# AVINA AMERICAS, INC.
Washington, D.C.

## FINANCIAL STATEMENTS
December 31, 2025 and 2024

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CONTENTS

# 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 statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, 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.

### *Basis for Opinion*

We conducted our audits 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.

### *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 from the date that the financial statements are issued or available to be issued.

(Continued)

***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.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
February 19, 2026

AVINA AMERICAS, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

| | 2025 | 2024 |
|---|---|---|
| **Assets** | | |
| Cash | $ 3,757,246 | $ 31,363,131 |
| Contributions receivable | 3,565,000 | 8,330,000 |
| Interest income receivable | - | 37,795 |
| Investment | 360,441 | 20,068,233 |
| Property and equipment, net | 1,675 | 1,888 |
| Total Assets | $ 7,684,362 | $ 59,801,047 |
| **Liabilities and Net Assets** | | |
| Accounts payable and accrued expenses | $ 37,306 | $ 29,909 |
| Grants payable | 18,033 | 2,000,000 |
| Total Liabilities | 55,339 | 2,029,909 |
| Commitments and contingencies (Note 11) | | |
| Net assets | | |
| Without donor restrictions | 946,752 | 788,502 |
| With donor restrictions | 6,682,271 | 56,982,636 |
| Total Net Assets | 7,629,023 | 57,771,138 |
| Total Liabilities and Net Assets | $ 7,684,362 | $ 59,801,047 |

See accompanying notes to financial statements.

AVINA AMERICAS, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2025

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| **Revenues** | | | |
| Contributions | $ 50,307 | $ 3,225,000 | $ 3,275,307 |
| Losses on write-off of contributions receivable | - | (400,000) | (400,000) |
| Return of unused grant funds | - | (365,602) | (365,602) |
| Interest income | 143,923 | 683,858 | 827,781 |
| Net assets released from restrictions | 53,443,621 | (53,443,621) | - |
| Total Revenues | 53,637,851 | (50,300,365) | 3,337,486 |
| **Expenses** | | | |
| Program Services | | | |
| Democracy | 2,032,401 | - | 2,032,401 |
| Climate | 410,959 | - | 410,959 |
| Inclusive circular economy | 2,234,829 | - | 2,234,829 |
| Water | 930,902 | - | 930,902 |
| Biomes | 45,004,616 | - | 45,004,616 |
| Labor innovation | 2,281,994 | - | 2,281,994 |
| Other | 129,995 | - | 129,995 |
| Total Program Services | 53,025,696 | - | 53,025,696 |
| Management and general | 350,902 | - | 350,902 |
| Fundraising | 103,003 | - | 103,003 |
| Total Expenses | 53,479,601 | - | 53,479,601 |
| **Change in Net Assets** | 158,250 | (50,300,365) | (50,142,115) |
| Net Assets, beginning of year | 788,502 | 56,982,636 | 57,771,138 |
| **Net Assets, end of year** | $ 946,752 | $ 6,682,271 | $ 7,629,023 |

See accompanying notes to financial statements.

AVINA AMERICAS, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2024

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| **Revenues** | | | |
| Contributions | $ 70,000 | $ 60,043,052 | $ 60,113,052 |
| Contribution of nonfinancial assets | 30,154 | - | 30,154 |
| Interest income | 218,069 | 372,212 | 590,281 |
| Net assets released from restrictions | 11,424,832 | (11,424,832) | - |
| Total Revenues | 11,743,055 | 48,990,432 | 60,733,487 |
| **Expenses** | | | |
| Program Services | | | |
| Democracy | 1,040,877 | - | 1,040,877 |
| Climate | 362,382 | - | 362,382 |
| Inclusive circular economy | 1,762,899 | - | 1,762,899 |
| Water | 583,138 | - | 583,138 |
| Biomes | 4,781,641 | - | 4,781,641 |
| Labor innovation | 1,890,961 | - | 1,890,961 |
| Migration | 517,439 | - | 517,439 |
| Other | 66,930 | - | 66,930 |
| Total Program Services | 11,006,267 | - | 11,006,267 |
| Management and general | 575,437 | - | 575,437 |
| Fundraising | 163,051 | - | 163,051 |
| Total Expenses | 11,744,755 | - | 11,744,755 |
| **Change in Net Assets** | (1,700) | 48,990,432 | 48,988,732 |
| Net Assets, beginning of year | 790,202 | 7,992,204 | 8,782,406 |
| **Net Assets, end of year** | $ 788,502 | $ 56,982,636 | $ 57,771,138 |

See accompanying notes to financial statements.

AVINA AMERICAS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2025

| | Program Services | | | | | | | Supporting Services | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Democracy | Climate | Inclusive Circular Economy | Water | Biomes | Labor Innovation | Other | Management and General | Fundraising | Total |
| Subgrants | $ 2,018,047 | $ 392,929 | $ 2,175,328 | $ 919,433 | $ 44,956,201 | $ 2,250,881 | $ - | $ - | $ - | $ 52,712,819 |
| Salaries and benefits | 14,354 | 18,030 | 23,677 | 10,597 | 29,215 | 12,263 | 27,075 | 211,115 | 97,513 | 443,839 |
| Professional fees and consulting | - | - | 35,824 | 872 | - | 18,487 | 56,379 | 87,090 | - | 198,652 |
| Travel | - | - | - | - | - | 363 | 1,545 | 5,810 | 5,490 | 13,208 |
| Communications and memberships | - | - | - | - | - | - | - | 11,877 | - | 11,877 |
| Insurance | - | - | - | - | - | - | - | 15,382 | - | 15,382 |
| Rent and occupancy | - | - | - | - | - | - | - | 6,534 | - | 6,534 |
| Bank fees | - | - | - | - | 19,200 | - | 13,535 | 3,699 | - | 36,434 |
| Depreciation | - | - | - | - | - | - | - | 1,325 | - | 1,325 |
| Other | - | - | - | - | - | - | 31,461 | 8,070 | - | 39,531 |
| Total Expenses | $ 2,032,401 | $ 410,959 | $ 2,234,829 | $ 930,902 | $ 45,004,616 | $ 2,281,994 | $ 129,995 | $ 350,902 | $ 103,003 | $ 53,479,601 |

See accompanying notes to financial statements.

AVINA AMERICAS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2024

| | Program Services | | | | | | | | Supporting Services | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Democracy | Climate | Inclusive Circular Economy | Water | Biomes | Labor Innovation | Migration | Other | Management and General | Fundraising | Total |
| Subgrants | $ 1,024,777 | $ 361,851 | $ 1,709,402 | $ 569,742 | $ 4,731,969 | $ 1,849,380 | $ 471,813 | $ - | $ 250,000 | $ - | $ 10,968,934 |
| Salaries and benefits (including $30,154 of contributed nonfinancial assets) | 13,896 | 531 | 23,421 | 11,105 | 27,836 | 17,846 | 30,817 | 25,567 | 204,533 | 83,988 | 439,540 |
| Professional fees and consulting | - | - | 21,512 | - | 8,700 | 22,961 | 6,215 | 10,969 | 69,845 | 63,949 | 204,151 |
| Travel | - | - | - | 2,291 | - | - | 691 | 10,228 | 8,392 | 15,114 | 36,716 |
| Communications and memberships | - | - | - | - | - | - | - | - | 11,477 | - | 11,477 |
| Insurance | - | - | - | - | - | - | - | - | 14,947 | - | 14,947 |
| Rent and occupancy | - | - | - | - | - | - | - | - | 6,848 | - | 6,848 |
| Bank fees | 2,204 | - | 8,564 | - | 13,136 | 774 | 7,903 | - | 2,339 | - | 34,920 |
| Depreciation | - | - | - | - | - | - | - | - | 1,084 | - | 1,084 |
| Other | - | - | - | - | - | - | - | 20,166 | 5,972 | - | 26,138 |
| Total Expenses | $ 1,040,877 | $ 362,382 | $ 1,762,899 | $ 583,138 | $ 4,781,641 | $ 1,890,961 | $ 517,439 | $ 66,930 | $ 575,437 | $ 163,051 | $ 11,744,755 |

See accompanying notes to financial statements.

AVINA AMERICAS, INC.
STATEMENTS OF CASH FLOWS
Years ended December 31, 2025 and 2024

| | 2025 | 2024 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Change in net assets | $ (50,142,115) | $ 48,988,732 |
| Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities: | | |
| Depreciation | 1,325 | 1,084 |
| Change in assets and liabilities | | |
| Interest receivable | 37,795 | (37,795) |
| Contributions receivable | 4,765,000 | (7,460,000) |
| Accounts payable and accrued expenses | 7,397 | (10,605) |
| Grants payable | (1,981,967) | 2,000,000 |
| Net cash (used by) provided from operating activities | (47,312,565) | 43,481,416 |
| **Cash flows from investing activities** | | |
| Purchase of investments | (557,287) | (20,068,233) |
| Proceeds from sale of investments | 20,265,079 | - |
| Purchase of property and equipment | (1,112) | (1,389) |
| Net cash provided from (used by) investing activities | 19,706,680 | (20,069,622) |
| **Net change in cash** | (27,605,885) | 23,411,794 |
| Cash, beginning of year | 31,363,131 | 7,951,337 |
| **Cash, end of year** | $ 3,757,246 | $ 31,363,131 |

See accompanying notes to financial statements.

**NOTE 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.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

<u>Basis of Accounting</u>: 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.

<u>Basis of Presentation</u>: 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, 2025 and 2024.

<u>Use of Estimates</u>: 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.

<u>Cash</u>: Cash includes funds held in a checking and saving accounts with a financial institution.

<u>Contributions Receivable</u>: Contributions receivable represent unconditional contributions that 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, 2025. Contributions receivable were $3,565,000 and $8,330,000 at December 31, 2025 and 2024, respectively.

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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 as 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, 2025 and 2024, 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, investments, contributions receivable, accounts payable and accrued expenses approximate fair value.

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, 2025 and 2024, AVINA had $25,250,000 and $25,521,000, respectively, of promises to give that are conditional upon the satisfactory completion of milestones and, therefore, has not been recorded as contribution revenue. 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. Other expenses are allocated among program and supporting services based on pro-rata estimate of utilization. Professional services and personnel expenses are allocated on the basis of estimated time and effort.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Contributions of Nonfinancial Assets: Contributions of nonfinancial assets are recorded as revenue and expense in the accompanying statements of activities at their estimated fair market value. Donated services are recorded if such services enhance a nonfinancial asset or require specialized skills that would need to be purchased. No amounts have been reflected in the financial statements for donated services which did not; (a) create or enhance nonfinancial assets or (b) require specialized skills provided by individuals processing such skills and which would have been purchased if not provided by donation. In-kind revenue consists of donated executive services. Refer to Note 8 for details.

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 Delaware 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, 2025 and 2024. The U.S. Federal jurisdiction is the major tax jurisdiction where the Organization files tax returns.

Reclassifications: Certain prior year balances were reclassified to conform to current year presentation. The reclassifications had no effect on the change in net assets or total net assets.

Subsequent Events: The Organization has evaluated events and transactions occurring subsequent to December 31, 2025 as of February 19, 2026, which is the date the financial statements were available to be issued. No material events have occurred since December 31, 2025 that require recognition or disclosure in the financial statements.

**NOTE 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 as of December 31:

| | 2025 | 2024 |
|---|---|---|
| Cash and cash equivalents | $ 3,757,246 | $ 31,363,131 |
| Investments | 360,441 | 20,068,233 |
| Contributions receivable | 3,565,000 | 8,330,000 |
| Interest income receivable | - | 37,795 |
| | 7,682,687 | 59,799,159 |
| Less: amounts not available to be used within one year: | | |
| Contributions receivable | (2,800,000) | (3,500,000) |
| Donor-restricted net assets | (3,882,271) | (53,482,636) |
| Financial assets available to meet general expenditures within one year | $ 1,000,416 | $ 2,816,523 |

(Continued)

## NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS

GAAP defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Foundation's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GAAP also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

> Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
>
> Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
>
> Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The fair value of mutual fund – fixed income is based on quoted prices in active markets using the market approach. This is considered a level 1 input.

Assets Measured on a Recurring Basis: Assets measured at fair value on a recurring basis are summarized below:

Fair Value Measurements for 2025:

| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|
| Cash and cash equivalents | $ - | $ - | $ - |
| Mutual fund | 360,441 | - | - |
| | $ 360,441 | $ - | $ - |

Fair Value Measurements for 2024:

| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|
| Cash and cash equivalents | $ 12,078 | $ - | $ - |
| Mutual fund – fixed income | 20,056,155 | - | - |
| | $ 20,068,233 | $ - | $ - |

The mutual fund is made up of one investment in a federal money market. The investment balance as of December 31, 2025 and 2024 was $360,441 and $20,068,233, respectively.

(Continued)

**NOTE 5 – CONTRIBUTIONS RECEIVABLE**

As of December 31, 2025, AVINA had contributions receivable of $3,565,000 of which 98% was from two contributors. As of December 31, 2024, AVINA had contributions receivable of $8,330,000 of which 60% was from two contributors.

| | 2025 | 2024 |
|---|---|---|
| Due within 1 year | $ 765,000 | $ 4,830,000 |
| Due in 1-5 years | 2,800,000 | 2,800,000 |
| Due over 5 years | - | 700,000 |
| | $ 3,565,000 | $ 8,330,000 |

**NOTE 6 – PROPERTY AND EQUIPMENT, NET**

Property and equipment, net, consists of the following as of December 31:

| | 2025 | 2024 |
|---|---|---|
| Software | $ 20,433 | $ 20,433 |
| Equipment and hardware | 6,719 | 5,607 |
| | 27,152 | 26,040 |
| Less: accumulated depreciation and amortization | (25,477) | (24,152) |
| | $ 1,675 | $ 1,888 |

Depreciation expense was $1,325 and $1,084 for the years ended December 31, 2025 and 2024, respectively.

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets of the Organization are restricted by purpose. Net assets with donor restrictions consists of the following as of December 31:

| | 2025 | 2024 |
|---|---|---|
| Democracy | $ 568,316 | $ 2,502,854 |
| Climate | 381,346 | 457,147 |
| Inclusive circular economy | 396,684 | 1,741,319 |
| Water | 422,711 | 1,829,470 |
| Biomes | 4,158,578 | 48,399,630 |
| Labor innovation | 754,636 | 1,866,642 |
| Migration | - | 185,574 |
| Total Net Assets with Donor Restrictions | $ 6,682,271 | $ 56,982,636 |

(Continued)

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS** (Continued)

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:

| | 2025 | 2024 |
|---|---|---|
| Democracy | $ 2,134,539 | $ 1,086,218 |
| Climate | 475,801 | 263,815 |
| Inclusive circular economy | 2,394,636 | 2,115,144 |
| Water | 1,006,757 | 721,464 |
| Biomes | 44,999,911 | 4,755,157 |
| Labor innovation | 2,246,403 | 1,872,006 |
| Migration | 185,574 | 611,028 |
| Total Net Assets Released from Restrictions | $ 53,443,621 | $ 11,424,832 |

**NOTE 8 – RELATED PARTY – FUNDACIÓN AVINA**

AVINA is a component of 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 $44,100,548 and $1,833,859 during 2025 and 2024, respectively. These amounts are included within the subgrants category of the statements of functional expenses. AVINA had no outstanding grants payable to the Fundación as of December 31, 2025 and 2024.

Fundación contributed nonfinancial assets to AVINA totaling $0 and $30,154 for the years ended December 31, 2025 and 2024, respectively. AVINA had no outstanding contributions receivable from the Fundación as of December 31, 2025 and 2024.

**NOTE 9 – 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, 2025 and 2024 were $13,090 and $12,182, respectively.

**NOTE 10 – 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. Total conditional grant commitments not recorded as of December 31, 2025 and 2024 was $312,368 and $1,188,442, respectively. All conditional grant commitments are expected to be paid within one year.

(Continued)

**NOTE 11 – RISKS AND UNCERTAINTIES**

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, 2025, AVINA received approximately 81% of its total contributions from three contributors. For the year ended December 31, 2024, AVINA received approximately 50% of its total contributions from one contributor.