

Bountifield International
Minneapolis, Minnesota

Consolidated Financial Statements
Auditor's Report
For the Years Ended
June 30, 2022 and 2021



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bountifield International
Minneapolis, Minnesota

Opinion

We have audited the accompanying consolidated financial statements of Bountifield International (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bountifield International as of June 30, 2022 and 2021, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Bountifield International and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 consolidated financial statements.

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

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

Lapertu, Ewert & Associates, LLP.
Certified Public Accountants

Minneapolis, Minnesota
March 27, 2023

BOUNTFIELD INTERNATIONAL
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDING JUNE 30, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Contributions of Financial Assets	\$ 249,398	\$ 711,698	\$ 961,096	\$ 511,622	\$ 322,233	\$ 833,855
Contributions of Nonfinancial Assets	70,610	-	70,610	-	-	-
Government Grants	-	-	-	489,516	-	489,516
Special Events						
Special Events Income	207,411	-	207,411	-	-	-
Costs of Direct Benefits to Donors	(97,875)	-	(97,875)	-	-	-
Special Events - Net	109,536	-	109,536	-	-	-
Product Sales	-	-	-	13,932	-	13,932
Investment Income	5,488	-	5,488	7,349	-	7,349
Net Assets Released from Restrictions:						
Satisfaction of Purpose Restrictions	497,225	(497,225)	-	587,664	(587,664)	-
Total Support and Revenue	932,257	214,473	1,146,730	1,610,083	(265,431)	1,344,652
Expense:						
Program Services	762,437	-	762,437	1,036,934	-	1,036,934
Support Services:						
Management and General	91,254	-	91,254	121,563	-	121,563
Fundraising	105,977	-	105,977	99,689	-	99,689
Total Support Services	197,231	-	197,231	221,252	-	221,252
Total Expense	959,668	-	959,668	1,258,186	-	1,258,186
Change in Net Assets From Operations	(27,411)	214,473	187,062	351,897	(265,431)	86,466
Other Changes in Net Assets:						
Extraordinary Item-Fraud Loss	(8,000)	-	(8,000)	(57,193)	-	(57,193)
Translation and Other Adjustments	-	-	-	10,906	-	10,906
Unrealized (Loss)/Gain in Beneficial Interest in Assets Held by Others	-	(16,740)	(16,740)	-	32,789	32,789
Change in Net Assets	(35,411)	197,733	162,322	305,610	(232,642)	72,968
Net Assets - Beginning of Year	115,323	428,168	543,491	(190,287)	660,810	470,523
Net Assets - End of Year	\$ 79,912	\$ 625,901	\$ 705,813	\$ 115,323	\$ 428,168	\$ 543,491

The accompanying Notes to Financial Statements
are an integral part of these statements.

BOUNTIFIELD INTERNATIONAL
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE TOTALS FOR 2021

	2022			2021		
	Total Program Services	Support Services		Total All Services	Total All Services	
		Management & General	Fundraising			Total Support Services
Salary Expense	\$ 201,743	\$ 14,074	\$ 42,566	\$ 56,640	\$ 258,383	\$ 272,029
Payroll Taxes and Benefits	24,940	1,772	5,131	6,903	31,843	28,405
Total Personnel Costs	<u>226,683</u>	<u>15,846</u>	<u>47,697</u>	<u>63,543</u>	<u>290,226</u>	<u>300,434</u>
Professional Fees	271,201	39,019	22,057	61,076	332,277	520,884
Project Expense	121,218	-	81	81	121,299	138,222
Travel	81,725	2,779	-	2,779	84,504	87,597
Dues and Subscriptions	1,550	11,792	15,879	27,671	29,221	25,834
Rent	19,841	2,331	4,856	7,187	27,028	40,760
Supplies	19,042	4,036	536	4,572	23,614	14,936
Interest and Bank Fees	1,440	13,133	4,116	17,249	18,689	21,005
Insurance	8,316	1,069	2,089	3,158	11,474	18,957
Meetings and Conferences	4,951	348	1,047	1,395	6,346	25,615
Printing	335	12	5,527	5,539	5,874	7,482
Other Expense	3,240	314	479	793	4,033	33,780
Advertising and Promotion	1,574	336	114	450	2,024	3,246
Postage and Shipping	360	119	1,499	1,618	1,978	2,886
Telecommunications and Internet	961	120	-	120	1,081	6,111
Depreciation	-	-	-	-	-	10,437
Total Expense	<u>\$ 762,437</u>	<u>\$ 91,254</u>	<u>\$ 105,977</u>	<u>\$ 197,231</u>	<u>\$ 959,668</u>	<u>\$ 1,258,186</u>

The accompanying Notes to Financial Statements
are an integral part of this statement.

BOUNTFIELD INTERNATIONAL
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2021

	Total Program Services	Support Services			Total All Services
		Management & General	Fundraising	Total Support Services	
Salary Expense	\$ 206,218	\$ 27,340	\$ 38,471	\$ 65,811	\$ 272,029
Payroll Taxes and Benefits	21,100	2,903	4,402	7,305	28,405
Total Personnel Costs	227,318	30,243	42,873	73,116	300,434
Professional Fees	446,834	58,953	15,097	74,050	520,884
Project Expense	138,222	-	-	-	138,222
Travel	85,938	1,659	-	1,659	87,597
Dues and Subscriptions	32	6,476	19,326	25,802	25,834
Rent	27,860	4,135	8,765	12,900	40,760
Supplies	9,002	5,483	451	5,934	14,936
Interest and Bank Fees	7,368	12,681	956	13,637	21,005
Insurance	14,439	1,272	3,246	4,518	18,957
Meetings and Conferences	25,571	44	-	44	25,615
Printing	760	5	6,717	6,722	7,482
Other Expense	33,302	410	68	478	33,780
Advertising and Promotion	2,799	132	315	447	3,246
Postage and Shipping	941	70	1,875	1,945	2,886
Telecommunications and Internet	6,111	-	-	-	6,111
Depreciation	10,437	-	-	-	10,437
Total Expense	\$ 1,036,934	\$ 121,563	\$ 99,689	\$ 221,252	\$ 1,258,186

The accompanying Notes to Financial Statements
are an integral part of this statement.

BOUNTFIELD INTERNATIONAL
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Current Assets:		
Cash and Cash Equivalents	\$ 320,034	\$ 496,986
Pledges Receivable	279,900	27,500
Prepaid Expense	42,727	59,756
Total Current Assets	<u>642,661</u>	<u>584,242</u>
Beneficial Interest in Assets Held by Others	130,972	147,711
Security Deposits	8,055	8,055
Pledges Receivable-Net	<u>88,166</u>	<u>11,021</u>
 TOTAL ASSETS	 <u>\$ 869,854</u>	 <u>\$ 751,029</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 27,361	\$ 55,495
Accrued Salaries and Vacation	11,342	12,082
Other Accrued Expenses	47,292	59,057
Notes Payable	5,134	80,904
Total Current Liabilities	<u>91,129</u>	<u>207,538</u>
Notes Payable	<u>72,912</u>	<u>-</u>
Total Liabilities	<u>164,041</u>	<u>207,538</u>
Net Assets:		
Without Donor Restrictions:		
Undesignated	79,912	126,229
Cumulative Translation Adjustment	-	(10,906)
Total Without Donor Restrictions	<u>79,912</u>	<u>115,323</u>
With Donor Restrictions	<u>625,901</u>	<u>428,168</u>
Total Net Assets	<u>705,813</u>	<u>543,491</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 869,854</u>	 <u>\$ 751,029</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

BOUNTIFIELD INTERNATIONAL
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

<u>Increase (Decrease) in Cash and Cash Equivalents</u>	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 162,322	\$ 72,968
Total Adjustments	<u>(336,415)</u>	<u>(130,946)</u>
Net Cash (Used) by Operating Activities	(174,093)	(57,978)
Cash Flows from Investing Activities:		
None	-	-
Cash Flows from Financing Activities:		
Principal Payment of Notes Payable	(2,859)	-
Proceeds from Issuance of Notes Payable	<u>-</u>	<u>55,133</u>
Net Cash Provided (Used) by Financing Activities	(2,859)	55,133
Net (Decrease) in Cash and Cash Equivalents	(176,952)	(2,845)
Cash and Cash Equivalents - Beginning of Year	<u>496,986</u>	<u>499,831</u>
Cash and Cash Equivalents - End of Year	<u>\$ 320,034</u>	<u>\$ 496,986</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

BOUNTIFIELD INTERNATIONAL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements of Bountifield International (the Organization) include the accounts of Bountifield US (a Minnesota nonprofit corporation), Compatible Technology International, Inc. (a Minnesota corporation), Bountifield Senegal (A Senegal limited liability company) and Bountifield Malawi (a Malawi limited liability company). All material inter-organizational transactions have been eliminated.

Organizational Purpose

Bountifield International is a postharvest technology solutions provider for smallholder farmers in Africa, helping the most vulnerable process their food more efficiently and bring their crops to market.

The Organization's flagship program is in Kenya, with other program activity in Malawi. The Organization is partnering with local manufacturing and distribution enterprises in Africa, and with African farmers to introduce tools and training to process millet, sorghum and peanuts to increase the quantity and quality of food available in local markets.

Fund Accounting

In order to observe the limitation and restrictions placed on resources available to the Organization, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources are classified for accounting and reporting purposes into net asset groupings established according to their nature and restriction. A description of the groupings is as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

New Accounting Pronouncement

The Organization has adopted Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, as management believe the standards improve the usefulness and understandability of the Organization's financial reporting. The ASU has been applied retrospectively for the years ended June 30, 2022 and 2021, as required.

BOUNTIFIELD INTERNATIONAL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

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

Furniture and Equipment

All expenditures over \$3,000 for furniture and equipment are capitalized at cost. Contributed items are recorded at fair market value at date of donation. Depreciation is provided through the use of the straight-line method.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

The Organization records contributed nonfinancial assets at fair market value at date of donation. The Organization's policy related to contributed nonfinancial assets is to utilize the assets given to carry out the mission of the organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist.

A portion of the Organization's revenue is derived from a governmental grant, which is conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statement of financial position. No refundable advances exist for the years ended June 30, 2022 and 2021.

Special event income is equal to the fair value of the direct benefit to the donors and the contributions received related to the events.

Product Sales are recognized as revenue when the performance obligation of providing services are met.

Promises-To-Give (Pledges Receivable)

Unconditional promises-to-give are recognized in the period the promises are made. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

BOUNTIFIELD INTERNATIONAL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of consolidated 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 at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax

The Organization has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and has adopted *Accounting for Uncertainty in Income Taxes*, ASC 740-10. The policy is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. The Organization continues to operate consistent with its original exemption application and each year takes the necessary actions to maintain its exempt status. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible. In compliance with its exempt status, the Organization annually files a Return of Organization Exempt From Income Tax (Form 990).

Functional Allocation of Expense

Expenses are recorded in functional categories when incurred. In certain cases, allocations of expenses between categories must be made. When allocations are required, they are based on the best estimates of management.

Subsequent Events

The Organization has evaluated the effect that subsequent events would have on the consolidated financial statements through March 27, 2023, which is the date the consolidated financial statements were available to be issued.

2. Contingencies and Uncertainties

The COVID-19 outbreak in the United States has caused business disruption through both mandated and voluntary suspension of operations. While many of the closings have re-opened, there are still uncertainties if there will be future disruptions due to additional outbreaks. Therefore, the Organization expects this matter may impact its future operating results, but reasonable estimates cannot be made at this time.

BOUNTIFIELD INTERNATIONAL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

3. Financial Instruments

Significant Concentrations of Credit Risk

The Organization provides services from the Twin Cities to locations throughout the world. Receivable's are due from domestic and international individuals and institutions.

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

At June 30, 2022 and 2021 the Organization held funds at a local financial institution in excess of federally insured limits.

4. Pledges Receivable

The Organization's pledges receivable consist of the following at:

	June 30,	
	2022	2021
Portion Due Within One Year	\$ 279,900	\$ 27,500
Long-term Portion	100,000	12,500
Pledges Receivable Before Discount	379,900	40,000
Less: Present Value Discount @ 6.5%	(11,834)	(1,479)
Total Pledges Receivable	\$ 368,066	\$ 38,521

Due in the Year Ending June 30,

2023	\$ 279,900
2024	100,000
	\$ 379,900

5. Property

The Organization owned the following as of:

	June 30,		Estimated Useful Lives
	2022	2021	
Vehicles	\$ -	\$ 52,367	5-7 Years
Less Accumulated Depreciation	-	52,367	
	\$ -	\$ -	

Depreciation expense of \$0 and \$10,437 was recorded for the years ended June 30, 2022 and 2021, respectively.

BOUNTIFIELD INTERNATIONAL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

6. Beneficial Interest in Assets Held by Others

The Organization has an irrevocable beneficial interest to the annual income from assets donated to the Presbyterian Church (USA) Foundation. The assets are held in a fund under the control of the Presbyterian Church (USA) Foundation and are invested in a balanced growth mutual fund. They will continue to receive the annual income earned by these assets so long as it continues its current work and maintains an exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The original value of the donated assets was \$145,694. The fair value of the fund was \$130,972 and \$147,711 at June 30, 2022 and 2021, respectively.

7. Fair Value

The Organization adopted Financial Accounting Standards Board Accounting Standards Codification Topic 820 Fair Value Measurements and Disclosures (“ASC 820”). In accordance with ASC 820, “fair value” is defined as the price that an organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. Various inputs are used in determining the value of investments. ASC 820 established a three-tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes.

The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

- Level 1 – Quoted prices in active markets for identical investments.
- Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – Significant unobservable inputs.

The following is a summary of the inputs used to determine the fair value at:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
June 30, 2022:				
Beneficial Interest in Assets Held by Others	\$ -	\$ -	\$ 130,972	\$ 130,972
June 30, 2021:				
Beneficial Interest in Assets Held by Others	\$ -	\$ -	\$ 147,711	\$ 147,711

BOUNTIFIELD INTERNATIONAL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

8. **Notes Payable**

The breakdown of notes payable was as follows as of:

	<u>June 30,</u>	
	<u>2022</u>	<u>2021</u>
6.5% loan from Propel Nonprofits. This loan was converted from a line of credit to a term loan in November 2021. Payments of \$838 including interest are paid monthly until November 2024 when the unpaid principal is due. Secured by all business assets.	\$ 78,046	\$ 80,904
Portion Due Within One (1) Year	5,134	80,904
Long-term Portion	\$ 72,912	\$ -

Principal payments required are as follows:

Due in the Year Ending June 30,

2023	\$ 5,133
2024	5,495
2025	67,418
Total	\$ 78,046

9. **Net Assets With Donor Restrictions**

The purpose of net assets with donor restrictions is to account for funds received but not yet spent for the purpose intended by the donor. Net assets with donor restrictions included the following as of:

	<u>June 30,</u>	
	<u>2022</u>	<u>2021</u>
Restrictions that Expire:		
Purpose Restrictions:		
Agro-Processing Technology Businesses in Kenya	\$ 454,804	\$ 214,515
Study FY21-FY23	12,500	23,521
Groundnut Innovations in Malawi and Tanzania	-	20,841
Development of Technologies in Malawi and Tanzania	-	6,580
Time Restrictions:		
Future Operations	27,625	15,000
Restrictions in Perpetuity:		
Endowment	130,972	147,711
	\$ 625,901	\$ 428,168

BOUNTIFIELD INTERNATIONAL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

10. Contributions of Nonfinancial Assets

Contributions of nonfinancial assets consisted of amounts for the following in the years ended:

	June 30,	
	2022	2021
Technology, Research and Development Services	\$ 70,610	\$ -

Contributed nonfinancial assets were utilized for programs and had no donor restrictions. Values were used based on current market rates the Organization would have paid had the services not been donated.

11. Leased Facilities

Rental commitments under a noncancelable lease for office space in effect at June 30, 2022 total \$37,325. The future annual rental commitments are as follows:

<u>Due in the Year Ending June 30,</u>	
2023	\$ 24,883
2024	12,442
Total	\$ 37,325

Rental expense was \$27,028 and \$40,760 for the years ended June 30, 2022 and 2021, respectively.

12. Liquidity and Availability

The following represents the Organization's financial assets as of:

	June 30,	
	2022	2021
Financial Assets:		
Cash and Cash Equivalents	\$ 320,034	\$ 496,986
Pledges Receivable	279,900	27,500
Total Financial Assets	599,934	524,486
Less: Assets not available to be used within one year:		
Net Assets With Donor Restrictions	625,901	428,169
Beneficial Interest in Assets Held by Others	(130,972)	(147,711)
Net Assets With Restrictions to be met within a year	(425,847)	(269,437)
Total Assets not available to be used within one year	69,082	11,021
Financial assets available for general expenditures within one year	\$ 530,852	\$ 513,465

BOUNTIFIELD INTERNATIONAL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

12. Liquidity and Availability (continued)

The Organization has certain net assets with donor restrictions limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above for financial assets to meet general expenditures within one year.

As part of their liquidity plan, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

13. Extraordinary Item-Fraud Loss

In the year ending June 30, 2022 it was determined that certain expenses in Bountifield Malawi could not be verified. A forensic audit was conducted for the years ended June 30, 2022 and 2021 by an independent firm located in Malawi which found expenses that they considered fraudulent.

This situation was dealt with timely, appropriate corrective action including strengthened controls were implemented and the matter was closed.

14. Cash Flow Operating Adjustments

Adjustments to reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities are as follows as of:

	<u>June 30,</u>	
	<u>2022</u>	<u>2021</u>
Depreciation	\$ -	\$ 10,437
PPP Loan Forgiveness	-	(135,077)
Unrealized Loss (Gain) in Beneficial Interest in Assets		
Held by Others	16,740	(32,789)
Pledges Receivable	(77,145)	(11,021)
Security Deposit Additions	-	1,966
Increases (Decreases) in Current Liabilities:		
Accounts Payable	(28,134)	(6,109)
Accrued Salaries and Vacation	(740)	(8,924)
Other Accrued Expenses	(11,765)	30,553
Deferred Revenue	-	(1,242)
Decreases (Increases) in Current Assets:		
Accounts Receivable	-	46,932
Pledges Receivable	(252,400)	(27,500)
Inventory	-	18,552
Prepaid Expenses	17,029	(16,724)
Total Adjustments	<u>\$ (336,415)</u>	<u>\$ (130,946)</u>