

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

FINANCIAL STATEMENTS

June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of ALDEA: Advancing Local Development through Empowerment and Action, which comprise the statements of financial position as of June 30, 2024 and 2023, 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 ALDEA: Advancing Local Development through Empowerment and Action as of June 30, 2024 and 2023, 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 ALDEA: Advancing Local Development through Empowerment and Action 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 ALDEA: Advancing Local Development through Empowerment and Action's ability to continue as a going concern within one year after the date that the financial statements are 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 ALDEA: Advancing Local Development through Empowerment and Action'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 ALDEA: Advancing Local Development through Empowerment and Action'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.

A handwritten signature in black ink that reads "Wegner CPAs LLP". The signature is written in a cursive, flowing style.

Wegner CPAs, LLP
Waukesha, Wisconsin
April 15, 2025

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash	\$ 905,301	\$ 386,986
Unconditional promises to give	64,187	6,235
Investments	766,552	692,877
Total assets	<u>\$ 1,736,040</u>	<u>\$ 1,086,098</u>
LIABILITIES		
Accounts payable	\$ 5,062	\$ -
Accrued payroll	7,473	4,717
Accrued vacation	5,169	4,596
Deferred revenue	5,500	11,400
Total liabilities	23,204	20,713
NET ASSETS		
Without donor restrictions	1,001,229	777,625
With donor restrictions	711,607	287,760
Total net assets	<u>1,712,836</u>	<u>1,065,385</u>
Total liabilities and net assets	<u>\$ 1,736,040</u>	<u>\$ 1,086,098</u>

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2024 and 2023

	2024	2023
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
Contributions	\$ 781,837	\$ 662,093
Tour income	52,600	53,495
Investment return, net	99,143	55,683
	<u>933,580</u>	<u>771,271</u>
Total support and revenue without donor restrictions	933,580	771,271
EXPENSES		
Program services		
Guatemalan community assistance	675,466	641,944
Education and outreach	175,459	189,351
	<u>850,925</u>	<u>831,295</u>
Total program services	850,925	831,295
Supporting activities		
Management and general	78,448	41,328
Fundraising	28,736	50,880
	<u>958,109</u>	<u>923,503</u>
Total expenses	958,109	923,503
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of purpose restrictions	248,133	185,792
	<u>248,133</u>	<u>185,792</u>
Change in net assets without donor restrictions	223,604	33,560
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	671,980	188,581
Net assets released from restrictions	(248,133)	(185,792)
	<u>423,847</u>	<u>2,789</u>
Change in net assets with donor restrictions	423,847	2,789
Change in net assets	647,451	36,350
Net assets at beginning of year	1,065,385	1,029,035
	<u>1,065,385</u>	<u>1,029,035</u>
Net assets at end of year	<u>\$ 1,712,836</u>	<u>\$ 1,065,385</u>

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2024 and 2023

	Program Services		Supporting Activities		
	Guatemalan Community Assistance	Education and Outreach	Management and General	Fundraising	Total Expenses
2024					
Personnel	\$ -	\$ 105,795	\$ 40,691	\$ 16,276	\$ 162,762
Grants and scholarships	675,466	-	-	-	675,466
Professional fees	-	8,090	19,144	600	27,834
Travel	-	5,243	5,244	-	10,487
Tour expenses	-	49,564	-	-	49,564
Printing and postage	-	1,420	920	1,948	4,288
Office	-	967	6,858	4,096	11,921
Insurance	-	-	1,362	-	1,362
Meeting	-	3,614	3,614	-	7,228
Information technology	-	766	615	5,816	7,197
Total expenses	\$ 675,466	\$ 175,459	\$ 78,448	\$ 28,736	\$ 958,109
	Program Services		Supporting Activities		
	Guatemalan Community Assistance	Education and Outreach	Management and General	Fundraising	Total Expenses
2023					
Personnel	\$ -	\$ 82,865	\$ 12,748	\$ 31,871	\$ 127,484
Grants and scholarships	641,944	-	-	-	641,944
Professional fees	-	27,466	15,482	8,456	51,404
Travel	-	8,389	1,398	1,398	11,185
Tour expenses	-	57,940	-	-	57,940
Printing and postage	-	6,491	-	2,667	9,158
Office	-	1,080	8,886	1,752	11,718
Insurance	-	-	1,355	-	1,355
Meeting	-	2,908	484	484	3,876
Information technology	-	2,212	975	4,252	7,439
Total expenses	\$ 641,944	\$ 189,351	\$ 41,328	\$ 50,880	\$ 923,503

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 647,451	\$ 36,350
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net realized and unrealized gain on investments	(47,707)	(26,878)
(Increase) decrease in assets		
Unconditional promises to give	(57,952)	26,794
Increase (decrease) in liabilities		
Accounts payable	5,062	-
Accrued payroll	2,756	(776)
Accrued vacation	573	2,100
Deferred revenue	(5,900)	(7,820)
Net cash flows from operating activities	544,283	29,770
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends reinvested	(25,968)	(20,325)
Change in cash	518,315	9,445
Cash at beginning of year	386,986	377,541
Cash at end of year	<u>\$ 905,301</u>	<u>\$ 386,986</u>

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. As of June 30, 2024 and 2023, all unconditional promises to give are collectible within one year.

Investments

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

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

Contributions

Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions depending on the existence of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
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NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation

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

Revenue Recognition

ALDEA holds at least one 8-day and 8-night tour to Guatemala each year. Registration revenue from the tour is recognized over the point in time when the tour takes place. Tour fees paid in advance are recorded as deferred revenue until the tour is held.

Income Tax Status

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

Estimates

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

Date of Management's Review

Management has evaluated subsequent events through April 15, 2025, the date which the financial statements were available to be issued.

NOTE 2 – RETIREMENT PLAN

ALDEA maintains a Simplified Employee Pension plan for all full-time employees. Employer contributions are discretionary, and employees are fully vested upon participation in the plan. Retirement expense for the years ended June 30, 2024 and 2023 was \$4,194 and \$2,028, respectively.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
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NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS

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

	2024	2023
Water projects	\$ 79,300	\$ -
Latrines	2,565	-
Gray water filters	9,440	9,440
Scholarships	1,124	1,124
Community empowerment	1,550	1,550
Agriculture/nutrition projects	416,584	34,275
Development of Guatemalan communities	181,069	187,185
Stoves	19,975	53,786
COVID-19 emergency	-	400
Net assets with donor restrictions	<u>\$ 711,607</u>	<u>\$ 287,760</u>

NOTE 4 – INVESTMENTS

Investments consist of the following:

	2024	2023
Cash equivalents held by investment managers	\$ 241,371	\$ 228,965
Stock mutual funds	293,220	242,327
Bond mutual funds	231,961	221,585
Investments	<u>\$ 766,552</u>	<u>\$ 692,877</u>

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

NOTE 5 – LIQUIDITY AND AVAILABILITY

The following table reflects ALDEA's financial assets at June 30, 2024 and 2023, reduced by amounts not available to meet cash needs for general expenditures within one year of the date of the statements of financial position because of donor-imposed restrictions.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
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NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 5 – LIQUIDITY AND AVAILABILITY (continued)

	<u>2024</u>	<u>2023</u>
Financial assets at year-end	\$ 1,736,040	\$ 1,086,098
Less those unavailable for general expenditures within one year:		
Restricted by donor with purpose restrictions	<u>(711,607)</u>	<u>(287,760)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,024,433</u>	<u>\$ 798,338</u>

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