

**INDEGO AFRICA PROJECT**

**Financial Statements**

**For the years ended December 31, 2020 and 2019**

**(With Independent Auditor's Report Thereon)**

**INDEGO AFRICA PROJECT**  
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**For the years ended December 31, 2020 and 2019**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Indego Africa Project

We have audited the accompanying financial statements of Indego Africa Project (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Indego Africa Project as of December 31, 2020 and 2019, and the

changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Holman Frenia Allison, P.C.*

**HOLMAN FRENIA ALLISON, PC.**

*Certified Public Accountants*

May 23, 2021

Lakewood, New Jersey

**INDEGO AFRICA PROJECT**  
**Statements of Financial Position**  
**December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 150,178	\$ 103,778
Accounts receivable, net of allowance of \$1,190 and \$-0-	25,039	15,250
Merchandise for resale	63,244	70,984
Prepaid expenses	680	4,096
Total current assets	<u>239,141</u>	<u>194,108</u>
Security deposit	<u>5,400</u>	<u>5,400</u>
Total assets	<u><u>\$ 244,541</u></u>	<u><u>\$ 199,508</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accrued expenses	\$ 25,934	\$ 25,666
Contract liabilities	47,803	45,885
Loans payable	15,000	-
Total current liabilities	<u>88,737</u>	<u>71,551</u>
Long-term liabilities:		
Paycheck protection program loan	<u>3,544</u>	<u>-</u>
Total long-term liabilities	<u>3,544</u>	<u>-</u>
Total liabilities	<u>92,281</u>	<u>71,551</u>
Net assets:		
Without donor restrictions	135,080	94,853
With donor restrictions	17,180	33,104
Total net assets	<u>152,260</u>	<u>127,957</u>
Total liabilities and net assets	<u><u>\$ 244,541</u></u>	<u><u>\$ 199,508</u></u>

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

**INDEGO AFRICA PROJECT**  
**Statement of Activities**  
**For the year ended December 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and other support:			
Contributions			
Foundations, corporations and individuals	\$ 355,611	\$ 2,148	\$ 357,759
Small Business Administration	46,656	-	46,656
Product sales, net of expense totaling \$144,517	106,276	-	106,276
Fundraising events	1,141	-	1,141
Investment income	16	-	16
Currency exchange	(3,339)	-	(3,339)
	<u>18,072</u>	<u>(18,072)</u>	<u>-</u>
Net assets released from restrictions			
	<u>18,072</u>	<u>(18,072)</u>	<u>-</u>
Total revenue and other support	<u>524,433</u>	<u>(15,924)</u>	<u>508,509</u>
Expenses:			
Program services	413,980	-	413,980
Management and general services	56,180	-	56,180
Fundraising	14,046	-	14,046
	<u>484,206</u>	<u>-</u>	<u>484,206</u>
Total expenses	<u>484,206</u>	<u>-</u>	<u>484,206</u>
Change in net assets	<u>40,227</u>	<u>(15,924)</u>	<u>24,303</u>
Net assets, January 1	<u>94,853</u>	<u>33,104</u>	<u>127,957</u>
Net assets, December 31	<u>\$ 135,080</u>	<u>\$ 17,180</u>	<u>\$ 152,260</u>

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

**INDEGO AFRICA PROJECT**  
**Statement of Activities**  
**For the year ended December 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and other support:			
Contributions			
Foundations, corporations and individuals	\$ 360,666	\$ 7,000	\$ 367,666
Product sales, net of expense totaling \$286,716	143,504	-	143,504
Fundraising events	16,004	-	16,004
Investment Income	13	-	13
Currency exchange gain/(loss)	(5,021)	-	(5,021)
	<u>54,265</u>	<u>(54,265)</u>	<u>-</u>
Net assets released from restrictions			
	<u>569,431</u>	<u>(47,265)</u>	<u>522,166</u>
Total revenue and other support			
Expenses:			
Program services	484,939	-	484,939
Management and general services	39,790	-	39,790
Fundraising	32,547	-	32,547
	<u>557,276</u>	<u>-</u>	<u>557,276</u>
Total expenses			
	<u>12,155</u>	<u>(47,265)</u>	<u>(35,110)</u>
Change in net assets			
Net assets, January 1	<u>82,698</u>	<u>80,369</u>	<u>163,067</u>
Net assets, December 31	<u>\$ 94,853</u>	<u>\$ 33,104</u>	<u>\$ 127,957</u>

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

**INDEGO AFRICA PROJECT**  
**Statement of Functional Expenses**  
**For the year ended December 31, 2020**  
**(With comparative totals for the year ended December 31, 2019)**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 259,157	\$ 9,855	\$ 10,002	\$ 279,014
Office rent	50,400	-	-	50,400
Professional fees	-	43,035	-	43,035
Rwanda educational programs	20,863	-	-	20,863
Payroll taxes & fees	18,565	706	717	19,988
Marketing & advertising expense	11,114	-	1,961	13,075
Employee benefits	11,691	390	909	12,990
Market access program	11,451	-	-	11,451
Contract labor	6,359	-	-	6,359
Communications	4,433	233	-	4,666
Insurance	2,578	1,719	-	4,297
Travel & lodging	3,959	-	208	4,167
Bank charges	3,354	-	-	3,354
Ghana education programs & expansion	2,886	-	-	2,886
Bad debt	2,845	-	-	2,845
Inventory management system	2,189	-	-	2,189
Office expense	1,174	62	-	1,236
License & permits	962	180	60	1,202
Fundraising expenses	-	-	189	189
	<u>\$ 413,980</u>	<u>\$ 56,180</u>	<u>\$ 14,046</u>	<u>\$ 484,206</u>
Comparative totals for the year ended December 31, 2019	<u>\$ 484,939</u>	<u>\$ 39,790</u>	<u>\$ 32,547</u>	<u>\$ 557,276</u>

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



**INDEGO AFRICA PROJECT**  
**Statement of Functional Expenses**  
**For the year ended December 31, 2019**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries	\$ 268,571	\$ 8,952	\$ 20,889	\$ 298,412
Rwanda educational programs	62,046	-	-	62,046
Rent	48,839	-	-	48,839
Professional fees	-	27,802	-	27,802
Payroll taxes & fees	23,704	790	1,844	26,338
Marketing & advertising expense	17,821	-	3,145	20,966
Market access program	14,392	-	-	14,392
Office expense	10,253	540	-	10,793
Travel & meals	8,035	-	423	8,458
Ghana Education programs & expansion	7,430	-	-	7,430
Employee benefits	5,293	176	412	5,881
Fundraising expenses	-	-	5,834	5,834
Communications	4,499	237	-	4,736
Contract labor	4,352	-	-	4,352
Insurance	1,940	1,293	-	3,233
Bank charges	3,039	-	-	3,039
Inventory management system	2,388	-	-	2,388
Bad debt	2,337	-	-	2,337
	<u>\$ 484,939</u>	<u>\$ 39,790</u>	<u>\$ 32,547</u>	<u>\$ 557,276</u>

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

**INDEGO AFRICA PROJECT**  
**Statements of Cash Flows**  
**For the years ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Adjustments to reconcile change in net assets to net cash provided/(used)</b>		
<b>by operating activities:</b>		
Change in net assets	\$ 24,303	\$ (35,110)
Bad debt expense	2,845	2,337
Changes in operating assets and liabilities:		
Accounts receivable	(12,634)	24,842
Merchandise for resale	7,740	15,629
Prepaid expenses	3,416	1,722
Deposits	-	(5,400)
Accrued expenses	268	1,205
Contract liabilities	1,918	45,885
	<u>27,856</u>	<u>51,110</u>
Net cash provided by operating activities	27,856	51,110
<b>Cash flows from financing activities</b>		
Proceeds received from loans payable	15,000	-
Cash received from PPP Loan	3,544	-
	<u>18,544</u>	<u>-</u>
Net cash provided by financing activities	18,544	-
Net change in cash and cash equivalents	46,400	51,110
Cash and cash equivalents, beginning of year	103,778	52,668
Cash and cash equivalents, end of year	<u>\$ 150,178</u>	<u>\$ 103,778</u>

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

## **INDEGO AFRICA PROJECT**

### **Notes to Financial Statements**

#### **NOTE 1: ORGANIZATION AND PURPOSE**

Indego Africa Project (the Organization) was formed in 2006. The Organization is an innovative social enterprise that partners with female artisans in Rwanda and Ghana on a fair-trade basis to drive forward a sustainable, long-term solution to systematic poverty in Africa. The Organization's support comes primarily through product sales, contributions and fundraisers.

IAR Innovations Ltd., a Rwandan company of Indego Africa Project, was formed in May 2012, and is a Rwandan company limited by shares pursuant to and in accordance with The Companies Act of the Republic of Rwanda.

Indego Africa Project, a Ghanaian company of Indego Africa Project, was formed in January 2016, and is a Ghanaian company limited by guarantee pursuant to and in accordance with The Companies Act of the Republic of Ghana.

#### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of Presentation**

The financial statements of Indego Africa Project have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor imposed (or certain grantor 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported 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 and reported in the statements of activities as net assets released from restrictions.

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

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

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

For purposes of the statements of cash flows, cash and cash equivalents includes all cash balances and highly liquid investments with a maturity of three months or less. The Organization places its temporary cash investments with high credit quality financial institutions.

**INDEGO AFRICA PROJECT**  
**Notes to Financial Statements (continued)**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Accounts Receivable**

Accounts receivable are recorded for uncollected product sales and are reported at net realizable value if the amounts are due within one year. On a periodic basis, management evaluates its receivables to determine if any portion is uncollectible based on an analysis of expected collection rates determined from experience. Management has recorded an allowance for doubtful accounts totaling \$1,190 and \$-0- as of December 31, 2020 and 2019, respectively. As of December 31, 2020 and 2019, accounts receivable totaled \$25,039 and \$15,250, respectively.

**Merchandise for Resale**

Merchandise held for sale consists of artisan products for wholesale and retail sale. Merchandise is stated at cost and valued using the average cost method at the lower of cost or market. Shipping and handling costs are included in costs of goods sold. As of December 31, 2020, and 2019, the Organization's entire merchandise inventory is produced in the countries of Rwanda and Ghana.

**Prepaid Expenses**

Prepaid expenses are amounts paid in the current year which benefit future periods.

**Property and Equipment**

The Organization capitalizes property and equipment over \$1,000. Property and equipment are carried at cost less accumulated depreciation. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. The costs of repairs and maintenance are expensed in the period incurred. As of December 31, 2020 and 2019, the Organization did not have any property and equipment.

**Contract Liabilities**

The Organization recognizes revenue in the period in which the related program or activity is performed. Contributions are evaluated to determine if they are a contribution or an exchange transaction, and if considered an exchange transaction, they are recognized in accordance with Accounting Standards Codification (ASC) 606, *Revenue for customers with contracts*. If a contribution has a condition attached to it, revenue is recorded as conditions are met. The Organization recognized contract liabilities for unearned conditional contributions received in advance totaling \$47,803 and \$45,885 as of December 31, 2020 and 2019, respectively.

**Advertising Costs**

Advertising costs are expensed as incurred. Total advertising expense for the years ended December 31, 2020 and 2019 totaled \$13,075 and \$20,966, respectively. Advertising expense includes amounts for marketing as well as costs towards the gift fairs and trade shows.

**INDEGO AFRICA PROJECT**  
**Notes to Financial Statements (continued)**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Contributions**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with 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.

**Revenue Recognition**

The organization derives a portion of its revenues from the sale of handmade products. Revenues are recognized when control of these products or services is transferred to its customers, in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those products and services. Sales and other taxes the Organization collects concurrent with revenue-producing activities are excluded from revenue. Shipping and handling fees charged to customers are reported within revenue. Incidental items that are immaterial in the context of the contract are recognized as expense. The organization does not have any significant financing components as payment is received at or shortly after the point of sale.

**Income Taxes**

The Organization is a non-profit entity as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Accordingly, there is no provision for income taxes.

The Organization is required to file Form 990, *Return of Organization Exempt from Income Tax*, with the Internal Revenue Service. The Organization's income tax returns are subject to review and examination by federal and state authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status or any activities that are subject to tax on unrelated business income taxes.

**Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes & fees, employee benefits, communications, insurance, travel & meals, office expense and advertising expense, and license & permits, which are allocated based on estimates of time and effort.

**INDEGO AFRICA PROJECT**  
**Notes to Financial Statements (continued)**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Foreign Currency Translation**

Foreign currency transactions entered into by the Organization included in the financial statements are translated into the functional currency at the exchange rate prevailing at the transaction date. Monetary assets and liabilities are translated at the applicable exchange rate at each reporting date. The exchange rate gains and losses resulting from these items are reported in the statements of activities under revenue and other support.

**Impact of Recently Issued Accounting Pronouncements**

*Recently Issued Pronouncements Not Yet Adopted*

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*. The new ASU will require lessees to recognize for all leases (with terms of more than 12 months) at the commencement date the following a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and b) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The new lease guidance also simplified the accounting for sale and lease back transactions primarily because lessees must recognize lease assets and lease liabilities. Lessees will no longer be provided with a source of off-balance sheet financing. This standard will be effective for nonpublic businesses for fiscal years beginning after December 15, 2021. Early implementation will be permitted. The Organization has not yet implemented this ASU and is currently evaluating the impact of the adoption of this standard on the financial statement and related disclosures.

In September 2020, the FASB issued ASU 2020-07, *Not for Profit Entities (Topic 958) – Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendments in this update improve financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets for not-for-profits, including additional disclosure requirements for recognized contributed services. The amendments will not change the recognition and measurement requirements in Subtopic 958-605 for those assets. The amendments in this update should be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The Institute has not yet implemented this ASU and is currently evaluating the impact of the adoption of this standard on the financial statements and related disclosures.

**Subsequent Events**

Indego Africa Project has evaluated subsequent events occurring after December 31, 2020 through the date of May 23, 2021, which is the date the financial statements were available to be issued.

**NOTE 3: CASH**

The deposits held by Indego Africa Project and reported at fair value, consisted of demand deposits totaling \$150,178 and \$103,778 as of December 31, 2020 and 2019, respectively.

**INDEGO AFRICA PROJECT**  
**Notes to Financial Statements (continued)**

**NOTE 4: LIQUIDITY AND AVAILABILITY**

The following represents the Organization's financial assets as of December 31, 2020 and 2019, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

	<u><b>2020</b></u>	<u><b>2019</b></u>
Current financial assets:		
Cash and cash equivalents	\$ 150,178	\$ 103,778
Accounts receivable, net	<u>25,039</u>	<u>15,250</u>
Total financial assets	<u>175,217</u>	<u>119,028</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions for purpose	<u>(17,180)</u>	<u>(33,104)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 158,037</u>	<u>\$ 85,924</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Indego Africa Project has a goal to maintain financial assets on hand to meet 45 days of normal operating expenses, which are, on average, approximately \$60,000. To manage liquidity, the Organization has received verbal commitments to borrow from the Board of the Directors as needed.

**NOTE 5: PAYCHECK PROTECTION PROGRAM**

In May 2020, the Organization was granted proceeds of \$50,200, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act. The PPP, which was in the form of a note dated May 3, 2020, matures in May 3, 2022 and bears interest at a rate of 1.00% per annum, with interest payments commencing November 3, 2020. The note may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Proceeds from the PPP may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred. Under the terms of the PPP, certain amounts of the PPP may be forgiven if they are used for such qualifying expenses during the eligibility period as described in the CARES Act. The Organization has elected to account for the PPP loan as a conditional grant in accordance with ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*. Accordingly, the Organization recorded the initial loan proceeds as a loan payable and reduced the loan payable and recognized contribution revenue as eligible expenses were incurred. The Organization received forgiveness of \$46,656 on December 22, 2020, with the remaining balance of \$3,544 subject to the terms described above.

**NOTE 6: NOTES PAYABLE**

On October 12, 2020, the Organization received a loan from a Board Member totaling \$15,000 to be used for operations. The loan is non-interest bearing and unsecured. This loan matures June 30, 2021 and may be converted into a contribution only if approved by the grantor of the loan. As the imputed interest would be de minimis, the Organization did not impute.

**INDEGO AFRICA PROJECT**  
**Notes to Financial Statements (continued)**

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

Net assets with donor restrictions are restricted for the following purposes as of December 31,:

	<u><b>2020</b></u>	<u><b>2019</b></u>
Rwanda mental health program	\$ 11,126	\$ 12,513
Vocational and business training	2,148	15,453
Yoga training	3,906	3,906
Young leaders academy	-	1,232
Total net assets with donor restriction	<u>\$ 17,180</u>	<u>\$ 33,104</u>

Net assets released from donor restrictions by incurring expenses specified by the donors totaled \$18,072 and \$54,265 for the years ended December 31, 2020 and 2019, respectively.

**NOTE 8: LEASES**

The Organization leases office space in Kigali, Rwanda. The lease term is for three years from January 1, 2019 to December 31, 2021, at a monthly rental payment of \$840.

The Organization leases shared office space in Kumasi, Ghana on a month-to-month basis. Monthly rental payments are approximately \$100.

The Organization leases office space in Long Island City, NY. The lease term is for three years from May 1, 2019 to April 30, 2022, with rent increasing each year. Average monthly rent expense is \$2,782.

Future minimum lease payments are as follows for the years ended December 31,:

2021	\$ 52,186
2022	<u>11,458</u>
	<u>\$ 63,644</u>

Rent expense for the years ended December 31, 2020 and 2019 totaled \$50,400 and \$48,839, respectively.

**NOTE 9: RISKS, CONCENTRATIONS AND UNCERTAINTIES**

*Credit Risk*

Financial instruments which potentially subject the Organization to significant concentrations of credit risk consist principally of cash. The Organization maintains cash balances in various financial institutions located in the United States, Rwanda and Ghana. The Organization's policy is designed to limit exposure to any one institution, and it performs periodic evaluations of the relative credit standing of these financial institutions that are considered in the Organization's investment strategy.



**INDEGO AFRICA PROJECT**  
**Notes to Financial Statements (continued)**

**NOTE 9: RISKS, CONCENTRATIONS AND UNCERTAINTIES (continued)**

*Foreign Currency & International Operations Risk*

A significant portion of the Organization's programs are conducted in Rwanda and Ghana in addition to operations and administration in the United States of America. Because the Organization operates in Rwanda and Ghana, its cash flows are denominated not only in U.S. dollars, but also in Rwandan francs and Ghanaian cedis. Changes in exchange rates may affect operations outside of the United States. In addition, the Organization is subject to various geographical risks and potential disruptions related to its international operations.

*Contributions*

For the year ended December 31, 2020, one donor accounted for 19% of total contributions. For the year ended December 31, 2019, one donor accounted for 28% of total contributions.

*Sales*

For the year ended December 31, 2020, one customer accounted for 14% of total sales.

*COVID-19*

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic that continues to spread throughout the United States. The pandemic and the related government-required shutdowns in the US and Africa adversely impacted the Organization's sales and donation revenue in the first half of the year, although both partially recovered in the second half. Through a variety of expense control measures, the Organization was able to achieve a small profit for the year and a positive net cash position during the remainder of 2020, and so far into 2021. In addition to the impact on sales and donations, the government mandated shutdowns in Rwanda to reduce the spread of the virus caused the artisan training programs for refugees to be suspended for 10 months. The pandemic is not over at this point, and risks to the Organization's operations will remain until conditions in the US, Rwanda and Ghana return closer to normal.

**NOTE 10: SOURCES AND TIMING OF REVENUE**

The Organization has analyzed the provisions of FASB ASC *Topic 606, Revenue from Contracts with Customers* and has concluded that no changes are necessary to conform with the new standard. The Organization's sales contain a single delivery element and revenue is recognized at a single point in time when ownership risks and rewards transfer.