. Expenses related to more than one function are charged to programs and supporting services on the basis of benefits received by each function. A portion of the cost of staff headquartered in the Organization's Seattle office is allocated to the respective program activities based on estimated time and effort of those staff. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Resource development expenses are expenses related to raising financial support for current and future activities of the Organization. Certain significant program activities, including the extension of credit for agricultural and other productive activities and purchases of land for new village development, are not recorded as expenses but are shown as increases in the corresponding assets.

Subsequent Events - The Organization has evaluated subsequent events through November 8, 2021, the date on which the consolidated financial statements were available to be issued.

AGROS INTERNATIONAL AND AFFILIATE

Notes to Consolidated Financial Statements For the 18-Month Period Ended December 31, 2020

Note 3 - Microloans

The Organization makes loans to families in Nicaragua and Honduras to help build self-sustaining and thriving communities. The loans are funded by a combination of contributions with and without donor restrictions.

Microloans consisted of the following at December 31, 2020:

Microloans	\$ 331,737
Less allowance for doubtful accounts-	
Beginning balance	(122,739)
Write-off of loan balances against the allowance	7,988
Provision for loan losses	<u>(21,356)</u>
Ending balance	<u>(136,107)</u>
Microloans Receivable, Net	<u>\$ 195,630</u>

The following amounts of microloans were past due at December 31, 2020:

30 to 60 days	\$ 1,453
61 to 90 days	225
91 to 120 days	
Greater than 120 days	<u>144,116</u>
	<u>\$ 145,794</u>

Maturities on the microloans and notes receivable range from six months to ten years. Allowances for doubtful accounts for microloans and notes receivable are established based on management's programmatic intent regarding pursuing collections, prior collection experience, current economic factors and management's review of individual account balances. Microloans and notes receivable are written off only when they are deemed to be permanently uncollectible and interest continues to accrue until the loan balances are paid in full or written off. Assessed impairment of certain loans is included in the allowance for doubtful accounts.

The Organization is subject to certain business risks that could affect net assets. These risks include a geographic concentration in Nicaragua and Honduras at December 31, 2020.

AGROS INTERNATIONAL AND AFFILIATE**Notes to Consolidated Financial Statements
For the 18-Month Period Ended December 31, 2020**

Note 4 - Pledges and Grants Receivable

Pledges receivable are discounted at rates ranging from 0.12 percent to 0.27 percent and are due as follows at December 31, 2020:

Less than one year	\$ 516,071
One to five years	<u>21,265</u>
	537,336
Less allowance for doubtful pledges	(26,900)
Less discount to present value	<u>(24)</u>
	<u><u>\$ 510,412</u></u>

Note 5 - Property and Equipment

Property and equipment consisted of the following at December 31, 2020:

<u>Asset</u>	<u>Country</u>	<u>Balance</u>
Furniture and equipment	United States	\$ 206,785
	Nicaragua	234,248
	Honduras	12,817
Vehicles	Nicaragua	180,886
	Honduras	27,500
Leasehold improvements	United States	<u>11,083</u>
		673,319
Less accumulated depreciation		<u>(490,227)</u>
		<u><u>\$ 183,092</u></u>

Note 6 - Land Held for Village Development

Land held for village development is stated at the lesser of the purchase and development cost of the land or the net realizable value. Net realizable value is the estimated amount that management anticipates villagers will be paying for the land based on programmatic, economic and other factors.

AGROS INTERNATIONAL AND AFFILIATE

Notes to Consolidated Financial Statements For the 18-Month Period Ended December 31, 2020

Note 6 - Continued

The land is held as inventory on the Organization's consolidated statement of financial position until villagers have completed payment for their individual parcels. Payments are recorded as land loan payment liabilities during the payment period, generally seven to ten years. The cumulative land loan payments received totaled \$523,053 as of December 31, 2020. Payments received from villagers are nonrefundable and any payments received in excess of the village asset basis is recorded as a gain; during the 18-month period ended December 31, 2020, \$44,780 of gain was recorded. At completion of the period, title is transferred to the individual villagers and the cost of the land and accumulated payments are removed from the consolidated statement of financial position. During the 18-month period ended December 31, 2020, \$92,797 of cost of land and accumulated payments liability were removed from the consolidated statement of financial position due to title transfers.

The parcels of land held in the following countries were as follows at December 31, 2020:

<u>Country</u>	<u>Carrying Value</u>
Nicaragua	\$ 1,749,525
Honduras	39,131
El Salvador	<u>16,529</u>
	<u><u>\$ 1,805,185</u></u>

Note 7 - Lease Commitments

The Organization has a lease for office space under a noncancelable lease agreement expiring January 2023. In October 2019 the Organization assigned this lease to an unrelated third party and subleased a portion of the space. The new sublease requires monthly rental payments and expires in January 2023. The required rental payments for the sublease are included in the future minimum rent payment schedule below.

The Organization also has leases for office space in the various countries in which it operates. These leases generally have committed terms ranging from one to three years.

Future minimum rent payments under all noncancelable operating leases are as follows:

For the Year Ending December 31,

2021	\$ 112,762
2022	112,691
2023	<u>9,414</u>
	<u><u>\$ 234,867</u></u>

Lease expense for all operating leases totaled \$97,144 for the 18-month period ended December 31, 2020.

AGROS INTERNATIONAL AND AFFILIATE

Notes to Consolidated Financial Statements For the 18-Month Period Ended December 31, 2020

Note 8 - Line of Credit and Note Payable

In July 2018 the Organization obtained a revolving line of credit with a bank that allowed for total borrowings of \$500,000. Monthly payments of interest were required. The line carried variable interest at the prime rate and matured in August 2020 at which point the Organization let the line expire.

In August 2018 the Organization borrowed \$250,000 from a trust controlled by a member of the Organization's board of directors. The borrowing was evidenced by a note payable agreement that required annual interest payments with principal due at maturity of the note in August 2023 and included annual interest payments at 4%. The note was unsecured. This note was paid off during the 18-month period ended December 31, 2020. Interest paid during the 18-month period ended December 31, 2020 totaled \$10,000.

Note 9 - Paycheck Protection Program Loans

In response to the COVID-19 pandemic, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act). Included in the CARES Act was the Paycheck Protection Program (PPP) to provide loans to qualifying small businesses and not-for-profit organizations to cover certain eligible expenses. On April 20, 2020, the Organization obtained a loan under the PPP with a principal balance of \$186,047 and an annual interest rate of 1%.

All or a portion of the PPP loan may be forgiven if certain terms and conditions of the program are met. The terms and conditions include, but are not limited to, spending the PPP loan funds on qualifying expenses. The Organization follows the accounting guidance for government grants in U.S. GAAP for accounting for the recognition of revenue from forgiveness of the PPP loan. In applying that guidance, the Organization recognizes revenue when the barriers to entitlement to loan forgiveness are met. Management of the Organization has determined that the barriers to entitlement consist of the incurrence of qualifying expenses. Management has also determined that those barriers to entitlement were met prior to December 31, 2020 and so revenue in the amount of \$186,047 has been recognized in the consolidated statement of activities and changes in net assets for the 18-month period ended December 31, 2020 and no liability for the PPP loan is presented on the balance sheet as of December 31, 2020. To complete the loan forgiveness process management must submit a loan forgiveness application to the lender and then the lender and the Small Business Administration (SBA) must review and approve the application. The Organization submitted its loan forgiveness application to the lender and subsequent to December 31, 2020, on February 20, 2021, the PPP loan was forgiven in full by the lender and the SBA.

In response to the ongoing COVID-19 pandemic, the U.S. Congress passed the Consolidated Appropriations Act, 2021, in December 2020. Included in this act was the Second Draw Program for Paycheck Protection Program loans. On February 5, 2021, the Organization obtained a second PPP loan under the Second Draw Program with a principal balance of \$171,165 and an annual interest rate of 1%. Principal and interest are payable in monthly installments beginning 10 months after the end of the Covered Period, as defined in the loan agreement, through maturity on February 5, 2026. All or a portion of the PPP loan may be forgiven if certain terms and conditions of the program are met.

AGROS INTERNATIONAL AND AFFILIATE

Notes to Consolidated Financial Statements For the 18-Month Period Ended December 31, 2020

Note 10 - Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31, 2020:

Time restrictions	\$ 208,735
Program restrictions-	
Village development	1,734,298
Land	239,177
Noemí Fund	<u>645,794</u>
	<u><u>\$ 2,828,004</u></u>

The Organization's Noemí Fund (the Fund) totaled \$645,794 as of December 31, 2020. These amounts represent contributions to the Fund to purchase land and to finance the cost of land and houses for the members of the communities served by the Organization. Ninety percent of each contribution given to the Noemí Fund is held in perpetuity. The remaining ten percent of each contribution is expendable and donor-restricted to pay for direct operating costs and overhead of the Fund.

Note 11 - Liquidity and Availability of Financial Assets

The Organization is substantially supported by individuals and private foundation grantmaking. The Organization's working capital and cash flows have seasonal variations during the year attributable primarily to the timing of special fundraising events and concentration of contributions received near calendar year end. Additionally, the seasonal cash flows is based on agricultural investments and the Central American farming cycle. The Organization's finance staff and board finance committee maintains a monthly review and forecast of the cash movement through the year. The Organization's goal is to maintain cash on hand to meet 60 days of normal operating expenses, which is approximately an average of \$420,000.

The Organization's financial assets available within one year of the consolidated statement of financial position date for general expenditure were as follows at December 31, 2020:

Cash and cash equivalents	\$ 1,359,055
Microloans receivable from community members, net	195,630
Pledges and grants receivable, net	<u>510,412</u>
Total financial assets	2,065,097
Receivables scheduled to be collected in more than one year	(21,241)
Donor-imposed restrictions-	
Net assets with donor restrictions	(2,828,004)
Add back amounts invested in nonfinancial assets, primarily land	884,971
Add back amounts available for village development and other programs that are part of general expenditures	<u>1,734,298</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 1,835,121</u></u>