



AMIGOS FOR CHRIST AND AFFILIATE

Consolidated Financial Statements
With Independent Auditors' Report

December 31, 2019 and 2018

AMIGOS FOR CHRIST AND AFFILIATE

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Amigos for Christ and Affiliate
Buford, Georgia

We have audited the accompanying consolidated financial statements of Amigos for Christ (a nonprofit corporation) and Affiliate, which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Board of Directors
Amigos for Christ and Affiliate
Buford, Georgia

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Amigos for Christ and Affiliate as of December 31, 2019 and 2018, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Lawrenceville, Georgia
May 1, 2020

AMIGOS FOR CHRIST AND AFFILIATE

Consolidated Statements of Financial Position

	December 31,	
	<u>2019</u>	<u>2018</u>
ASSETS:		
Cash and cash equivalents	\$ 2,844,206	\$ 2,121,541
Certificates of deposit	1,333,630	1,315,715
Prepaid expenses and other current assets	168,740	87,966
Inventory	339,015	371,537
Property and equipment—net	<u>900,432</u>	<u>970,969</u>
Total Assets	<u>\$ 5,586,023</u>	<u>\$ 4,867,728</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	<u>\$ 307,827</u>	<u>\$ 339,031</u>
Net assets:		
Without donor restrictions	3,776,959	3,574,726
With donor restrictions	<u>1,501,237</u>	<u>953,971</u>
	<u>5,278,196</u>	<u>4,528,697</u>
Total Liabilities and Net Assets	<u>\$ 5,586,023</u>	<u>\$ 4,867,728</u>

See notes to consolidated financial statements

AMIGOS FOR CHRIST AND AFFILIATE

Consolidated Statements of Activities

	Year Ended December 31,				
	2019		2018		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
	Total	Total	Total	Total	
SUPPORT AND REVENUE:					
Contributions	\$ 1,865,735	\$ 2,000,751	\$ 3,866,486	\$ 2,034,117	\$ 3,473,862
Donated goods and services	716,557	-	2,255,386	-	2,255,386
Donated securities	32,278	750	33,028	34	10,318
Missions outreach	208,325	-	208,325	119,194	119,194
Investment income	39,055	-	39,055	33,687	33,687
Other revenue	134,519	-	134,519	125,470	125,470
Total Support and Revenue	2,996,469	2,001,501	4,997,970	3,973,516	6,017,917
	1,454,235	(1,454,235)	-	1,436,697	(1,436,697)
RECLASSIFICATIONS:					
Net assets released from restrictions:					
Satisfaction of purpose restrictions				1,436,697	-
					-
EXPENSES:					
Program services:					
Water and sanitation	547,059	-	547,059	481,171	481,171
Health care	362,249	-	362,249	2,006,183	2,006,183
Education and nutrition	741,853	-	741,853	449,468	449,468
Economic development	487,664	-	487,664	205,292	205,292
Missions outreach	526,839	-	526,839	788,001	788,001
Project support	993,814	-	993,814	888,466	888,466
	3,659,478	-	3,659,478	4,818,581	4,818,581

(continued)

See notes to consolidated financial statements

AMIGOS FOR CHRIST AND AFFILIATE

Consolidated Statements of Activities (continued)

	Year Ended December 31,				
	2019		2018		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
	Total	Total	Total		
EXPENSES, continued:					
Supporting activities:					
General and administrative	353,073	-	353,073	310,325	-
Fundraising	188,528	-	188,528	195,894	-
	<u>541,601</u>	<u>-</u>	<u>541,601</u>	<u>506,219</u>	<u>-</u>
Total Expenses	<u>4,201,079</u>	<u>-</u>	<u>4,201,079</u>	<u>5,324,800</u>	<u>-</u>
Change in Net Assets before Translation Adjustment	249,625	547,266	796,891	85,413	607,704
Translation Adjustment	<u>(47,392)</u>	<u>-</u>	<u>(47,392)</u>	<u>(66,765)</u>	<u>-</u>
Change in Net Assets	202,233	547,266	749,499	18,648	607,704
Net Assets, Beginning of Year	<u>3,574,726</u>	<u>953,971</u>	<u>4,528,697</u>	<u>3,556,078</u>	<u>346,267</u>
Net Assets, End of Year	<u>\$ 3,776,959</u>	<u>\$ 1,501,237</u>	<u>\$ 5,278,196</u>	<u>\$ 3,574,726</u>	<u>\$ 953,971</u>
			<u>\$</u>	<u>\$</u>	<u>\$</u>
			<u>4,528,697</u>	<u>3,902,345</u>	<u>4,528,697</u>

See notes to consolidated financial statements

AMIGOS FOR CHRIST and AFFILIATE

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 749,499	\$ 626,352
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	118,165	118,382
Gain on disposition of property and equipment	(1,484)	(20,237)
Change in:		
Prepaid expenses and other current assets	(80,774)	5,220
Inventory	32,522	(157,171)
Accounts payable and accrued expenses	(31,204)	68,828
Net Cash Provided by Operating Activities	786,724	641,374
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of property and equipment	(84,619)	(75,569)
Change in property and equipment due to currency translation	36,991	60,941
Purchase of certificates of deposit	(17,915)	(512,962)
Proceeds from disposition of property and equipment	1,484	21,853
Net Cash Used by Investing Activities	(64,059)	(505,737)
Change in Cash and Cash Equivalents	722,665	135,637
Cash and Cash Equivalents, Beginning of Year	2,121,541	1,985,904
Cash and Cash Equivalents, End of Year	\$ 2,844,206	\$ 2,121,541

See notes to consolidated financial statements

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

1. NATURE OF ORGANIZATION:

Amigos for Christ (AFC) is a not-for-profit corporation established in 1999. As a not-for-profit corporation, AFC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (Code). AFC is also classified as a publicly supported organization, which is not a private foundation as defined by Section 170(b) of the Code. The primary source of support and revenue is from donor contributions.

AFC supports Amigos por Cristo (AFC–NICA), an affiliated Nicaraguan entity, by providing funding, volunteers, and goods and services. The mission of AFC and AFC–NICA (collectively referred to as the Organization) is to serve God by providing opportunities for missionaries and impoverished families to grow through life-changing experiences. The Organization’s vision is to be a model community development organization that facilitate water, health, education, economic, and infrastructure improvements in rural Nicaragua. The Organization accomplishes this mission and vision primarily through program services described below:

Water and sanitation—water is the first step to changing lives. We drill wells and build water and sanitation systems. Working alongside the community we are serving, we create an infrastructure to produce 100 gallons of water each day at every home. In addition, our modern bathroom model promotes sanitary living conditions by utilizing a flush-toilet and shower.

Health care—(a) preventative care: through modeling the behaviors of the healthiest families in each community, we create a plan for family hygiene that will decrease the instances of preventable illness such as kidney disease, anemia, and respiratory disease; (b) restorative care: working alongside the Nicaraguan Ministry of Health, we support the existing infrastructure to increase access to medical attention and prescribed medicines for the undeserved; (c) surgical care: working alongside the Nicaraguan Ministry of Health and local hospitals, we provide surgical services to those who are suffering and have no alternatives.

Education and nutrition—working alongside the community and the Nicaraguan Ministry of Education, we create an infrastructure to increase the percentage of children who complete primary and secondary school. We achieve this by building schools and feeding centers, offering scholarships, and encouraging extra-curricular activities, such as after-school and theater programs.

Economic development—for families within the communities we serve, we create and provide capital resources to increase their income level to a minimum of \$15 a day. We do this through agricultural loans, animal ownership and reproduction programs, and community-based cooperative businesses.

Missions outreach—contact with people who voluntarily want to be an instrument of God and serve Him by serving the most dispossessed. The Organization receives over 1,000 volunteers a year to support the execution of various projects.

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

1. NATURE OF ORGANIZATION, continued:

Project support and leadership—AFC–NICA owns, operates, and maintains a mission complex in Nicaragua to house visiting mission trip participants. The Organization’s goal is to host 2,000 visitors every year. This complex also holds our Nicaraguan headquarters which includes office space, warehouses, and a fleet of vehicles, all of which are necessary to support our daily operations. In the communities we serve, our goal is for communities to lead, own, and operate every project. In 2019, 164 community leaders were trained, equipped, and encouraged to lead 19 communities in life transformation. Our community development team conducted 7,625 home visits to encourage and educate families in disease prevention, school attendance, and economic development. In 19 communities, 108 community-wide meetings were held to inspire and unite families. Additionally, 1 new CAPS water committee was voted on and established by the community of El Espabel to manage their water system and 1 new Community Development Committee was established to develop programs in health, education, and economic development.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Organization maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States. The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the balances and financial activities of AFC and AFC–NICA. All significant intercompany transactions and balances have been eliminated from the consolidated financial statements.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, checking, savings, and money market accounts, with maturities of three months or less. The amounts held at the bank may, at times, exceed federally insured deposit levels. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents. At December 31, 2019 and 2018, the Organization’s cash balances exceeded federally insured limits by \$1,992,765 and \$1,371,541 respectively.

CERTIFICATES OF DEPOSIT

Certificates of deposit include bank deposits with original maturities of three months or more and are measured at cost plus accrued interest.

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of various receivables as well as miscellaneous prepaid expenses. Receivables are reported net of any anticipated losses due to uncollectible accounts. The Organization's policy for determining when receivables are past due or delinquent is 30 days after invoicing. Uncollectible accounts are reported as additions to the allowance for bad debts when it is determined the amounts are uncollectible.

The allowance for doubtful accounts is maintained at a level which, in management's judgment, is adequate to absorb potential losses inherent in the receivable portfolio. The amount of the allowance is based on management's evaluation of the collectability of the receivable portfolio, including the nature of the portfolio, trends in historical loss experience, specific impaired accounts, and economic conditions. For the years ended December 31, 2019 and 2018, in management's opinion, no allowance for doubtful accounts is deemed necessary.

INVENTORY

Donated inventory is stated at its estimated fair value on the date of receipt and consists of items such as medicines and household goods to be used in Nicaragua. All inventory consists of finished goods. Purchased inventory is stated at the lower of cost (based on the average cost basis) or net realizable value and consists of materials used in the construction of water and sanitation systems, as well as in the construction of modern bathrooms. Management periodically evaluates the net realizable value of all inventory to ensure that any impairments are recognized in the period in which they are incurred. At December 31, 2019 and 2018, no reserve for obsolescence has been recorded, as management believes all inventory is useable.

PROPERTY AND EQUIPMENT—NET

Property and equipment is stated at cost at date of acquisition or fair market value at date of donation in the case of gifts. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets ranging from three to seven years. Purchases of property and equipment valued at \$1,000 or more are capitalized. The Organization elects to account for property and equipment in Nicaragua in accordance with the functional currency provisions of the *Foreign Currency Matters* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). This has resulted in translation adjustments of \$36,991 and \$60,941 in 2019 and 2018, respectively, to property and equipment with functional currencies that differ from the reporting currency.

CLASSES OF NET ASSETS

The consolidated financial statements report amounts separately by class of net assets.

Net assets without donor restrictions are currently available for operating purposes under the direction of the board, designated by the board for specific use, or resources invested in property and equipment.

Net assets with donor restrictions are contributed with donor stipulations for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CLASSES OF NET ASSETS, continued

All contributions are considered to be without donor restrictions unless specifically restricted by the donor or subject to other legal restrictions.

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Organization. Donated goods and services are recorded at their estimated fair market value on the date of donation.

The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. Gifts are reported as support without donor restrictions if they are spent in the same period. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as reclassifications.

The Organization reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Donated goods (consisting of medicines and medical supplies) are recorded at its estimated fair value at the date of donation.

Donated services are reported as contributions if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services meeting the criteria for recognition in the consolidated financial statements totaled \$75,193 and \$107,866 for the years ended December 31, 2019 and 2018, respectively.

Numerous volunteers donate significant amounts of time and perform a variety of tasks, assisting the Organization in its charitable programs. Although no amounts have been reflected in the consolidated financial statements because the criteria for recognition of such efforts under generally accepted accounting principles have not been satisfied, management estimates the fair value of those services to be approximately \$226,900 and \$98,000 for the years ended December 31, 2019 and 2018, respectively.

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

FOREIGN OPERATIONS

In connection with its ministry, AFC supports AFC–NICA, an affiliated Nicaraguan entity, by providing funding, volunteers, and goods and services. As of December 31, 2019 and 2018, current assets in Nicaragua, including cash and cash equivalents and prepaid expenses and other current assets totaled \$610,698 and \$548,884, respectively; property and equipment, net of accumulated depreciation, amounted to \$900,432 and \$970,969, respectively; and liabilities in Nicaragua were \$302,491 and \$295,124, respectively. Total support and revenue received in Nicaragua, before any eliminations, amounted to \$2,190,576 during 2019, and \$1,819,752 during 2018. Account balances relating to Nicaraguan operations are reflected in the consolidated financial statements in United States dollars.

RECENTLY ISSUED ACCOUNTING STANDARD

In 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*. The Organization adopted the provisions of this new standard during the year ended December 31, 2019. The new standard applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. Adoption of this standard had no effect on change in net assets or net assets in total.

3. PREPAID EXPENSES AND OTHER CURRENT ASSETS:

Prepaid expenses and other current assets consist of:

	December 31,	
	2019	2018
Receivables	\$ 155,544	\$ 73,183
Prepaid expenses	13,196	14,783
	<u>\$ 168,740</u>	<u>\$ 87,966</u>

Receivables consist of amounts due from communities, advances to employees, and other receivables.

4. INVENTORY:

Inventory consist of:

	December 31,	
	2019	2018
Purchased	\$ 152,654	\$ 229,122
Donated	186,361	142,415
	<u>\$ 339,015</u>	<u>\$ 371,537</u>

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

5. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consist of:

	December 31,	
	2019	2018
Land	\$ 139,168	\$ 144,882
Buildings and improvements	1,036,383	1,078,939
Furniture and equipment	32,905	31,370
Machinery and small tools	103,492	91,007
Vehicles	341,713	312,530
	1,653,661	1,658,728
Less accumulated depreciation	(760,229)	(695,047)
	893,432	963,681
Construction in process	7,000	7,288
	\$ 900,432	\$ 970,969

6. NET ASSETS:

Net assets consist of:

	December 31,	
	2019	2018
Without donor restrictions:		
Undesignated	\$ 2,876,527	\$ 2,603,757
Equity in property and equipment	900,432	970,969
	\$ 3,776,959	\$ 3,574,726
With donor restrictions:		
Infrastructure, water, and schools	\$ 1,417,470	\$ 864,045
Health, education, and nutrition	83,767	88,184
Economic development and training	-	1,742
	\$ 1,501,237	\$ 953,971

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

7. EXPENSES BY BOTH NATURE AND FUNCTION:

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses include depreciation and other operating expenses. Building depreciation for Nicaragua is allocated based on square footage, while property and equipment depreciation is allocated based on usage. Costs of other categories were allocated based on programmatic purpose of the employees directly affected by the expense. Total expense includes all operating and non-operating expenses.

Functional expenses by natural classification as of December 31, 2019:

	Program Services						Supporting Activities				
	Water and Sanitation	Healthcare	Education and Nutrition	Economic Development	Missions Outreach	Project Support	Total	Management and General	Fundraising	Total	
Salaries and related benefits	\$ 90,663	\$ 96,334	\$ 144,827	\$ 215,813	\$ 276,033	\$ 568,469	\$ 1,392,139	\$ 154,795	\$ 68,275	\$ 223,070	\$ 1,615,209
Operations	22,959	14,040	7,491	35,684	32,136	44,661	156,971	1,088	45,865	46,953	203,924
Financial expenses	646	21	1,671	112	28,419	39,849	70,718	6,224	3,606	9,830	80,548
Media and advertising	8	-	-	-	2,383	857	3,248	-	19,790	19,790	23,038
Travel and conferences	14,048	5,841	1,653	6,027	14,428	22,334	64,331	364	5,822	6,186	70,517
Professional services	37,674	4,912	3,050	60,160	14,810	54,503	175,109	27,642	41,139	68,781	243,890
Other operating expenses	381,061	43,538	85,035	169,868	143,175	247,544	1,070,221	40,622	167	40,789	1,111,010
Occupancy	-	-	-	-	15,455	15,492	30,947	3,864	3,864	7,728	38,675
Donated goods and services	-	197,563	498,126	-	-	105	695,794	-	-	-	695,794
Depreciation	-	-	-	-	-	-	-	118,474	-	118,474	118,474
Total	\$ 547,059	\$ 362,249	\$ 741,853	\$ 487,664	\$ 526,839	\$ 993,814	\$ 3,659,478	\$ 353,073	\$ 188,528	\$ 541,601	\$ 4,201,079

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

7. EXPENSES BY BOTH NATURE AND FUNCTION, continued:
Expenses by natural classification as of December 31, 2018:

	Program Services						Supporting Activities				
	Water and Sanitation	Healthcare	Education and Nutrition	Economic Development	Missions Outreach	Project Support	Total	Management and General	Fundraising	Total	
Salaries and related benefits	\$ 115,566	\$ 31,959	\$ 117,574	\$ 66,794	\$ 558,311	\$ 521,695	\$ 1,411,899	\$ 147,525	\$ 127,380	\$ 274,905	\$ 1,686,804
Operations	32,172	18,368	4,321	10,114	35,461	45,760	146,196	747	19,958	20,705	166,901
Financial expenses	115	-	-	486	27,694	43,129	71,424	7,164	2,433	9,597	81,021
Media and advertising	-	-	-	-	7,945	11,924	19,869	-	29,381	29,381	49,250
Travel and conferences	40,840	428	2,597	1,198	13,042	29,199	87,304	3,262	12,836	16,098	103,402
Professional services	28,478	7,369	22,864	6,731	5,531	24,391	95,364	27,402	-	27,402	122,766
Other operating expenses	263,770	15,961	115,916	119,969	112,023	197,295	824,934	1,962	25	1,987	826,921
Occupancy	-	-	-	-	15,168	15,073	30,241	3,881	-	7,762	38,003
Donated goods and services	230	1,932,098	186,196	-	12,826	-	2,131,350	-	-	-	2,131,350
Depreciation	-	-	-	-	-	-	-	118,382	-	118,382	118,382
Total	\$ 481,171	\$ 2,006,183	\$ 449,468	\$ 205,292	\$ 788,001	\$ 888,466	\$ 4,818,581	\$ 310,325	\$ 195,894	\$ 506,219	\$ 5,324,800

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

8. RELATED PARTY TRANSACTIONS:

For the years ended December 31, 2019 and 2018, the Organization paid wages to related parties in the amount of \$263,563 and \$211,010, respectively.

9. LEGAL MATTERS:

From time to time, the Organization may be subject to legal proceedings which arise in the ordinary course of the Organization's operations. Although there can be no assurance as to the ultimate disposition of these matters, the Organization's management believes that the final disposition of such matters will not have a material adverse effect on the financial position or results of operations of the Organization.

10. EMPLOYEE BENEFIT PLAN:

AFC maintains a Simple IRA Plan (the Plan). The Plan allows employees to contribute a percentage of their compensation to the Plan. AFC has elected to make a 3% matching contribution of the employee's compensation. AFC contributions to the Plan totaled \$24,086 and \$24,488 for the years ended December 31, 2019 and 2018, respectively.

11. CONCENTRATIONS:

Two donors contributed 84% of donated goods and services for the year ended December 31, 2019 and four donors contributed 90% of donated goods and services for the year ended December 31, 2018. One donor gave 23% of total contributions during the year ended December 31, 2019, and two donors gave 28% of total contributions during the year ended December 31, 2018. The Organization's operations and program activities could be impacted if these donor relationships were to be terminated and could not be replaced by new donors with comparable donations.

All of the foreign operations of AFC are concentrated in Nicaragua.

12. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects the Organization's financial assets as of December 31, 2019 and 2018, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year; this includes certain certificates of deposit. The Organization considers general expenditures to be all expenditures related to its ongoing activities of water and sanitation, healthcare, education and nutrition, economic development, missions outreach, and project support, as well as the conduct of services undertaken to support those activities to be general expenditures.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has a policy to maintain enough liquid assets in the form of cash and cash equivalents and certificates of deposit to meet general expenditures for one year.

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

12. LIQUIDITY AND FUNDS AVAILABLE, continued:

	December 31,	
	2019	2018
Financial assets:		
Cash and cash equivalents	\$ 2,844,206	\$ 2,121,541
Certificates of deposit	1,333,630	1,315,715
Financial assets, at year-end	<u>4,177,836</u>	<u>3,437,256</u>
Less those unavailable for general expenditure within one year, due to:		
Certificates of deposit with original maturity beyond one year	<u>-</u>	<u>(1,315,715)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,177,836</u>	<u>\$ 2,121,541</u>

At December 31, 2019, the Organization has \$1,501,237 in net assets with donor restrictions for various program services. These funds are considered available to meet needs for general expenditures as funds are used for their donor restricted purposes.

13. SUBSEQUENT EVENTS:

Effective March 26, 2020, the Organization signed a partnership agreement with Christian Ophthalmic Surgery Expedition (CHOSEN) to construct a hospital in Nicaragua. CHOSEN and the Organization agree to work together for the mutual benefit of both organizations in Nicaragua in order to further the overarching mission goals of each organization. CHOSEN's responsibilities include providing various medical services, medical equipment, qualified personnel, and other services as listed in the partnership agreement. CHOSEN will donate \$275 to the Organization for each core team volunteer during each eye surgery project in order to cover food, housing, and ground transportation while in Nicaragua. The Organization's responsibilities include facilitating and providing logistical support for eye surgery projects conducted by CHOSEN in Nicaragua, providing non-core team volunteers to assist in CHOSEN projects, providing suitable housing, food, transportation, and logistical support to CHOSEN's core team of volunteers, and other services as defined by the partnership agreement. CHOSEN and the Organization will work together to build and maintain a sustainable eye surgery facility in Chinandega, Nicaragua, which will henceforth be known as the CHOSEN Eye Hospital. The Organization will have legal ownership of the land and all structures on which the CHOSEN Eye Hospital will be built. If CHOSEN decides to discontinue its work with the Organization, then the Organization will take over decision-making capacity regarding such land and structure usage and may repurpose the CHOSEN Eye Hospital and the land to whatever ends it chooses. If the Organization decides to discontinue its work with CHOSEN, then the Organization will transfer legal ownership of the CHOSEN Eye Hospital and its land to CHOSEN.

Subsequent events have been evaluated through May 1, 2020, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

SUPPLEMENTARY DATA

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY DATA**

Board of Directors
Amigos for Christ and Affiliate
Buford, Georgia

We have audited the consolidated financial statements of Amigos for Christ (AFC) and Affiliate (collectively referred to as the Organization) as of and for the years ended December 31, 2019 and 2018, and have issued our report thereon dated May 1, 2020, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary data (the Data) on pages 18 - 21 is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such Data is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The Data has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Data is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Capin Crouse LLP

Lawrenceville, Georgia
May 1, 2020

AMIGOS FOR CHRIST AND AFFILIATE

Consolidating Statement of Financial Position

December 31, 2019

	Amigos for Christ (United States)	Amigos por Cristo (Nicaragua)	Eliminations	Total
ASSETS:				
Cash and cash equivalents	\$ 2,565,398	\$ 278,808	\$ -	\$ 2,844,206
Certificates of deposit	1,333,630	-	-	1,333,630
Prepaid expenses and other current assets	12,688	156,052	-	168,740
Inventory	163,177	175,838	-	339,015
Due to/from affiliate	23,184	(23,184)	-	-
Property and equipment—net	-	900,432	-	900,432
Total Assets	\$ 4,098,077	\$ 1,487,946	\$ -	\$ 5,586,023
LIABILITIES AND NET ASSETS:				
Liabilities:				
Accounts payable and accrued expenses	\$ 5,336	\$ 302,491	\$ -	\$ 307,827
Net assets	4,092,741	1,185,455	-	5,278,196
Total Liabilities and Net Assets	\$ 4,098,077	\$ 1,487,946	\$ -	\$ 5,586,023

See independent auditors' report on supplementary data

AMIGOS FOR CHRIST AND AFFILIATE

Consolidating Statement of Financial Position

December 31, 2018

	Amigos for Christ (United States)	Amigos por Cristo (Nicaragua)	Eliminations	Total
ASSETS:				
Cash and cash equivalents	\$ 1,875,491	\$ 246,050	\$ -	\$ 2,121,541
Certificates of deposit	1,315,715	-	-	1,315,715
Prepaid expenses and other current assets	14,254	73,712	-	87,966
Inventory	142,415	229,122	-	371,537
Due to/from affiliate	23,184	(23,184)	-	-
Property and equipment—net	-	970,969	-	970,969
Total Assets	\$ 3,371,059	\$ 1,496,669	\$ -	\$ 4,867,728
LIABILITIES AND NET ASSETS:				
Liabilities:				
Accounts payable and accrued expenses	\$ 43,907	\$ 295,124	\$ -	\$ 339,031
Net assets	3,327,152	1,201,545	-	4,528,697
Total Liabilities and Net Assets	\$ 3,371,059	\$ 1,496,669	\$ -	\$ 4,867,728

See independent auditors' report on supplementary data

AMIGOS FOR CHRIST AND AFFILIATE

Consolidating Statement of Activities

Year Ended December 31, 2019

	Amigos for Christ <u>(United States)</u>	Amigos por Cristo <u>(Nicaragua)</u>	<u>Eliminations</u>	<u>Total</u>
SUPPORT AND REVENUE:				
Contributions	\$ 3,866,486	\$ 2,057,440	\$ (2,057,440)	\$ 3,866,486
Donated goods and services	716,557	-	-	716,557
Donated securities	33,028	-	-	33,028
Missions outreach	208,325	-	-	208,325
Investment income	32,624	6,431	-	39,055
Other revenue	7,814	126,705	-	134,519
Total Support and Revenue	<u>4,864,834</u>	<u>2,190,576</u>	<u>(2,057,440)</u>	<u>4,997,970</u>
EXPENSES:				
Program services:				
Water and sanitation	578,213	510,923	(542,077)	547,059
Health care	370,050	127,941	(135,742)	362,249
Education and nutrition	753,100	184,439	(195,686)	741,853
Economic development	513,150	417,956	(443,442)	487,664
Missions outreach	542,226	252,344	(267,731)	526,839
Project support	1,020,985	445,591	(472,762)	993,814
	<u>3,777,724</u>	<u>1,939,194</u>	<u>(2,057,440)</u>	<u>3,659,478</u>
Supporting activities:				
General and administrative	132,993	220,080	-	353,073
Fundraising	188,528	-	-	188,528
	<u>321,521</u>	<u>220,080</u>	<u>-</u>	<u>541,601</u>
Total Expenses	<u>4,099,245</u>	<u>2,159,274</u>	<u>(2,057,440)</u>	<u>4,201,079</u>
Change in Net Assets before Translation Adjustment	765,589	31,302	-	796,891
Translation Adjustment	-	(47,392)	-	(47,392)
Change in Net Assets	765,589	(16,090)	-	749,499
Net Assets, Beginning of Year	<u>3,327,152</u>	<u>1,201,545</u>	<u>-</u>	<u>4,528,697</u>
Net Assets, End of Year	<u>\$ 4,092,741</u>	<u>\$ 1,185,455</u>	<u>\$ -</u>	<u>\$ 5,278,196</u>

See independent auditors' report on supplementary data

AMIGOS FOR CHRIST AND AFFILIATE

Consolidating Statement of Activities

Year Ended December 31, 2018

	Amigos for Christ <u>(United States)</u>	Amigos por Cristo <u>(Nicaragua)</u>	<u>Eliminations</u>	<u>Total</u>
SUPPORT AND REVENUE:				
Contributions	\$ 3,473,862	\$ 1,689,480	\$ (1,689,480)	\$ 3,473,862
Donated goods and services	2,250,681	4,705	-	2,255,386
Donated securities	10,318	-	-	10,318
Missions outreach	119,194	-	-	119,194
Investment income	28,940	4,747	-	33,687
Other revenue	4,650	120,820	-	125,470
Total Support and Revenue	<u>5,887,645</u>	<u>1,819,752</u>	<u>(1,689,480)</u>	<u>6,017,917</u>
EXPENSES:				
Program services:				
Water and sanitation	518,133	383,085	(420,047)	481,171
Health care	2,011,766	57,864	(63,447)	2,006,183
Education and nutrition	469,123	203,717	(223,372)	449,468
Economic development	224,223	196,205	(215,136)	205,292
Missions outreach	811,534	243,905	(267,438)	788,001
Project support	932,467	456,040	(500,041)	888,466
	<u>4,967,247</u>	<u>1,540,816</u>	<u>(1,689,482)</u>	<u>4,818,581</u>
Supporting activities:				
General and administrative	133,169	177,156	-	310,325
Fundraising	195,894	-	-	195,894
	<u>329,063</u>	<u>177,156</u>	<u>-</u>	<u>506,219</u>
Total Expenses	<u>5,296,310</u>	<u>1,717,972</u>	<u>(1,689,482)</u>	<u>5,324,800</u>
Change in Net Assets before Translation Adjustment	591,335	101,780	-	693,117
Translation Adjustment	-	(66,765)	-	(66,765)
Change in Net Assets	591,335	35,015	-	626,352
Net Assets, Beginning of Year	<u>2,735,815</u>	<u>1,166,530</u>	<u>-</u>	<u>3,902,345</u>
Net Assets, End of Year	<u>\$ 3,327,150</u>	<u>\$ 1,201,545</u>	<u>\$ -</u>	<u>\$ 4,528,697</u>

See independent auditors' report on supplementary data