



AMIGOS FOR CHRIST AND AFFILIATE

Consolidated Financial Statements
With Independent Auditors' Report

December 31, 2020 and 2019

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, 2020 and 2019, 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, 2020 and 2019, 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 6, 2021

AMIGOS FOR CHRIST AND AFFILIATE

Consolidated Statements of Financial Position

	December 31,	
	<u>2020</u>	<u>2019</u>
ASSETS:		
Cash and cash equivalents	\$ 2,771,901	\$ 2,844,206
Certificates of deposit	1,752,393	1,333,630
Prepaid expenses and other current assets	206,751	168,740
Inventory	351,008	339,015
Property and equipment—net	<u>1,367,189</u>	<u>900,432</u>
Total Assets	<u>\$ 6,449,242</u>	<u>\$ 5,586,023</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 248,857	\$ 307,827
Refundable advance	<u>196,600</u>	<u>-</u>
	<u>445,457</u>	<u>307,827</u>
Net assets:		
Without donor restrictions	4,062,076	3,776,959
With donor restrictions	<u>1,941,709</u>	<u>1,501,237</u>
	<u>6,003,785</u>	<u>5,278,196</u>
Total Liabilities and Net Assets	<u>\$ 6,449,242</u>	<u>\$ 5,586,023</u>

See notes to consolidated financial statements

AMIGOS FOR CHRIST AND AFFILIATE

Consolidated Statements of Activities

Year Ended December 31,

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 1,831,088	\$ 2,576,558	\$ 4,407,646	\$ 1,831,809	\$ 2,000,751	\$ 3,832,560
Special events	27,108	-	27,108	33,926	-	33,926
Donated goods and services	2,833,750	-	2,833,750	716,557	-	716,557
Donated securities	64,368	3,080	67,448	32,278	750	33,028
Missions outreach	59,902	-	59,902	208,325	-	208,325
Investment income	28,195	-	28,195	39,055	-	39,055
Other revenue	258,368	-	258,368	134,519	-	134,519
Total Support and Revenue	5,102,779	2,579,638	7,682,417	2,996,469	2,001,501	4,997,970
RECLASSIFICATIONS:						
Net assets released from restrictions:						
Satisfaction of purpose restrictions	2,139,166	(2,139,166)	-	1,454,235	(1,454,235)	-
EXPENSES:						
Program services:						
Water and sanitation	562,979	-	562,979	547,059	-	547,059
Health care	2,358,151	-	2,358,151	362,249	-	362,249
Education and nutrition	1,000,348	-	1,000,348	741,853	-	741,853
Economic development	887,948	-	887,948	487,664	-	487,664
Missions outreach	511,627	-	511,627	526,839	-	526,839
Project support and leadership	1,083,491	-	1,083,491	993,814	-	993,814
	6,404,544	-	6,404,544	3,659,478	-	3,659,478

(continued)

See notes to consolidated financial statements

AMIGOS FOR CHRIST AND AFFILIATE

Consolidated Statements of Activities (continued)

Year Ended December 31,

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES, continued:						
Supporting activities:						
General and administrative	375,110	-	375,110	353,073	-	353,073
Fundraising	145,870	-	145,870	188,528	-	188,528
	520,980	-	520,980	541,601	-	541,601
 Total Expenses	 6,925,524	 -	 6,925,524	 4,201,079	 -	 4,201,079
 Change in Net Assets before Translation Adjustment	 316,421	 440,472	 756,893	 249,625	 547,266	 796,891
Translation Adjustment	(31,304)	-	(31,304)	(47,392)	-	(47,392)
Change in Net Assets	285,117	440,472	725,589	202,233	547,266	749,499
Net Assets, Beginning of Year	3,776,959	1,501,237	5,278,196	3,574,726	953,971	4,528,697
Net Assets, End of Year	\$ 4,062,076	\$ 1,941,709	\$ 6,003,785	\$ 3,776,959	\$ 1,501,237	\$ 5,278,196

See notes to consolidated financial statements

AMIGOS FOR CHRIST and AFFILIATE

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 725,589	\$ 749,499
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	190,449	118,165
Gain on disposition of property and equipment	-	(1,484)
Change in:		
Prepaid expenses and other current assets	(38,011)	(80,774)
Inventory	(11,993)	32,522
Accounts payable and accrued expenses	(58,970)	(31,204)
Net Cash Provided by Operating Activities	807,064	786,724
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of property and equipment	(624,411)	(84,619)
Change in property and equipment due to currency translation	(32,795)	36,991
Purchase of certificates of deposit	(418,763)	(17,915)
Proceeds from disposition of property and equipment	-	1,484
Net Cash Used by Investing Activities	(1,075,969)	(64,059)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds received from paycheck protection program loan	196,600	-
Change in Cash and Cash Equivalents	(72,305)	722,665
Cash and Cash Equivalents, Beginning of Year	2,844,206	2,121,541
Cash and Cash Equivalents, End of Year	\$ 2,771,901	\$ 2,844,206

See notes to consolidated financial statements

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

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. AFC and AFC-NICA (collectively referred to as the Organization) is a nonprofit organization that facilitates leadership, water, health, education, and economic development in rural Nicaraguan communities. Our mission is to serve, so that Christ becomes more visible. Our vision is to be a model cross-cultural community development organization. The Organization accomplishes this mission and vision primarily through program services described below:

Leadership—Developing community leaders to change their own community is at the very core of what we do. We bring leaders together to share ideas, learn strategies, and to inspire hope in the future of their community.

Water and sanitation—Clean 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 cafeterias, offering scholarships, and encouraging extracurricular 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—Each year we host over 1,000 volunteers from the United States on one week mission trips to Chinandega, Nicaragua. During the week, participants have the opportunity to serve our Nicaraguan brothers and sisters through the programs and projects of Amigos for Christ, as well as participate in experiences to grow deeper in their faith journey.

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting, in accordance with accounting policies generally accepted in the United States. 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.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the consolidated financial statements. Actual results could differ from those estimates.

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, 2020 and 2019, the Organization’s cash balances exceeded federally insured limits by \$1,915,293 and \$1,992,765, 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.

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.

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PREPAID EXPENSES AND OTHER CURRENT ASSETS, continued

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, 2020 and 2019, 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, 2020 and 2019, 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 \$32,795 and \$36,991 in 2020 and 2019, respectively, to property and equipment with functional currencies that differ from the reporting currency.

REFUNDABLE ADVANCE

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve. As part of the response to the impact of COVID-19, the Organization applied for a Paycheck Protection Program (PPP) Loan, administered by the Small Business Administration (SBA), under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law in March 2020. The Organization was approved for a loan in the amount of \$196,600, which was outstanding as of December 31, 2020. The loan bears interest at a fixed rate of 1.00% and is due in May 2022.

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

REFUNDABLE ADVANCE, continued

Based on the provisions included in the CARES Act, the loan agreement provides for loan forgiveness up to the full amount of the loan, including accrued interest, provided the Organization overcomes (meets) certain loan stipulations.

Effective January 13, 2021, the Organization received notification of forgiveness from the SBA for the full PPP loan amount plus accrued interest.

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.

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

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

The 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. 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 donations 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 long-lived assets are placed in service.

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES, continued

Special events consist of revenue generated from the Organization's annual gala event and golf tournament and is recognized when earned. For the years ended December 31, 2020 and 2019, special events revenue is recorded gross of special events related expenses of \$20,440 and \$19,561, respectively. All other types of exchange revenue are recognized when earned.

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 \$106,157 and \$75,193 for the years ended December 31, 2020 and 2019, 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 \$52,200 and \$226,900 for the years ended December 31, 2020 and 2019, respectively.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing various program services and supporting activities of the Organization have been summarized on a functional basis in the accompanying consolidated statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

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, 2020 and 2019, current assets in Nicaragua, including cash and cash equivalents and prepaid expenses and other current assets totaled \$591,522 and \$610,698, respectively; property and equipment, net of accumulated depreciation, amounted to \$1,367,189 and \$900,432, respectively; and liabilities in Nicaragua were \$242,608 and \$302,491, respectively. Total support and revenue received in Nicaragua, before any eliminations, amounted to \$3,375,010 during 2020, and \$2,190,576 during 2019. Account balances relating to Nicaraguan operations are reflected in the consolidated financial statements in United States dollars.

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

3. PREPAID EXPENSES AND OTHER CURRENT ASSETS:

Prepaid expenses and other current assets consist of:

	December 31,	
	2020	2019
Receivables	\$ 173,585	\$ 155,544
Prepaid expenses	33,166	13,196
	\$ 206,751	\$ 168,740

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

4. INVENTORY:

Inventory consist of:

	December 31,	
	2020	2019
Purchased	\$ 204,010	\$ 152,654
Donated	146,998	186,361
	\$ 351,008	\$ 339,015

5. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consist of:

	December 31,	
	2020	2019
Land	\$ 211,554	\$ 139,168
Buildings and improvements	1,206,389	1,036,383
Furniture and equipment	49,125	32,905
Machinery and small tools	165,100	103,492
Vehicles	401,606	341,713
	2,033,774	1,653,661
Less accumulated depreciation	(869,087)	(760,229)
	1,164,687	893,432
Construction in process	202,502	7,000
	\$ 1,367,189	\$ 900,432

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

6. NET ASSETS:

Net assets consist of:

	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
Without donor restrictions:	<u>\$ 4,062,076</u>	<u>\$ 3,776,959</u>
With donor restrictions:		
Infrastructure, water, and schools	\$ 1,823,994	\$ 1,417,470
Health, education, and nutrition	<u>117,715</u>	<u>83,767</u>
	<u>\$ 1,941,709</u>	<u>\$ 1,501,237</u>

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

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.

Functional expenses by natural classification as of the year ended December 31, 2020:

	Program Services						Supporting Activities				
	Water and Sanitation	Healthcare	Education and Nutrition	Economic Development	Missions Outreach	Project Support and Leadership	Total	Management and General	Fundraising	Total	Total
Salaries and related benefits	\$ 146,548	\$ 102,096	\$ 200,679	\$ 268,775	\$ 297,086	\$ 583,701	\$ 1,598,885	\$ 182,799	\$ 78,646	\$ 261,445	\$ 1,860,330
Operations	1,053	4,032	3,859	5,783	11,633	38,528	64,888	574	22,569	23,143	88,031
Financial expenses	17	848	91	229	29,655	43,350	74,190	7,299	4,717	12,016	86,206
Media and advertising	-	-	-	-	2,276	437	2,713	4	20,655	20,659	23,372
Food and transportation	11,527	14,397	12,507	14,703	104,868	36,928	194,930	90	3,015	3,105	198,035
Professional services	97,536	18,405	31,699	167,156	5,365	68,405	388,566	30,132	12,450	42,582	431,148
Other operating expenses	45,849	16,810	21,011	44,790	18,588	89,347	236,395	(41,560)	-	(41,560)	194,835
Occupancy	1	11	3,221	1,510	17,083	61,239	83,065	3,833	3,818	7,651	90,716
Materials and equipment	248,322	75,626	149,481	294,736	24,255	32,550	824,970	-	-	-	824,970
Community and partner contributions	3,770	1,765	49,580	78,148	818	127,444	261,525	-	-	-	261,525
Donated goods and services	8,356	2,124,161	528,220	12,118	-	1,562	2,674,417	-	-	-	2,674,417
Depreciation	-	-	-	-	-	-	-	191,939	-	191,939	191,939
Total	\$ 562,979	\$ 2,358,151	\$ 1,000,348	\$ 887,948	\$ 511,627	\$ 1,083,491	\$ 6,404,544	\$ 375,110	\$ 145,870	\$ 520,980	\$ 6,925,524

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

7. EXPENSES BY BOTH NATURE AND FUNCTION, continued:

Expenses by natural classification as of the year ended December 31, 2019:

	Program Services						Supporting Activities				
	Water and Sanitation	Healthcare	Education and Nutrition	Economic Development	Missions Outreach	Project Support and Leadership	Total	Management and General	Fundraising	Total	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	1,268	10,773	1,121	7,865	21,072	40,333	82,432	1,088	45,865	46,953	129,385
Financial expenses	646	21	1,671	112	28,419	38,320	69,189	6,224	3,606	9,830	79,019
Media and advertising	8	-	-	-	2,383	857	3,248	-	19,790	19,790	23,038
Food and transportation	18,469	6,976	23,411	18,973	117,273	33,784	218,886	364	5,822	6,186	225,072
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	45,712	14,440	12,578	53,900	28,626	59,407	214,663	40,190	-	40,190	254,853
Occupancy	14	-	-	950	17,792	65,209	83,965	3,864	3,864	7,728	91,693
Materials and equipment	338,237	29,754	16,016	114,659	20,291	51,269	570,226	432	167	599	570,825
Community and partner contributions	14,368	1,476	41,053	15,232	140	81,558	153,827	-	-	-	153,827
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, 2020 and 2019

8. RELATED PARTY TRANSACTIONS:

For the years ended December 31, 2020 and 2019, the Organization paid wages to related parties in the amount of \$371,564 and \$263,563, 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 \$26,073 and \$24,086 for the years ended December 31, 2020 and 2019, respectively.

11. CONCENTRATIONS:

Two donors contributed 92% of donated goods and services for the year ended December 31, 2020, and two donors contributed 84% of donated goods and services for the year ended December 31, 2019. Three donors gave 36% of total contributions during the year ended December 31, 2020, and one donor gave 23% of total contributions during the year ended December 31, 2019. 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, 2020 and 2019, 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 and leadership, 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, 2020 and 2019

12. LIQUIDITY AND FUNDS AVAILABLE, continued:

	December 31,	
	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 2,771,901	\$ 2,844,206
Certificates of deposit	1,752,393	1,333,630
Financial assets, at year-end	<u>4,524,294</u>	<u>4,177,836</u>
Less those unavailable for general expenditure within one year, due to:		
Certificates of deposit with original maturity beyond one year	<u>(751,838)</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,772,456</u>	<u>\$ 4,177,836</u>

At December 31, 2020, the Organization has \$1,941,709 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:

Subsequent events have been evaluated through May 6, 2021, 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, 2020 and 2019, and have issued our report thereon dated May 6, 2021, 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 6, 2021

AMIGOS FOR CHRIST AND AFFILIATE

Consolidating Statement of Financial Position

December 31, 2020

	<u>Amigos for Christ (United States)</u>	<u>Amigos por Cristo (Nicaragua)</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS:				
Cash and cash equivalents	\$ 2,598,603	\$ 173,298	\$ -	\$ 2,771,901
Certificates of deposit	1,752,393	-	-	1,752,393
Prepaid expenses and other current assets	15,721	191,030	-	206,751
Inventory	123,814	227,194	-	351,008
Due to/from affiliate	23,184	(23,184)	-	-
Property and equipment—net	-	1,367,189	-	1,367,189
Total Assets	<u><u>\$ 4,513,715</u></u>	<u><u>\$ 1,935,527</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,449,242</u></u>
LIABILITIES AND NET ASSETS:				
Liabilities:				
Accounts payable and accrued expenses	\$ 6,249	\$ 242,608	\$ -	\$ 248,857
Refundable advance	196,600	-	-	196,600
	<u>202,849</u>	<u>242,608</u>	<u>-</u>	<u>445,457</u>
Net assets	<u>4,310,866</u>	<u>1,692,919</u>	<u>-</u>	<u>6,003,785</u>
Total Liabilities and Net Assets	<u><u>\$ 4,513,715</u></u>	<u><u>\$ 1,935,527</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,449,242</u></u>

See independent auditors' report on supplementary data

AMIGOS FOR CHRIST AND AFFILIATE

Consolidating Statement of Financial Position

December 31, 2019

	<u>Amigos for Christ (United States)</u>	<u>Amigos por Cristo (Nicaragua)</u>	<u>Eliminations</u>	<u>Total</u>
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	<u><u>\$ 4,098,077</u></u>	<u><u>\$ 1,487,946</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,586,023</u></u>
LIABILITIES AND NET ASSETS:				
Liabilities:				
Accounts payable and accrued expenses	<u>\$ 5,336</u>	<u>\$ 302,491</u>	<u>\$ -</u>	<u>\$ 307,827</u>
Net assets	<u>4,092,741</u>	<u>1,185,455</u>	<u>-</u>	<u>5,278,196</u>
Total Liabilities and Net Assets	<u><u>\$ 4,098,077</u></u>	<u><u>\$ 1,487,946</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,586,023</u></u>

See independent auditors' report on supplementary data

AMIGOS FOR CHRIST AND AFFILIATE

Consolidating Statement of Activities

Year Ended December 31, 2020

	Amigos for Christ <u>(United States)</u>	Amigos por Cristo <u>(Nicaragua)</u>	<u>Eliminations</u>	<u>Total</u>
SUPPORT AND REVENUE:				
Contributions	\$ 4,407,646	\$ 2,913,320	\$ (2,913,320)	\$ 4,407,646
Special events	27,108	-	-	27,108
Donated goods and services	2,635,052	198,698	-	2,833,750
Donated securities	67,448	-	-	67,448
Missions outreach	59,902	-	-	59,902
Investment income	21,635	6,560	-	28,195
Other revenue	1,936	256,432	-	258,368
Total Support and Revenue	<u>7,220,727</u>	<u>3,375,010</u>	<u>(2,913,320)</u>	<u>7,682,417</u>
EXPENSES:				
Program services:				
Water and sanitation	619,451	487,445	(543,917)	562,979
Health care	2,380,326	191,406	(213,581)	2,358,151
Education and nutrition	1,043,391	371,537	(414,580)	1,000,348
Economic development	978,878	784,875	(875,805)	887,948
Missions outreach	540,680	250,773	(279,826)	511,627
Project support and leadership	1,144,291	524,811	(585,611)	1,083,491
	<u>6,707,017</u>	<u>2,610,847</u>	<u>(2,913,320)</u>	<u>6,404,544</u>
Supporting activities:				
General and administrative	149,715	225,395	-	375,110
Fundraising	145,870	-	-	145,870
	<u>295,585</u>	<u>225,395</u>	<u>-</u>	<u>520,980</u>
Total Expenses	<u>7,002,602</u>	<u>2,836,242</u>	<u>(2,913,320)</u>	<u>6,925,524</u>
Change in Net Assets before Translation Adjustment	218,125	538,768	-	756,893
Translation Adjustment	<u>-</u>	<u>(31,304)</u>	<u>-</u>	<u>(31,304)</u>
Change in Net Assets	218,125	507,464	-	725,589
Net Assets, Beginning of Year	<u>4,092,741</u>	<u>1,185,455</u>	<u>-</u>	<u>5,278,196</u>
Net Assets, End of Year	<u>\$ 4,310,866</u>	<u>\$ 1,692,919</u>	<u>\$ -</u>	<u>\$ 6,003,785</u>

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	\$ 3,832,560	\$ 2,057,440	\$ (2,057,440)	\$ 3,832,560
Special events	33,926	-	-	33,926
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 and leadership	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	<u>-</u>	<u>(47,392)</u>	<u>-</u>	<u>(47,392)</u>
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