

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**

FINANCIAL STATEMENTS

June 30, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
ALDEA: Advancing Local Development through Empowerment and Action
New York, New York

We have audited the accompanying financial statements of ALDEA: Advancing Local Development through Empowerment and Action, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

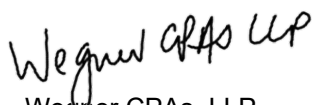
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ALDEA: Advancing Local Development through Empowerment and Action as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Wegner CPAs, LLP
Waukesha, Wisconsin
September 30, 2021

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash	\$ 517,838	\$ 473,550
Unconditional promises to give	30,000	-
Investments	701,938	610,620
Total assets	\$ 1,249,776	\$ 1,084,170
LIABILITIES		
Accrued payroll	\$ 3,242	\$ 3,146
Accrued vacation	975	1,438
Deferred revenue	10,780	7,180
Total liabilities	14,997	11,764
NET ASSETS		
Without donor restrictions	970,702	852,996
With donor restrictions	264,077	219,410
Total net assets	1,234,779	1,072,406
Total liabilities and net assets	\$ 1,249,776	\$ 1,084,170

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2021 and 2020

	2021	2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
Contributions	\$ 690,692	\$ 517,731
Tour income	5,195	21,630
Investment return, net	91,419	26,074
	<u>787,306</u>	<u>565,435</u>
Total support and revenue	787,306	565,435
EXPENSES		
Program services		
Guatemalan community assistance	584,905	510,461
Education and outreach	85,435	92,182
	<u>670,340</u>	<u>602,643</u>
Total program services	670,340	602,643
Supporting activities		
Management and general	49,169	43,144
Fundraising	51,639	49,560
	<u>771,148</u>	<u>695,347</u>
Total expenses	771,148	695,347
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of purpose restrictions	101,548	197,138
	<u>101,548</u>	<u>197,138</u>
Change in net assets without donor restrictions	117,706	67,226
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	146,215	156,128
Net assets released from restrictions	(101,548)	(197,138)
	<u>44,667</u>	<u>(41,010)</u>
Change in net assets with donor restrictions	44,667	(41,010)
Change in net assets	162,373	26,216
Net assets at beginning of year	1,072,406	1,046,190
	<u>1,072,406</u>	<u>1,046,190</u>
Net assets at end of year	<u>\$ 1,234,779</u>	<u>\$ 1,072,406</u>

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2021 and 2020

	<u>Program Services</u>		<u>Supporting Activities</u>		Total Expenses
	Guatemalan Community Assistance	Education and Outreach	Management and General	Fundraising	
<u>2021</u>					
Personnel	\$ -	\$ 47,422	\$ 14,227	\$ 33,195	\$ 94,844
Grants and scholarships	584,905	-	-	-	584,905
Professional fees	-	21,049	18,563	13,350	52,962
Tour expenses	-	5,285	-	-	5,285
Printing and postage	-	3,630	4,568	2,618	10,816
Office	-	1,185	10,163	808	12,156
Insurance	-	-	994	-	994
Information technology	-	6,864	654	1,668	9,186
Total expenses	\$ 584,905	\$ 85,435	\$ 49,169	\$ 51,639	\$ 771,148
	<u>Program Services</u>		<u>Supporting Activities</u>		Total Expenses
	Guatemalan Community Assistance	Education and Outreach	Management and General	Fundraising	
<u>2020</u>					
Personnel	\$ -	\$ 43,272	\$ 12,982	\$ 30,290	\$ 86,544
Grants and scholarships	510,461	-	-	-	510,461
Professional fees	-	17,091	16,694	13,215	47,000
Travel	-	1,917	320	320	2,557
Tour expenses	-	19,832	-	-	19,832
Printing and postage	-	3,432	396	3,818	7,646
Office	-	1,612	9,853	-	11,465
Insurance	-	-	1,339	-	1,339
Conferences and meetings	-	2,547	424	424	3,395
Information technology	-	2,479	1,136	1,493	5,108
Total expenses	\$ 510,461	\$ 92,182	\$ 43,144	\$ 49,560	\$ 695,347

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 162,373	\$ 26,216
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net realized and unrealized gain on investments	(82,060)	(10,479)
(Increase) decrease in assets		
Unconditional promises to give	(30,000)	13,001
Increase (decrease) in liabilities		
Accrued payroll	96	620
Accrued vacation	(463)	(1,223)
Deferred revenue	3,600	1,900
Net cash flows from operating activities	53,546	30,035
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of and interest and dividends retained in investments	(84,858)	(307,161)
Proceeds from sales of investments	75,600	536,329
Net cash flows from investing activities	(9,258)	229,168
Change in cash	44,288	259,203
Cash at beginning of year	473,550	214,347
Cash at end of year	\$ 517,838	\$ 473,550

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

ALDEA: Advancing Local Development through Empowerment and Action (ALDEA) strengthens and expands processes of community development and participation that enhances people's lives. ALDEA works in respectful partnership with Mayan Guatemalans to have a positive impact on the problems associated with Guatemala's history of violence against indigenous populations, natural disasters, poverty, illiteracy and disastrously high rates of infant and maternal death. ALDEA supports sustainable development initiatives that strive to improve the health and well-being of particularly vulnerable sectors of society. ALDEA also promotes through experience-based education an understanding of the principles of participatory community development and the conditions under which it is most effective. ALDEA is primarily supported through contributions.

Promises to Give

Unconditional promises to give are recognized as support or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. At June 30, 2021, all unconditional promises to give are collectible within one year.

Investments

ALDEA carries investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Investment securities, in general, are exposed to various risks, such as interest rates, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from donor restrictions.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
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NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, professional fees, travel, printing and postage, office, conferences and meetings, and information technology, which are allocated on the basis of estimates of time and effort.

Revenue Recognition

ALDEA holds at least one 8 day and 8 night tour to Guatemala each year. Registration revenue from the tour is recognized over the point in time when the tour takes place. Tour fees paid in advance are recorded as deferred revenue until the tour is held. During the year ended June 30, 2021, the Guatemala tours were cancelled due to COVID-19. A virtual event was held and revenue was recognized when the event took place.

Income Tax Status

ALDEA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, ALDEA qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through September 30, 2021, the date which the financial statements were available to be issued.

NOTE 2 – RETIREMENT PLAN

ALDEA maintains a Simplified Employee Pension plan for all full-time employees. Employer contributions are discretionary and employees are fully vested upon participation in the plan. Retirement expense for the years ended June 30, 2021 and 2020 was \$2,429 and \$2,033, respectively.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
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NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	2021	2020
Water projects	\$ 7,500	\$ 46,799
Scholarships	7,174	7,174
Community Empowerment	1,500	8,413
Agriculture/nutrition projects	26,437	40,542
Development of Guatemalen communities	210,576	116,382
Stoves	10,790	-
Goats	100	100
Net assets with donor restrictions	\$ 264,077	\$ 219,410

NOTE 4 – INVESTMENTS

Investments consist of the following:

	2021	2020
Cash equivalents held by investment managers	\$ 220,273	\$ 211,200
Stock mutual funds	242,719	199,977
Bond mutual funds	238,946	199,443
Investments	\$ 701,938	\$ 610,620

Stock mutual funds and bond mutual funds are valued at unadjusted quoted prices reported on the active markets on which the individual securities are traded, which are Level 1 fair value measurements.

NOTE 5 – COVID-19 CONSIDERATIONS

The COVID-19 outbreak has caused disruption for nonprofit organizations and other businesses and has resulted in significant volatility in the financial markets. There have been mandated and voluntary closings of businesses including cancellations of events and meetings. ALDEA has cancelled certain planned in-person events in 2020-2021 and moved to virtual events. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of restrictions on gatherings and potential economic impacts. At this time, the potential related financial impact cannot be reasonably estimated.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
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NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 6 – LIQUIDITY AND AVAILABILITY

The following table reflects ALDEA's financial assets at June 30, 2021 and 2020, reduced by amounts not available to meet cash needs for general expenditures within one year of the date of the statements of financial position because of donor-imposed restrictions.

	<u>2021</u>	<u>2020</u>
Financial assets at year-end	\$ 1,249,776	\$ 1,084,170
Less those unavailable for general expenditures within one year:		
Restricted by donor with purpose restrictions	<u>(264,077)</u>	<u>(219,410)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 985,699</u>	<u>\$ 864,760</u>

As part of the ALDEA's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.