



AMIGOS FOR CHRIST AND AFFILIATE

Consolidated Financial Statements
With Independent Auditors' Report

December 31, 2021 and 2020

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, 2021 and 2020, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to consolidated financial statements.

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, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Amigos for Christ and Affiliate and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Amigos for Christ and Affiliate's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Board of Directors
Amigos for Christ and Affiliate
Buford, Georgia

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Amigos for Christ and Affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Amigos for Christ and Affiliate's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Capin Crouse LLP

Lawrenceville, Georgia
October 17, 2022

AMIGOS FOR CHRIST AND AFFILIATE

Consolidated Statements of Financial Position

	December 31,	
	2021	2020
ASSETS:		
Cash and cash equivalents	\$ 1,260,450	\$ 2,771,901
Certificates of deposit	3,026,782	1,752,393
Prepaid expenses and other current assets	306,571	206,751
Inventory	305,123	351,008
Property and equipment–net	<u>2,691,653</u>	<u>1,367,189</u>
 Total Assets	<u>\$ 7,590,579</u>	<u>\$ 6,449,242</u>
 LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 422,976	\$ 248,857
Refundable advance	-	196,600
Total liabilities	<u>422,976</u>	<u>445,457</u>
 Net assets:		
Without donor restrictions	5,454,472	4,062,076
With donor restrictions	<u>1,713,131</u>	<u>1,941,709</u>
Total net assets	<u>7,167,603</u>	<u>6,003,785</u>
 Total Liabilities and Net Assets	<u>\$ 7,590,579</u>	<u>\$ 6,449,242</u>

See notes to consolidated financial statements

AMIGOS FOR CHRIST AND AFFILIATE

Consolidated Statements of Activities

	Year Ended December 31,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 2,610,603	\$ 3,017,534	\$ 5,628,137	\$ 1,831,088	\$ 2,576,558	\$ 4,407,646
Special events	10,631	-	10,631	27,108	-	27,108
Donated goods and services	2,905,221	-	2,905,221	2,833,750	-	2,833,750
Donated securities	43,827	7,288	51,115	64,368	3,080	67,448
Missions outreach	18,953	-	18,953	59,902	-	59,902
Investment income(loss)	(12,330)	-	(12,330)	28,195	-	28,195
Other revenue	251,057	-	251,057	258,368	-	258,368
Total Support and Revenue	5,827,962	3,024,822	8,852,784	5,102,779	2,579,638	7,682,417
RECLASSIFICATIONS:						
Net assets released from restrictions:						
Satisfaction of purpose restrictions	3,253,400	(3,253,400)	-	2,139,166	(2,139,166)	-
EXPENSES:						
Program services:						
Water and sanitation	940,955	-	940,955	562,979	-	562,979
Healthcare	2,886,210	-	2,886,210	2,358,151	-	2,358,151
Education and nutrition	560,664	-	560,664	1,000,348	-	1,000,348
Economic development	1,321,998	-	1,321,998	887,948	-	887,948
Missions outreach	384,716	-	384,716	511,627	-	511,627
Project support and leadership	1,002,756	-	1,002,756	1,083,491	-	1,083,491
	7,097,299	-	7,097,299	6,404,544	-	6,404,544

(continued)

See notes to consolidated financial statements

AMIGOS FOR CHRIST AND AFFILIATE

Consolidated Statements of Activities (continued)

	Year Ended December 31,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES, continued:						
Supporting activities:						
General and administrative	406,996	-	406,996	375,110	-	375,110
Fundraising	128,840	-	128,840	145,870	-	145,870
	535,836	-	535,836	520,980	-	520,980
Total Expenses	7,633,135	-	7,633,135	6,925,524	-	6,925,524
Change in Net Assets before Translation Adjustment	1,448,227	(228,578)	1,219,649	316,421	440,472	756,893
Translation Adjustment	(55,831)	-	(55,831)	(31,304)	-	(31,304)
Change in Net Assets	1,392,396	(228,578)	1,163,818	285,117	440,472	725,589
Net Assets, Beginning of Year	4,062,076	1,941,709	6,003,785	3,776,959	1,501,237	5,278,196
Net Assets, End of Year	\$ 5,454,472	\$ 1,713,131	\$ 7,167,603	\$ 4,062,076	\$ 1,941,709	\$ 6,003,785

See notes to consolidated financial statements

AMIGOS FOR CHRIST AND AFFILIATE

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,163,818	\$ 725,589
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	146,066	190,449
Noncash forgiveness of Paycheck Protection Program loan	(196,600)	-
Change in:		
Prepaid expenses and other current assets	(99,820)	(38,011)
Inventory	45,885	(11,993)
Accounts payable and accrued expenses	174,119	(58,970)
Net Cash Provided by Operating Activities	1,233,468	807,064
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of property and equipment	(1,520,442)	(624,411)
Change in property and equipment due to currency translation	49,912	(32,795)
Proceeds from matured certificates of deposit	550,000	-
Purchase of certificates of deposit	(1,824,389)	(418,763)
Net Cash Used by Investing Activities	(2,744,919)	(1,075,969)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds received from paycheck protection program loan	-	196,600
Change in Cash and Cash Equivalents	(1,511,451)	(72,305)
Cash and Cash Equivalents, Beginning of Year	2,771,901	2,844,206
Cash and Cash Equivalents, End of Year	\$ 1,260,450	\$ 2,771,901
SUPPLEMENTAL CASH FLOW DISCLOSURES:		
Noncash forgiveness of Paycheck Protection Program loan	\$ 196,600	\$ -

See notes to consolidated financial statements

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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—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 underserved; (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—We connect 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, 2021 and 2020

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 2021, 219 community leaders were trained, equipped, and encouraged to lead 20 communities in life transformation. Our community development team worked directly with 1,572 families in disease prevention, promotion of school attendance, and economic development coaching. 2,259 people from 6 rural communities worked to build and manage their own water systems, and 277 bathrooms were built providing much needed sanitation infrastructure. 165 secondary school students received scholarships to study at the best high schools and universities in the country, and 172 primary school students boasted a 98% attendance rate at the Amigos Academy. A state of the art eye surgery hospital was constructed to serve local patients in cataract and retina surgeries.

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, 2021 and 2020, the Organization's cash balances exceeded federally insured limits by \$808,402 and \$1,915,293, respectively.

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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.

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, 2021 and 2020, 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, 2021 and 2020, 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 \$49,912 and \$32,795 in 2021 and 2020, respectively, to property and equipment with functional currencies that differ from the reporting currency.

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PAYCHECK PROTECTION PROGRAM LOAN

In March 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) as a pandemic which continues to spread throughout the world. In 2020, COVID-19 caused a severe impact on the world economy and has contributed to significant volatility in financial markets.

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 bore interest at a fixed rate of 1.00% and was due in May 2022.

Based on the provisions included in the CARES Act, the loan agreement provided 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. In accordance with ASC 605, the loan forgiveness has been recognized as a simultaneous contribution with donor restriction and release from restriction in the consolidated statement of activities during the year ending December 31, 2021.

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.

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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.

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, 2021 and 2020, special events revenue is recorded gross of special events related expenses of \$16,506 and \$20,440, 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 \$0 and \$106,157 for the years ended December 31, 2021 and 2020, 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 \$2,364 and \$52,200 for the years ended December 31, 2021 and 2020, respectively.

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES, continued

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, 2021 and 2020, current assets in Nicaragua, including cash and cash equivalents and prepaid expenses and other current assets totaled \$704,264 and \$591,522, respectively; property and equipment, net of accumulated depreciation, amounted to \$1,969,015 and \$1,367,189, respectively; and liabilities in Nicaragua were \$417,324 and \$242,608, respectively. Total support and revenue received in Nicaragua, before any eliminations, amounted to \$4,613,500 during 2021, and \$3,375,010 during 2020. Account balances relating to Nicaraguan operations are reflected in the consolidated financial statements in United States dollars.

3. PREPAID EXPENSES AND OTHER CURRENT ASSETS:

Prepaid expenses and other current assets consist of:

	December 31,	
	2021	2020
Receivables	\$ 304,876	\$ 173,585
Prepaid expenses	1,695	33,166
	<u>\$ 306,571</u>	<u>\$ 206,751</u>

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

4. INVENTORY:

Inventory consist of:

	December 31,	
	2021	2020
Purchased	\$ 271,560	\$ 204,010
Donated	33,563	146,998
	<u>\$ 305,123</u>	<u>\$ 351,008</u>

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

5. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consist of:

	December 31,	
	2021	2020
Land	\$ 208,741	\$ 211,554
Buildings and improvements	1,299,220	1,206,389
Furniture and equipment	214,897	49,125
Machinery and small tools	231,020	165,100
Vehicles	388,353	401,606
	2,342,231	2,033,774
Less accumulated depreciation	(893,153)	(869,087)
	1,449,078	1,164,687
Construction in process	1,242,575	202,502
	\$ 2,691,653	\$ 1,367,189

The construction in process balance represents the ongoing construction of a medical clinic in Nicaragua. The clinic and its land are owned by the Organization and are funded through an agreement with Christian Ophthalmic Surgery Expedition Network (Chosen). The Organization estimates that the clinic will be placed into service in November 2022, at which time Chosen will continue to support its operation through medical supplies, volunteer support, and financial contributions to cover the Organization’s costs to house, feed, and support the volunteers.

6. NET ASSETS:

Net assets consist of:

	December 31,	
	2021	2020
Without donor restrictions	\$ 5,454,472	\$ 4,062,076
With donor restrictions:		
Infrastructure, water, and schools	\$ 1,713,131	\$ 1,823,994
Health, education, and nutrition	-	117,715
	\$ 1,713,131	\$ 1,941,709

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

7. EXPENSES BY BOTH NATURE AND FUNCTION:

The consolidated financial statements report certain categories of expenses that are attributable to one or more programs 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, 2021:

	Program Services						Supporting Activities				
	Water and Sanitation	Healthcare	Education and Nutrition	Economic Development	Missions Outreach	Project Support and Leadership	Total	General and Administrative	Fundraising	Total	Total
Salaries and related benefits	\$ 235,431	\$ 193,731	\$ 243,245	\$ 358,855	\$ 281,404	\$ 480,396	\$ 1,793,062	\$ 212,206	\$ 81,287	\$ 293,493	\$ 2,086,555
Operations	-	1,883	9,938	8,607	6,151	58,412	84,991	308	17,237	17,545	102,536
Financial expenses	90	4,970	17	1,649	4,247	40,137	51,110	9,291	5,208	14,499	65,609
Media and advertising	-	-	161	31	758	1,403	2,353	-	16,666	16,666	19,019
Food and transportation	30,712	20,547	72,733	29,730	26,662	51,192	231,576	551	3,840	4,391	235,967
Professional services	34,858	-	46,482	102,967	5,466	33,547	223,320	34,669	545	35,214	258,534
Other operating expenses	62,992	31,323	30,994	106,107	14,931	93,905	340,252	-	-	-	340,252
Occupancy	216	6,922	19,675	3,244	18,493	61,745	110,295	3,905	3,896	7,801	118,096
Materials and equipment	525,149	115,484	122,805	242,974	22,316	26,987	1,055,715	-	161	161	1,055,876
Community and partner contributions	9,425	2,833	11,282	9,820	4,288	148,320	185,968	-	-	-	185,968
Donated goods and services	42,082	2,508,517	3,332	458,014	-	6,712	3,018,657	-	-	-	3,018,657
Depreciation	-	-	-	-	-	-	-	146,066	-	146,066	146,066
Total	\$ 940,955	\$ 2,886,210	\$ 560,664	\$ 1,321,998	\$ 384,716	\$ 1,002,756	\$ 7,097,299	\$ 406,996	\$ 128,840	\$ 535,836	\$ 7,633,135

AMIGOS FOR CHRIST AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

7. EXPENSES BY BOTH NATURE AND FUNCTION, continued:

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	General and Administrative	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, 2021 and 2020

8. RELATED PARTY TRANSACTIONS:

For the years ended December 31, 2021 and 2020, the Organization paid wages to related parties in the amount of \$492,507 and \$371,564, 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 \$26,266 and \$26,073 for the years ended December 31, 2021 and 2020, respectively.

11. CONCENTRATIONS:

Two donors contributed 96% of donated goods and services for the year ended December 31, 2021, and two donors contributed 92% of donated goods and services for the year ended December 31, 2020. Two donors gave 32% of total contributions during the year ended December 31, 2021, and three donors gave 36% of total contributions during the year ended December 31, 2020. 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, 2021 and 2020, 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, 2021 and 2020

12. LIQUIDITY AND FUNDS AVAILABLE, continued:

	December 31,	
	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 1,260,450	\$ 2,771,901
Certificates of deposit	<u>3,026,782</u>	<u>1,752,393</u>
Financial assets, at year-end	4,287,232	4,524,294
Less those unavailable for general expenditure within one year, due to:		
Certificates of deposit with original maturity beyond one year	<u>(2,232,903)</u>	<u>(751,838)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,054,329</u>	<u>\$ 3,772,456</u>

At December 31, 2021, the Organization has \$1,713,131 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 October 17, 2022, 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, 2021 and 2020, and have issued our report thereon dated October 17, 2022, which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary data (the data) on pages 19-22 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
October 17, 2022

AMIGOS FOR CHRIST AND AFFILIATE

Consolidating Statement of Financial Position

December 31, 2021

	<u>Amigos for Christ (United States)</u>	<u>Amigos por Cristo (Nicaragua)</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS:				
Cash and cash equivalents	\$ 1,147,847	\$ 112,603	\$ -	\$ 1,260,450
Certificates of deposit	3,026,782	-	-	3,026,782
Prepaid expenses and other current assets	9,654	296,917	-	306,571
Inventory	10,379	294,744	-	305,123
Due to/from affiliate	23,184	(23,184)	-	-
Property and equipment—net	-	2,691,653	-	2,691,653
Total Assets	<u><u>\$ 4,217,846</u></u>	<u><u>\$ 3,372,733</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,590,579</u></u>
LIABILITIES AND NET ASSETS:				
Liabilities:				
Accounts payable and accrued expenses	\$ 5,653	\$ 417,323	\$ -	\$ 422,976
Total liabilities	<u><u>5,653</u></u>	<u><u>417,323</u></u>	<u><u>-</u></u>	<u><u>422,976</u></u>
Net assets	<u><u>4,212,193</u></u>	<u><u>2,955,410</u></u>	<u><u>-</u></u>	<u><u>7,167,603</u></u>
Total Liabilities and Net Assets	<u><u>\$ 4,217,846</u></u>	<u><u>\$ 3,372,733</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,590,579</u></u>

See independent auditors' report on supplementary data

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
Total liabilities	<u><u>202,849</u></u>	<u><u>242,608</u></u>	<u><u>-</u></u>	<u><u>445,457</u></u>
Net assets	<u><u>4,310,866</u></u>	<u><u>1,692,919</u></u>	<u><u>-</u></u>	<u><u>6,003,785</u></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 Activities

Year Ended December 31, 2021

	Amigos for Christ (United States)	Amigos por Cristo (Nicaragua)	Eliminations	Total
SUPPORT AND REVENUE:				
Contributions	\$ 5,628,136	\$ 4,362,360	\$ (4,362,359)	\$ 5,628,137
Special events	10,631	-	-	10,631
Donated goods and services	2,905,221	-	-	2,905,221
Donated securities	51,115	-	-	51,115
Missions outreach	18,953	-	-	18,953
Investment income(loss)	(13,621)	1,291	-	(12,330)
Other revenue	1,208	249,849	-	251,057
Total Support and Revenue	8,601,643	4,613,500	(4,362,359)	8,852,784
EXPENSES:				
Program services:				
Water and sanitation	1,503,366	858,156	(1,420,567)	940,955
Health care	2,835,853	368,969	(318,612)	2,886,210
Education and nutrition	763,238	481,399	(683,973)	560,664
Economic development	1,626,979	724,760	(1,029,741)	1,321,998
Missions outreach	470,113	192,666	(278,063)	384,716
Project support and leadership	1,189,761	444,398	(631,403)	1,002,756
	8,389,310	3,070,348	(4,362,359)	7,097,299
Supporting activities:				
General and administrative	182,166	224,830	-	406,996
Fundraising	128,840	-	-	128,840
	311,006	224,830	-	535,836
Total Expenses	8,700,316	3,295,178	(4,362,359)	7,633,135
Change in Net Assets before Translation Adjustment	(98,673)	1,318,322	-	1,219,649
Translation Adjustment	-	(55,831)	-	(55,831)
Change in Net Assets	(98,673)	1,262,491	-	1,163,818
Net Assets, Beginning of Year	4,310,866	1,692,919	-	6,003,785
Net Assets, End of Year	\$ 4,212,193	\$ 2,955,410	\$ -	\$ 7,167,603

See independent auditors' report on supplementary data

AMIGOS FOR CHRIST AND AFFILIATE

Consolidating Statement of Activities

Year Ended December 31, 2020

	Amigos for Christ (United States)	Amigos por Cristo (Nicaragua)	Eliminations	Total
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	7,220,727	3,375,010	(2,913,320)	7,682,417
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
	6,707,017	2,610,847	(2,913,320)	6,404,544
Supporting activities:				
General and administrative	149,715	225,395	-	375,110
Fundraising	145,870	-	-	145,870
	295,585	225,395	-	520,980
Total Expenses	7,002,602	2,836,242	(2,913,320)	6,925,524
Change in Net Assets before Translation Adjustment	218,125	538,768	-	756,893
Translation Adjustment	-	(31,304)	-	(31,304)
Change in Net Assets	218,125	507,464	-	725,589
Net Assets, Beginning of Year	4,092,741	1,185,455	-	5,278,196
Net Assets, End of Year	\$ 4,310,866	\$ 1,692,919	\$ -	\$ 6,003,785

See independent auditors' report on supplementary data