

**MANO A MANO  
INTERNATIONAL  
PARTNERS**

**REPORT ON AUDIT**

**DECEMBER 31, 2020**



**LEHERT, SKWIRA, SCHULTZ & Co. LLP**  
*CERTIFIED PUBLIC ACCOUNTANTS ♦ BUSINESS CONSULTANTS*

*Helping Business Conduct Business Since 1918*

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Board of Directors Mano A Mano International Partners**

We have audited the accompanying financial statements of **Mano A Mano International Partners** (a nonprofit organization), which comprise the statements of financial position as of **December 31, 2020** and 2019, and the related statements of activities and changes in net assets, 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 **Mano A Mano International Partners** as of **December 31, 2020** and 2019, 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.

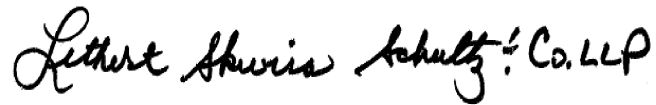
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## Report on Summarized Comparative Information

We have previously audited **Mano A Mano International Partners** 2019 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 2, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

October 29, 2021

A handwritten signature in black ink that reads "Lethert Skwira Schultz & Co. LLP". The signature is written in a cursive, flowing style.

LETHERT, SKWIRA, SCHULTZ & CO. LLP

# MANO A MANO INTERNATIONAL PARTNERS

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**MANO A MANO INTERNATIONAL PARTNERS**

Statements of Financial Position

**December 31, 2020**

(with comparative totals for 2019)

|   | 2020  |   |                         | 2019                    |
|---|---|---|-------------------------|-------------------------|
| <b>ASSETS</b>                                   | <b>Net Assets<br/>Without Donor<br/>Restriction</b> | <b>Net Assets<br/>With Donor<br/>Restrictions</b> | <b>Total</b>            | <b>Total</b>            |
| Cash  | \$ 701,694  | \$ 757,054  | \$ 1,458,748            | \$ 1,744,005            |
| Contributions receivable<br>(Note 3)            | -   | -   | -                       | 262,650                 |
| Accounts receivable                             | 2,500   | -   | 2,500                   | -                       |
| Inventory                                       | 7,349   | 406,105   | 413,454                 | 239,914                 |
| Allowance for obsolescence                      | -   | (91,000)  | (91,000)                | (37,000)                |
| Investments (Notes 4 and 5)                     | 998,875   | -   | 998,875                 | 945,326                 |
| Prepayments                                     | 17,252  | -   | 17,252                  | 15,102                  |
| <b>Total Current Assets</b>                     | <b>1,727,670</b>                                    | <b>1,072,159</b>                                  | <b>2,799,829</b>        | <b>3,169,997</b>        |
| <br><b><u>Property and Equipment</u></b>        |   |   |                         |                         |
| Land  | 234,800   | -   | 234,800                 | 234,800                 |
| Building  | 368,987   | -   | 368,987                 | 368,987                 |
| Building improvements                           | 206,461   | -   | 206,461                 | 199,345                 |
| Vehicles and equipment                          | 22,808  | -   | 22,808                  | 15,808                  |
| <b>Total</b>                                    | <b>833,056</b>                                      | <b>-</b>  | <b>833,056</b>          | <b>818,940</b>          |
| Less: Accumulated<br>depreciation               | 107,366   | -   | 107,366                 | 87,872                  |
| <b>Net Property and<br/>Equipment</b>           | <b>725,690</b>                                      | <b>-</b>  | <b>725,690</b>          | <b>731,068</b>          |
| <br><b>TOTAL ASSETS</b>                         | <br><b>\$ 2,453,360</b>                             | <br><b>\$ 1,072,159</b>                           | <br><b>\$ 3,525,519</b> | <br><b>\$ 3,901,065</b> |
| <br><b><u>LIABILITIES AND NET ASSETS</u></b>    |   |   |                         |                         |
| <b><u>Current Liabilities</u></b>               |   |   |                         |                         |
| Current maturities of long-term<br>debt         | 21,248  | -   | 21,248                  | 15,462                  |
| PPP loan payable                                | 37,549  | -   | 37,549                  | -                       |
| Accounts payable                                | 12,275  | -   | 12,275                  | 2,284                   |
| Accrued payroll                                 | 11,539  | -   | 11,539                  | 4,799                   |
| Accrued expenses                                | 1,096   | -   | 1,096                   | 4,035                   |
| Fiscal agent funds                              | -   | -   | -                       | 46,201                  |
| <b>Total Current Liabilities</b>                | <b>83,707</b>                                       | <b>-</b>  | <b>83,707</b>           | <b>72,781</b>           |
| <br><b><u>Long-Term Debt (Note 6)</u></b>       |   |   |                         |                         |
| Long-term debt                                  | 268,494   | -   | 268,494                 | 260,245                 |
| Less: Current maturities                        | 21,248  | -   | 21,248                  | 15,462                  |
| <b>Net Long-Term Debt</b>                       | <b>247,246</b>                                      | <b>-</b>  | <b>247,246</b>          | <b>244,783</b>          |
| <br><b><u>Net Assets (Note 7)</u></b>           | <br><b>2,122,407</b>                                | <br><b>1,072,159</b>                              | <br><b>3,194,566</b>    | <br><b>3,583,501</b>    |
| <br><b>TOTAL LIABILITIES AND<br/>NET ASSETS</b> | <br><b>\$ 2,453,360</b>                             | <br><b>\$ 1,072,159</b>                           | <br><b>\$ 3,525,519</b> | <br><b>\$ 3,901,065</b> |

The accompanying notes are an integral part of this financial statement.

**MANO A MANO INTERNATIONAL PARTNERS**  
 Statements of Activities and Changes in Net Assets  
 Year Ended **December 31, 2020**  
 (with comparative totals for 2019)

|  | 2020                                       |  |                            | 2019                       |
|--|--|--|----------------------------|----------------------------|
|  | Net Assets<br>Without Donor<br>Restriction | Net Assets<br>With Donor<br>Restrictions | Total                      | Total                      |
| <b><u>Support</u></b>                                  |  |  |                            |                            |
| Contributions  | \$ 435,787                                 | \$ 254,218                               | \$ 690,005                 | \$ 1,074,908               |
| In-kind medical surplus,<br>transportation and related | (5,717)                                    | 1,944,319                                | 1,938,602                  | 1,451,743                  |
| In-kind other  | 637,070                                    | -  | 637,070                    | 777,659                    |
| Miscellaneous  | 24,227                                     | 13,369                                   | 37,596                     | 27,089                     |
| Investment income                                      | 50,126                                     | -  | 50,126                     | 83,886                     |
| Loss on disposal of assets                             | (1,106)                                    | -  | (1,106)                    | -                          |
| <b>Net Assets Released from<br/>Restrictions</b>       | <b><u>1,988,073</u></b>                    | <b><u>(1,988,073)</u></b>                | <b><u>-</u></b>            | <b><u>-</u></b>            |
| <b>Total Support</b>                                   | <b><u>3,128,460</u></b>                    | <b><u>223,833</u></b>                    | <b><u>3,352,293</u></b>    | <b><u>3,415,285</u></b>    |
| <b><u>Expenses</u></b>                                 |  |  |                            |                            |
| <b><u>Program Services</u></b>                         |  |  |                            |                            |
| Program services                                       | 3,131,830                                  | -  | 3,131,830                  | 2,942,935                  |
| <b><u>Supporting Services</u></b>                      |  |  |                            |                            |
| Management and general                                 | 307,432                                    | -  | 307,432                    | 475,681                    |
| Fundraising  | <u>301,966</u>                             | <u>-</u>                                 | <u>301,966</u>             | <u>310,388</u>             |
| <b>Total Supporting Services</b>                       | <b><u>609,398</u></b>                      | <b><u>-</u></b>                          | <b><u>609,398</u></b>      | <b><u>786,069</u></b>      |
| <b>Total Expenses</b>                                  | <b><u>3,741,228</u></b>                    | <b><u>-</u></b>                          | <b><u>3,741,228</u></b>    | <b><u>3,729,004</u></b>    |
| <b>Increase (Decrease) in<br/>Net Assets</b>           | <b>(612,768)</b>                           | <b>223,833</b>                           | <b>(388,935)</b>           | <b>(313,719)</b>           |
| <b>Net Assets, Beginning of<br/>Year</b>               | <b><u>2,735,175</u></b>                    | <b><u>848,326</u></b>                    | <b><u>3,583,501</u></b>    | <b><u>3,897,220</u></b>    |
| <b>Net Assets, End of Year</b>                         | <b><u>\$ 2,122,407</u></b>                 | <b><u>\$ 1,072,159</u></b>               | <b><u>\$ 3,194,566</u></b> | <b><u>\$ 3,583,501</u></b> |

The accompanying notes are an integral part of this financial statement.

**MANO A MANO INTERNATIONAL PARTNERS**

Statements of Functional Expenses

Year Ended **December 31, 2020**

(with comparative totals for 2019)

|  | 2020                    |                               |                    | 2019                |                     |
|--|-------------------------|-------------------------------|--------------------|---------------------|---------------------|
|  | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u>        | <u>Total</u>        |
| Salaries                                   | \$ 361,947              | \$ 201,081                    | \$ 241,298         | \$ 804,326          | \$ 942,453          |
| Employee benefits                          | 5,755                   | 2,557                         | 4,476              | 12,788              | 8,325               |
| Payroll taxes                              | 6,193                   | 2,752                         | 4,817              | 13,762              | 13,095              |
| <b>Total Salaries and Related Benefits</b> | <b>373,895</b>          | <b>206,390</b>                | <b>250,591</b>     | <b>830,876</b>      | <b>963,873</b>      |
| Grants to Bolivia                          | 2,647,259               | -                             | -                  | 2,647,259           | 2,373,452           |
| Professional services                      | 1,527                   | 36,658                        | -                  | 38,185              | 38,867              |
| Office supplies                            | 1,576                   | 2,026                         | 901                | 4,503               | 3,656               |
| Other supplies                             | 2,371                   | 1,896                         | 5,215              | 9,482               | 12,847              |
| Telephone                                  | 1,600                   | 913                           | 2,057              | 4,570               | 4,304               |
| Postage                                    | 104                     | 69                            | 521                | 694                 | 538                 |
| Occupancy costs                            | 122                     | 1,403                         | -                  | 1,525               | 2,490               |
| Utilities                                  | 507                     | 5,828                         | -                  | 6,335               | 7,116               |
| Repairs and maintenance                    | 2,853                   | 32,812                        | -                  | 35,665              | 9,315               |
| Printing and publications                  | 3,032                   | 1,733                         | 3,899              | 8,664               | 7,329               |
| Travel                                     | 65,312                  | -                             | -                  | 65,312              | 129,648             |
| Vehicle expense                            | 3,739                   | -                             | -                  | 3,739               | 5,715               |
| Conferences, conventions, and meetings     | 127                     | 163                           | 73                 | 363                 | 3,598               |
| Interest                                   | 3,284                   | 2,736                         | 4,926              | 10,946              | 11,556              |
| Bank charges                               | 2,083                   | 1,189                         | 2,678              | 5,950               | 6,373               |
| Bad debts                                  | -                       | 150                           | -                  | 150                 | -                   |
| Payroll fees                               | 33                      | 782                           | -                  | 815                 | 853                 |
| Insurance                                  | 5,827                   | 6,799                         | 6,798              | 19,424              | 17,316              |
| Real estate taxes                          | 688                     | 430                           | 602                | 1,720               | -                   |
| Miscellaneous                              | -                       | 2,466                         | -                  | 2,466               | 308                 |
| Volunteer expenses                         | 1,941                   | -                             | -                  | 1,941               | 1,021               |
| Fundraising expenses                       | -                       | -                             | 20,716             | 20,716              | 109,194             |
| Depreciation                               | 13,950                  | 2,989                         | 2,989              | 19,928              | 19,635              |
| <b>Total Expenses</b>                      | <b>\$ 3,131,830</b>     | <b>\$ 307,432</b>             | <b>\$ 301,966</b>  | <b>\$ 3,741,228</b> | <b>\$ 3,729,004</b> |

The accompanying notes are an integral part of this financial statement.

**MANO A MANO INTERNATIONAL PARTNERS**

Statements of Cash Flows  
Year Ended **December 31, 2020**  
(with comparative totals for 2019)

| <b><u>Cash Flows From Operating Activities</u></b>  | <b><u>2020</u></b>  | <b><u>2019</u></b>  |
|---|---------------------|---------------------|
| Decrease in net assets  | \$ (388,935)        | \$ (313,719)        |
| <b>Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities:</b> |                     |                     |
| Depreciation  | 19,928              | 19,635              |
| Non-cash in-kind donations  | (10,840)            | -                   |
| Loss on sale of property and equipment  | 1,106               | -                   |
| <b>Increase (decrease) in cash flows from:</b>  |                     |                     |
| Contributions receivable  | 262,650             | 288,950             |
| Accounts receivable   | (2,500)             | -                   |
| Inventory   | (119,540)           | 148,778             |
| Prepayments   | (2,150)             | 3,572               |
| Accounts payable  | 9,991               | (3,734)             |
| Accrued payroll   | 6,740               | (2,918)             |
| Accrued expenses  | (2,939)             | 4,035               |
| Other current liabilities   | (46,201)            | 46,201              |
| <b>Net Cash Provided (Used) by Operating Activities</b>   | <b>(272,690)</b>    | <b>190,800</b>      |
| <b><u>Net Cash From Investing Activities</u></b>  |                     |                     |
| Purchases of property and equipment   | (14,116)            | -                   |
| Net investment purchases  | (53,549)            | (58,383)            |
| Proceeds from sale of property and equipment  | 9,300               | -                   |
| <b>Net Cash Used by Investing Activities</b>  | <b>(58,365)</b>     | <b>(58,383)</b>     |
| <b><u>Cash Flows From Financing Activities</u></b>  |                     |                     |
| Proceeds from long-term debt  | 60,994              | -                   |
| Payments of long-term debt  | (15,196)            | (14,586)            |
| <b>Net Cash Provided (Used) by Financing Activities</b>   | <b>45,798</b>       | <b>(14,586)</b>     |
| <b>Net Increase (Decrease) in Cash</b>  | <b>(285,257)</b>    | <b>117,831</b>      |
| <b>Cash, Beginning of Year</b>  | <b>1,744,005</b>    | <b>1,626,174</b>    |
| <b>Cash, End of Year</b>  | <b>\$ 1,458,748</b> | <b>\$ 1,744,005</b> |

**Supplemental Disclosures of Cash Flows Information**

During the years ended **December 31, 2020** and 2019, the Organization made interest payments of **\$10,946** and \$11,556, respectively.

The accompanying notes are an integral part of this financial statement.



**MANO A MANO INTERNATIONAL PARTNERS**

Notes to Financial Statements  
December 31, 2020 and 2019

**NOTE 1 NATURE OF ORGANIZATION**

**Mano A Mano International Partners** (the "Organization") is guided by the simple premise that groups of committed individuals can reach across national boundaries to make a dramatic difference in the lives of others. The power of this premise has been demonstrated by the extent to which the Organization has grown. Mano a Mano was established in 1994 and has created an infrastructure for health care and economic development in hundreds of rural communities. This infrastructure is constructed, supported, and run by Bolivians. Mano a Mano accomplishes its work in Bolivia through four counterpart organizations which it helped create: Mano a Mano – Bolivia, which focuses on health and education; Mano a Mano - Nuevo Mundo (New World), which addresses the economic development aspect of its mission; Mano a Mano Internacional, which manages the distribution of supplies sent from Minnesota and oversees our Center for Ecological Agriculture; and, Mano a Mano – Apoyo Aereo (Air Support), which provides emergency air rescue to rural communities and air transport for Mano a Mano and other organizations with similar missions. These organizations are headquartered in the Andean city of Cochabamba, located in the Department (state) of Cochabamba.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ACCOUNTING ESTIMATES****Financial Statement Presentation**

The financial statements have been prepared in conformity with the disclosure requirements of generally accepted accounting standards for not-for-profit organizations. Under these provisions, net assets and revenues, expenses, gains, and losses are classified on the existence or absence of donor imposed restrictions.

Accordingly, the Organization's net assets and changes there to are classified and reported as follows:

**Net assets without donor restrictions** have no donor imposed restrictions, or the donor imposed restrictions have expired. Unrestricted net assets may be designated for specific purposes by the Board of Directors.

**Net assets with donor restrictions** consist of assets whose use is limited by donor imposed, time, and/or purpose restrictions.

**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**MANO A MANO INTERNATIONAL PARTNERS**

Notes to Financial Statements  
December 31, 2020 and 2019

**NOTE 2    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
AND USE OF ACCOUNTING ESTIMATES (CONTINUED)**

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

**Contributions Receivable**

Donor restricted contributions are reported as increases in net assets with or without donor restriction, depending on the nature of the restrictions. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction. Contributions that are restricted by the donor are reported as net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Contributions receivable expected to be collected in greater than one year are reflected in the financial statements at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received. Amortization of the discounts is recorded as contribution revenue.

**Inventory**

Inventory consists of donated and purchased medical supplies and crafts and is recorded at fair market value if donated or cost if purchased. The inventory reserve is recorded to account for the decline in value on the items. Due to the quick turn around on inventory, obsolescence reserve is estimated at the actual bad inventory. During the current year, there was no obsolete inventory held at year-end.

**Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided on the straight-line method over the following estimated useful lives:

|                       |            |
|-----------------------|------------|
| Building              | 40 Years   |
| Building improvements | 27.5 Years |
| Vehicle and equipment | 5 Years    |

Maintenance and repairs of property and equipment are charged to operations, and major renewals in excess of \$5,000 are capitalized.

Upon retirement, sale, or other disposition of property and equipment, the costs and accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is included in the Statements of Activities and Changes in Net Assets.

**MANO A MANO INTERNATIONAL PARTNERS**

Notes to Financial Statements

**December 31, 2020 and 2019****NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
AND USE OF ACCOUNTING ESTIMATES (CONTINUED)****Contributions and Grants**

Contributions are recognized in accordance with ASU 2018-8 "Clarifying the Scope and the Accounting Guidance for Contributions received and Contributions Made". All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as restricted support and increase net assets with donor restrictions. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

**Donated Materials and Services**

Donated materials are reflected as in-kind contributions in the financial statements at their estimated fair values at the date of receipt. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. In-kind contributions, consisting primarily of medical supplies, totaled **\$1,938,602** and \$1,451,743 for the years ended **December 31, 2020** and 2019, respectively.

For the years ended **December 31, 2020** and 2019, the value of in-kind contributed services meeting the requirements for recognition in the financial statements was **\$637,070** and \$777,659, respectively.

**Income Taxes**

The Organization was granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization is not classified as a private foundation. Accordingly, no provision for income taxes has been provided for in these financial statements.

The Organization follows a "more likely than not" criterion for recognizing the tax benefits from uncertain tax positions. The Organization has identified no such exposures. During the upcoming 12 months, the Organization expects no material changes to occur related to Accounting for Uncertainty in Income Taxes. The Organization recognizes interest and penalties related to income taxes and accrued unrecognized tax benefits in interest and penalties. The amount of interest and penalties recognized totaled **\$0** and \$0 for the years ended **December 31, 2020** and 2019, respectively.

**MANO A MANO INTERNATIONAL PARTNERS**

Notes to Financial Statements

**December 31, 2020 and 2019**

**NOTE 2    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
AND USE OF ACCOUNTING ESTIMATES (CONTINUED)**

**Functional Expense Allocation**

Expenses are charged to program services based on direct expenditures incurred. Certain costs relating to salary, employee benefits, payroll taxes, and occupancy have been allocated for administrative expenses using the indirect method, based on percentage of time spent by management and employees on program activities, determined by management.

**Vacation Pay**

Employees of the Organization earn a vested right to compensation for unused vacation and personal absence time. Accordingly, the Organization has made an accrual for vacation and personal absence compensation that employees have earned but have not taken.

**Paycheck Protection Program Loan Forgiveness**

During the year ended **December 31, 2020**, the Organization applied for and received a Paycheck Protection Program ("PPP") loan in the amount of **\$37,300** under a federal program designed to support small businesses during the pandemic. The PPP Loan program was part of the CARES Act, which was signed into law on March 27, 2020 and was implemented by the Small Business Administration ("SBA") with cooperation from private banks. PPP loans may be fully or partially forgiven if proceeds are expended based on federal guidelines. The Organization elected to treat the loan as a liability until formal forgiveness was received. The Organization received formal forgiveness of the PPP loan from the SBA on January 28, 2021 and will recognize the \$37,300 as support in the Statement of Activities and Changes in Net Assets.

**NOTE 3    CONTRIBUTIONS RECEIVABLE**

Contributions receivable at **December 31, 2020** and 2019, are measured at present value. No allowance for uncollectible receivables is deemed necessary by management. Collection of receivables is expected as follows:

|                 | <u>2020</u>           | <u>2019</u>             |
|-----------------|-----------------------|-------------------------|
| Due in one year | \$ <u>          -</u> | \$ <u>      262,650</u> |

**MANO A MANO INTERNATIONAL PARTNERS**

Notes to Financial Statements  
December 31, 2020 and 2019

**NOTE 4 INVESTMENTS**

As of **December 31, 2020** and 2019, the Organization held investments as follows:

|              | 2020              |                     |                        | 2019              |                     |                        |
|--------------|-------------------|---------------------|------------------------|-------------------|---------------------|------------------------|
|              | <u>Cost</u>       | <u>Market Value</u> | <u>Unrealized Gain</u> | <u>Cost</u>       | <u>Market Value</u> | <u>Unrealized Gain</u> |
| Mutual Funds | \$ <u>969,692</u> | \$ <u>998,875</u>   | \$ <u>29,183</u>       | \$ <u>914,864</u> | \$ <u>945,326</u>   | \$ <u>30,462</u>       |

**NOTE 5 FAIR VALUE MEASUREMENTS**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in inactive markets
- inputs other than quoted prices that are observable for the asset or liability
- inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at **December 31, 2020** and 2019.

**Level 1 Fair Value Measurements**

The fair value of mutual funds is based on quoted net assets values of the shares held by the Organization at year-end.

**MANO A MANO INTERNATIONAL PARTNERS**

Notes to Financial Statements  
December 31, 2020 and 2019

**NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)**

The Organization's investments are reported at fair value in the accompanying Statements of Financial Position.

|                          | <u>Fair Value</u> | Quoted Prices in Active<br>Markets for Identical<br>Assets<br>(Level 1) |
|--------------------------|-------------------|---|
| <u>December 31, 2020</u> |                   |   |
| <b>Mutual Funds</b>      |                   |   |
| <b>Growth</b>            | \$ 8,133          | \$ 8,133  |
| <b>Blended</b>           | 204,844           | 204,844   |
| <b>Money Market</b>      | 110,968           | 110,968   |
| <b>Fixed Income</b>      | <u>674,930</u>    | <u>674,930</u>  |
| <b>Total</b>             | \$ <u>998,875</u> | \$ <u>998,875</u>   |
| <u>December 31, 2019</u> |                   |   |
| Mutual Funds             |                   |   |
| Growth                   | \$ 6,558          | \$ 6,558  |
| Blended                  | 186,160           | 186,160   |
| Money Market             | 110,470           | 110,470   |
| Fixed Income             | <u>642,138</u>    | <u>642,138</u>  |
| <b>Total</b>             | \$ <u>945,326</u> | \$ <u>945,326</u>   |

**NOTE 6 LONG-TERM DEBT**

Long-term debt consists of the following at December 31:

|  | <u>2020</u>       | <u>2019</u>       |
|--|-------------------|-------------------|
| Mortgage payable to bank bearing interest at 4.25% with monthly installments of \$2,179, matures December, 2022. Secured by land and building. | \$ 245,049        | \$ 260,245        |
| Note payable to bank bearing interest at 0% with monthly installments of \$426, matures July, 2025. Unsecured.                                 | <u>23,445</u>     | <u>-</u>          |
| <b>Total</b>   | <u>268,494</u>    | 260,245           |
| Less: Current maturities   | <u>21,248</u>     | <u>15,462</u>     |
| <b>Net Long-Term Debt</b>  | \$ <u>247,246</u> | \$ <u>244,783</u> |

**MANO A MANO INTERNATIONAL PARTNERS**

Notes to Financial Statements  
December 31, 2020 and 2019

**NOTE 6 LONG-TERM DEBT (CONTINUED)**

The aggregate annual maturities of long-term debt at **December 31, 2020**, are as follows:

| <u>Year Ended December 31,</u> | <u>Amount</u>     |
|--------------------------------|-------------------|
| 2021                           | \$ 21,248         |
| 2022                           | 231,851           |
| 2023                           | 5,115             |
| 2024                           | 5,115             |
| 2025                           | 5,165             |
|                                | <u>\$ 268,494</u> |

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at December 31:

|   | <u>2020</u>         | <u>2019</u>       |
|---|---------------------|-------------------|
| Constructing, equipping, and staffing health clinics in Bolivia | \$ 216,595          | \$ 208,625        |
| Economic development  | 96,401              | 36,201            |
| Emergency air   | 7,211               | 7,211             |
| Medical inventory and shipping                                  | 693,694             | 541,141           |
| Miscellaneous   | 58,258              | 55,148            |
| <b>Total Net Assets With Donor Restriction</b>                  | <b>\$ 1,072,159</b> | <b>\$ 848,326</b> |

Corresponding assets were as follows:

|  | <u>2020</u>         | <u>2019</u>       |
|--|---------------------|-------------------|
| Cash   | \$ 757,054          | \$ 650,482        |
| Inventory - medical supplies                   | 315,105             | 197,844           |
| <b>Total Net Assets With Donor Restriction</b> | <b>\$ 1,072,159</b> | <b>\$ 848,326</b> |

**NOTE 8 RELATED PARTY TRANSACTIONS**

The president of the Board of the Organization is an honorary board member of Mano a Mano - Bolivia, Mano a Mano - Apoyo Aereo, Mano a Mano - Internacional, and Mano a Mano - Nuevo Mundo. These organizations, which are located in Bolivia, are recipients of grants from the Organization. As an honorary board member, the president has veto power over any disbursements that are contrary to the mission of the Organization.

**MANO A MANO INTERNATIONAL PARTNERS**

Notes to Financial Statements  
December 31, 2020 and 2019

**NOTE 8 RELATED PARTY TRANSACTIONS (CONTINUED)**

Grants paid to the recipient organizations were as follows for the years ended December 31:

|                             | 2020                 |                   |                     | 2019                |
|-----------------------------|----------------------|-------------------|---------------------|---------------------|
|                             | In-Kind<br>Donations | Grant<br>Funding  | Total               | Total               |
| Mano a Mano - Bolivia       | \$ -                 | \$ 193,200        | \$ 193,200          | \$ 78,195           |
| Mano a Mano - Apoyo Aereo   | 1,773,058            | 172,879           | 1,945,937           | 1,826,093           |
| Mano a Mano - Internacional | -                    | 113,249           | 113,249             | 217,263             |
| Mano a Mano - Nuevo Mundo   | -                    | 394,873           | 394,873             | 393,776             |
| Total Related Party Grants  | <u>\$ 1,773,058</u>  | <u>\$ 874,201</u> | <u>\$ 2,647,259</u> | <u>\$ 2,515,327</u> |

**NOTE 9 CONCENTRATIONS**

During the year ended **December 31, 2020**, no donors accounted for more than 10% of the Organization's revenue and support. During the year ended December 31, 2019, one donor accounted for 13% of the Organization's support and revenues.

**NOTE 10 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization's financial assets available within one year of the Statements of Financial Position date for general expenditure are as follows:

|  |                          |
|--|--------------------------|
| Cash   | \$ 1,458,748             |
| Accounts receivable  | 2,500                    |
| Investments  | <u>998,875</u>           |
| <b>Total financial assets available within one year</b>                              | <b>2,460,123</b>         |
| Less:  |                          |
| <b>Amounts unavailable to management without Board's approval:</b>                   |                          |
| Board designated   | 412,065                  |
| <b>With Donor Restricted Net Assets</b>  |                          |
| Purpose Restrictions   | <u>1,072,159</u>         |
| <b>Total amounts available to management for general expenditure within one year</b> | <b><u>\$ 975,899</u></b> |

Management feels that it has the ability to cover the annual necessary expenses for the upcoming year with financial assets available.



**MANO A MANO INTERNATIONAL PARTNERS**

Notes to Financial Statements  
**December 31, 2020** and 2019

**NOTE 11 CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITED IN EXCESS OF INSURED LIMITS**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization maintains its cash balances at two financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

At **December 31, 2020** and 2019, amounts not insured by the FDIC were approximately **\$960,000** and \$1,040,000, respectively.

**NOTE 12 RECLASSIFICATIONS**

Certain amounts reported for 2019 have been reclassified to conform with 2020 presentation. The reclassifications have no effect on previously reported net assets and decrease in net assets for the year then ended.

**NOTE 13 RISKS AND UNCERTAINTIES**

The Organization's mission is heavily reliant on foreign operations and certain risks and uncertainties exist when operating in a foreign country. Risks and uncertainties include shipping costs and Bolivian restrictions on donated materials. It is at least reasonably possible that changes in Bolivian operations could create a material affect on the Organization's operations. Management continues to evaluate the ongoing risks associated with its foreign operations and no specific impact is deemed notable as of the date of the financial statements.

The Organization continues to evaluate the risk of COVID-19 and its impact on the Organization's support. The virus presents certain risks and uncertainties on the Organization's future operations, but the specific impact is not readily determinable as of the date of the financial statements.

**NOTE 14 SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through **October 29, 2021**, the date the financial statements were available to be issued.

In March of 2021, the Organization received a second round of PPP funding in the amount of \$37,300. At the time of issuance, forgiveness of the loan is unknown.