



# Avina Americas, Inc.

Financial Statements  
As of and for the Years Ended  
December 31, 2021 and 2020

The report accompanying these financial statements was issued by

BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of  
BDO International Limited, a UK company limited by guarantee.



# **Avina Americas, Inc.**

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## **Financial Statements**

As of and for the Years Ended December 31, 2021 and 2020

# Avina Americas, Inc.

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## **Independent Auditor's Report**

Board of Directors  
Avina Americas, Inc.  
Washington, D.C.

### ***Opinion***

We have audited the financial statements of Avina Americas, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying 2021 financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

### ***Other Matter***

The 2020 financial statements of the Organization were audited by other auditors, whose report dated February 26, 2021, expressed an unmodified opinion on those statements.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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



### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 the Organization'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Miami, Florida  
February 24, 2022

*BDO USA, LLP*  
Certified Public Accountants

## Financial Statements

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**Avina Americas, Inc.**  
**Statements of Financial Position**

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<i>December 31,</i>	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 6,832,506	\$ 3,007,542
Contributions receivable	5,259	1,733,000
Property and equipment, net	11,535	19,063
<b>Total Assets</b>	<b>\$ 6,849,300</b>	<b>\$ 4,759,605</b>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	\$ 32,149	\$ 17,472
Refundable advance	300,000	-
<b>Total Liabilities</b>	<b>332,149</b>	<b>17,472</b>
Commitment and Contingencies (Note 11)		
<b>Net assets</b>		
Without donor restrictions	342,336	300,386
With donor restrictions	6,174,815	4,441,747
<b>Total Net Assets</b>	<b>6,517,151</b>	<b>4,742,133</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,849,300</b>	<b>\$ 4,759,605</b>

*The accompanying notes are an integral part of these financial statements.*

# Aviná Americas, Inc.

## Statement of Activities

<i>Year ended December 31, 2021</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>			
Contributions	\$ 92	\$ 6,068,922	\$ 6,069,014
Interest and dividends	1,822	-	1,822
Other income	450	-	450
Net assets released from restrictions	4,335,854	(4,335,854)	-
<b>Total Revenues</b>	<b>4,338,218</b>	<b>1,733,068</b>	<b>6,071,286</b>
<b>Expenses</b>			
South initiative	48,818	-	48,818
Innovation for democracy	1,513,302	-	1,513,302
Inclusive recycling	1,191,632	-	1,191,632
Water and conservation	519,947	-	519,947
Migration	709,323	-	709,323
Other	10,403	-	10,403
Total program services	3,993,425	-	3,993,425
Management and general	212,572	-	212,572
Fundraising	90,271	-	90,271
<b>Total Expenses</b>	<b>4,296,268</b>	<b>-</b>	<b>4,296,268</b>
<b>Change in Net Assets</b>	<b>41,950</b>	<b>1,733,068</b>	<b>1,775,018</b>
<b>Net Assets, Beginning of Year</b>	<b>300,386</b>	<b>4,441,747</b>	<b>4,742,133</b>
<b>Net Assets, End of Year</b>	<b>\$ 342,336</b>	<b>\$ 6,174,815</b>	<b>\$ 6,517,151</b>

*The accompanying notes are an integral part of these financial statements.*

# Aviná Americas, Inc.

## Statement of Activities

<i>Year ended December 31, 2020</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>			
Contributions	\$ 6,280	\$ 8,488,170	\$ 8,494,450
Interest and dividends	2,301	-	2,301
Net assets released from restrictions	5,058,280	(5,058,280)	-
<b>Total Revenues</b>	<b>5,066,861</b>	<b>3,429,890</b>	<b>8,496,751</b>
<b>Expenses</b>			
South initiative	2,048,336	-	2,048,336
Innovation for democracy	1,166,008	-	1,166,008
Inclusive recycling	1,117,996	-	1,117,996
Water and conservation	226,761	-	226,761
Migration	181,494	-	181,494
Other	12,754	-	12,754
Total program services	4,753,349	-	4,753,349
Management and general	259,434	-	259,434
Fundraising	120,373	-	120,373
<b>Total Expenses</b>	<b>5,133,156</b>	<b>-</b>	<b>5,133,156</b>
<b>Change in Net Assets</b>	<b>(66,295)</b>	<b>3,429,890</b>	<b>3,363,595</b>
<b>Net Assets, Beginning of Year</b>	<b>366,681</b>	<b>1,011,857</b>	<b>1,378,538</b>
<b>Net Assets, End of Year</b>	<b>\$ 300,386</b>	<b>\$ 4,441,747</b>	<b>\$ 4,742,133</b>

*The accompanying notes are an integral part of these financial statements.*

# Avina Americas, Inc.

## Statements of Functional Expenses

<i>December 31, 2021</i>	Program Activities						Supporting Activities		Total
	South Initiative	Innovation for Democracy	Inclusive Recycling	Water and Conservation	Migration	Other	Management and General	Fundraising	
Subgrants	\$ 37,500	\$ 1,423,951	\$ 1,161,426	\$ 486,818	\$ 519,180	\$ -	\$ -	\$ -	\$ 3,628,875
Salary and benefits	10,951	9,704	27,116	24,210	55,979	3,876	84,167	90,271	306,274
Professional fees and consulting	-	78,675	-	8,919	134,164	5,329	91,141	-	318,228
Travel	-	-	-	-	-	1,131	435	-	1,566
Communications and memberships	-	-	-	-	-	-	12,195	-	12,195
Insurance	-	-	-	-	-	-	5,418	-	5,418
Rent and occupancy	-	-	-	-	-	-	2,883	-	2,883
Bank fees	367	972	3,090	-	-	67	2,508	-	7,004
Depreciation expense	-	-	-	-	-	-	8,163	-	8,163
Other	-	-	-	-	-	-	5,662	-	5,662
<b>Total Expenses</b>	<b>\$ 48,818</b>	<b>\$ 1,513,302</b>	<b>\$ 1,191,632</b>	<b>\$ 519,947</b>	<b>\$ 709,323</b>	<b>\$ 10,403</b>	<b>\$ 212,572</b>	<b>\$ 90,271</b>	<b>\$ 4,296,268</b>

<i>December 31, 2020</i>	Program Activities						Supporting Activities		Total
	South Initiative	Innovation for Democracy	Inclusive Recycling	Water and Conservation	Migration	Other	Management and General	Fundraising	
Subgrants	\$ 2,031,452	\$ 1,124,619	\$ 1,085,136	\$ 214,193	\$ 120,898	\$ -	\$ -	\$ -	\$ 4,576,298
Salary and benefits	16,600	14,569	30,496	10,568	49,239	4,296	94,888	119,697	340,353
Professional fees and consulting	-	25,500	-	2,000	11,357	8,458	123,435	-	170,750
Travel	-	-	-	-	-	-	5,120	676	5,796
Communications and memberships	-	-	-	-	-	-	18,940	-	18,940
Insurance	-	-	-	-	-	-	4,207	-	4,207
Rent and occupancy	-	-	-	-	-	-	2,679	-	2,679
Bank fees	284	1,320	2,364	-	-	-	2,177	-	6,145
Depreciation expense	-	-	-	-	-	-	5,335	-	5,335
Other	-	-	-	-	-	-	2,653	-	2,653
<b>Total Expenses</b>	<b>\$ 2,048,336</b>	<b>\$ 1,166,008</b>	<b>\$ 1,117,996</b>	<b>\$ 226,761</b>	<b>\$ 181,494</b>	<b>\$ 12,754</b>	<b>\$ 259,434</b>	<b>\$ 120,373</b>	<b>\$ 5,133,156</b>

*The accompanying notes are an integral part of these financial statements.*

**Avina Americas, Inc.**  
**Statements of Cash Flows**

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<i>Year ended December 31</i>	<b>2021</b>	2020
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 1,775,018	\$ 3,363,595
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	8,163	5,335
Change in assets and liabilities		
Contributions receivable	1,727,741	(1,333,000)
Accounts payable and accrued expenses	14,677	2,757
Refundable advance	300,000	-
<b>Net Cash Provided by Operating Activities</b>	<b>3,825,599</b>	<b>2,038,687</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	(635)	(21,783)
<b>Net Cash Used in Investing Activities</b>	<b>(635)</b>	<b>(21,783)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>3,824,964</b>	<b>2,016,904</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>3,007,542</b>	<b>990,638</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 6,832,506</b>	<b>\$ 3,007,542</b>

*The accompanying notes are an integral part of these financial statements.*

# Avina Americas, Inc.

## Notes to Financial Statements

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### 1. Organization

Avina Americas, Inc. (“AVINA” or the “Organization”) is a non-profit organization incorporated in August 2008 in the state of Delaware. AVINA was organized to contribute to sustainable development, primarily in Latin America, by encouraging productive alliances based on trust among social and business leaders and by brokering consensus around agendas for action.

AVINA is a component of Fundación Avina. The balances and activities of other components are not included in these financial statements. These financial statements are not intended to be the consolidated financial statements of Fundación Avina. The consolidated financial statements of Fundación Avina are prepared separately. The consolidated financial statements eliminate all material inter-organizational accounts and transactions.

### 2. Summary of Significant Accounting Policies

#### *Basis of Accounting*

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Assets are presented in the accompanying statements of financial position according to their nearness of their conversion to cash and liabilities according to their nearness of their maturity and resulting use of cash.

#### *Basis of Presentation*

Net assets, revenue, gains and losses are classified into two classes of net assets based on the existence or absence of donor-imposed restrictions. The two net asset categories are reflected in the accompanying financial statements as follows:

- **Net assets without donor restrictions** - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the Board of Directors.
- **Net assets with donor restrictions** - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities. There are no net assets with donor restrictions of a permanent nature as of December 31, 2021 and 2020.

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# Avina Americas, Inc.

## Notes to Financial Statements

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### ***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP 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.

### ***Cash and Cash Equivalents***

For financial statement purposes, AVINA considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents include investments in money market funds that are carried at cost plus accrued interest and approximates fair value.

### ***Contributions Receivable***

Contributions receivable represent unconditional contributions that are expected to be collected within one year and are recorded at net realizable value. Accounts are individually analyzed for collectability and an allowance for doubtful accounts is provided based upon management's judgment. Write-off of the receivable occurs when all collection efforts have been exhausted or certain conditions for forgiveness have been reached. All receivables are deemed to be collectible by management at December 31, 2021 and 2020.

### ***Property and Equipment***

Property and equipment in excess of \$500 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to seven years. The cost of maintenance and repairs is recorded as expenses are incurred.

### ***Impairment of Long-Lived Assets***

On an ongoing basis, AVINA reviews its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount may be overstated. AVINA recognizes impairment losses if the undiscounted cash flows expected to be generated are less than the carrying value of the related asset. If impaired, the assets are adjusted to fair value based on the discounted cash flows. At December 31, 2021 and 2020, no impairment is thought to exist.

### ***Fair Value Measurements***

Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in AVINA's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The carrying values of AVINA's financial instruments, which include cash and cash equivalents, contributions receivable, accounts payable and accrued expenses approximate fair value.

# Avina Americas, Inc.

## Notes to Financial Statements

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### ***Revenue Recognition - Contributions***

Transfers of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions. Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. As of December 31, 2021, and 2020, AVINA had \$1,679,000 and \$1,580,000 of promises to give that are conditional upon the satisfactory completion of milestones and, therefore, has not been recorded as contribution revenue, respectively. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Organization fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their net realizable values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets at their fair market value on the date of receipt. The donation is recorded as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, 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 restrictions.”

### ***Functional Allocation of Expenses***

The costs of providing program and management activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and support services benefited. Expenses that can be directly identified with the program or supporting service are reported as expenses of those functional areas. Professional services are allocated on the basis of estimated time and effort.

### ***Income Taxes***

AVINA is exempt from income taxes on income from related activities under Section 501(c)(3) of the U. S. Internal Revenue Code and corresponding state tax law. The Organization has no unrelated business income. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. Additionally, AVINA is not considered to be a private foundation under Section 509(a) of the Internal Revenue Code.

The Organization recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively. No uncertain tax positions were identified by the Organization as of December 31, 2021 and 2020.

# Avina Americas, Inc.

## Notes to Financial Statements

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The U.S. Federal jurisdiction is the major tax jurisdiction where the Organization files tax returns. The Organization is generally no longer subject to U.S. Federal or State examinations by tax authorities for fiscal years before 2018.

### ***Accounting Pronouncements to be Adopted***

#### *Contributed Nonfinancial Assets*

In September 2020, FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which amends guidance for not-for-profit entities that receive contributed nonfinancial assets. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities, and to disclose information regarding each type of contributed nonfinancial asset. The update is to be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021, and for interim reporting periods beginning after June 15, 2022. The Organization is currently evaluating the effect the update will have on its financial statements.

### ***Reclassifications***

Certain amounts in the 2020 financial statements were reclassified to conform to the 2021 presentation.

### ***Subsequent Events***

The Organization has evaluated events and transactions occurring subsequent to December 31, 2021 as of February 24, 2022, which is the date the financial statements were available to be issued. No material events have occurred since December 31, 2021 that require recognition or disclosure in the financial statements.

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**Avina Americas, Inc.**  
**Notes to Financial Statements**

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### 3. Liquidity Management and Availability of Resources

The Organization maintains a policy of structuring its financial assets to be available as general expenditures, liabilities and other obligations come due. In managing its liquidity needs, the Organization monitors its cash balances and also ensures spending is within budget guidelines.

AVINA's financial assets available within one year of the statement of financial position date for general expenditures is comprised of the following:

<i>December 31,</i>	2021	2020
Cash and cash equivalents	\$ 6,832,506	\$ 3,007,542
Contributions receivable	5,259	1,733,000
	<b>6,837,765</b>	4,740,542
Less amounts not available to be used within one year:		
Donor-restricted net assets	<b>(6,174,815)</b>	(4,441,747)
Financial assets available to meet general expenditures within one year	<b>\$ 662,950</b>	\$ 298,795

### 4. Contributions Receivable

As of December 31, 2021, and 2020, AVINA had contributions receivable of \$5,259 and \$1,733,000, respectively, all of which are due to be collected within one year of the date of the promise.

### 5. Property and Equipment, Net

Property and equipment, net, consists of the following:

<i>December 31,</i>	2021	2020
Software	\$ 23,047	\$ 23,047
Equipment and hardware	16,824	16,189
	<b>39,871</b>	39,236
Less: accumulated depreciation and amortization	<b>(28,336)</b>	(20,173)
	<b>\$ 11,535</b>	\$ 19,063

Depreciation expense was \$8,163 and \$5,335 for the years ended December 31, 2021 and 2020, respectively.

# Avina Americas, Inc.

## Notes to Financial Statements

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### 6. Net Assets with Donor Restrictions

Net assets of the Organization are restricted by purpose. Net assets with donor restrictions consists of the following:

<i>December 31,</i>	<b>2021</b>	<b>2020</b>
Inclusive recycling	\$ 1,873,591	\$ 1,900,700
Future of work	2,059,513	-
Innovation for democracy	1,688,909	1,159,677
Migration	545,667	1,252,700
Water and conservation	7,135	86,713
South initiative	-	41,957
<b>Total Net Assets With Donor Restrictions</b>	<b>\$ 6,174,815</b>	<b>\$ 4,441,747</b>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors from programs as follows:

<i>December 31,</i>	<b>2021</b>	<b>2020</b>
Inclusive recycling	\$ 1,592,338	\$ 1,228,555
Innovation for democracy	1,683,527	1,296,428
Migration	707,032	150,300
Water and conservation	280,515	267,790
South initiative	41,957	2,108,051
Future of Work	30,485	-
Biomes	-	7,156
<b>Total Net Assets Released From Restrictions</b>	<b>\$ 4,335,854</b>	<b>\$ 5,058,280</b>

### 7. Related Party - Fundación Avina

AVINA is separate but related to the Fundación Avina (the “Fundación”), a nonprofit organization located in Panama. A Board resolution guides transactions between the two entities.

To assist with the implementation of shared projects, AVINA entered into grant agreements to award the Fundación \$1,632,636 and \$1,247,654 during 2021 and 2020, respectively. AVINA had no outstanding grants payable to the Fundación as of December 31, 2021 and 2020.

During the years ended December 31, 2021 and 2020, the Fundación did not contribute any funds to AVINA and AVINA had no outstanding contributions receivable from the Fundación as of December 31, 2021 and 2020.

# Avina Americas, Inc.

## Notes to Financial Statements

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### 8. Retirement Plan

AVINA has a 401(k)-retirement benefit plan for its employees through a defined contribution plan covering all eligible employees. AVINA contributes 3.5% percent of gross wages limited to a maximum employer contribution of \$5,000 per employee. Contributions to the plan for the years ended December 31, 2021 and 2020 were \$9,282 and \$11,974, respectively.

### 9. Conditional Grant Liability

AVINA has entered into certain grant agreements which stipulate that the grantees must meet certain financial and reporting conditions before the funds will be disbursed. Due to those conditions, AVINA has not recorded the entire amount of the grant agreements as liabilities on the Statements of Financial Position. Grants are recognized as expense and payable when the conditions are met. The amount of conditional grant commitments not recorded as of December 31, 2021 and 2020 is \$570,567 and \$229,619, respectively. All conditional grant commitments are expected to be paid within one year.

### 10. Risks and Uncertainties

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. The Organization’s operations are heavily dependent on private and public funding from foundations and corporations. Although the COVID-19 outbreak has not had a material impact on the Organization’s funding during 2020 or 2021, the continued adverse impact on economic and market conditions may results in future decreases in funding. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or cash flows for future years. While the ultimate outcome of this uncertainty is unknown, through the date of the auditor’s report, there has been no material impact on the financial statements.

### 11. Commitment and Contingencies

#### *Concentrations of Credit Risk*

Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash deposits. Although cash balances may exceed federally insured limits at times during the year, the Organization has not experienced and does not expect to incur any losses in such accounts.

#### *Concentration of Revenue*

For the year ended December 31, 2021, AVINA received approximately 94% of its total contributions from five contributors and 100% of the contribution’s receivable was from one contributor. For the year ended December 31, 2020, AVINA received approximately 73% of its total contributions from five contributors and 100% of the contributions receivable was from two contributors.