




ECOAGRICULTURE INTERNATIONAL, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2021






ECOAGRICULTURE INTERNATIONAL, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ecoagriculture International, Inc.

Opinion

We have audited the accompanying financial statements of Ecoagriculture International, Inc., which comprise the statements of net assets as of December 31, 2021 and 2020 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 financial statements referred to above present fairly, in all material respects, the financial position of Ecoagriculture International, Inc. as of December 31, 2021 and 2020, 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 Financial Statements section of our report. We are required to be independent of Ecoagriculture International, Inc. 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 Ecoagriculture International, Inc.'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 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 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 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 Ecoagriculture International, Inc.'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 Ecoagriculture International, Inc.'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.

CaliberCPAGroup, PLLC

Bethesda, MD
August 15, 2022



ECOAGRICULTURE INTERNATIONAL, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 408,276	\$ 44,813
Grants, contracts and contributions receivable	<u>841,745</u>	<u>41,746</u>
Total current assets	1,250,021	86,559
Furniture and equipment		
Net of accumulated depreciation of \$23,309 and \$22,770	<u>56</u>	<u>595</u>
Total assets	<u>\$ 1,250,077</u>	<u>\$ 87,154</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 65,919	\$ 26,667
Refundable advances	<u>-</u>	<u>54,730</u>
Total liabilities	<u>65,919</u>	<u>81,397</u>
Net assets (deficit)		
Without donor restrictions	251,135	(99,055)
With donor restrictions	<u>933,023</u>	<u>104,812</u>
Total net assets	<u>1,184,158</u>	<u>5,757</u>
Total liabilities and net assets	<u>\$ 1,250,077</u>	<u>\$ 87,154</u>

See accompanying notes to financial statements.

ECOAGRICULTURE INTERNATIONAL, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Grants and contributions	\$ 538,075	\$ 1,509,598	\$ 2,047,673
Contract and service fee revenue	17,140	-	17,140
Other income	267	-	267
Net assets released from restrictions	681,387	(681,387)	-
Total support and revenue	1,236,869	828,211	2,065,080
Expenses			
Program			
1000 Landscapes for 1 Billion People	680,321	-	680,321
Landscapes and Leaders	49,755	-	49,755
Outreach	13,027	-	13,027
Total program	743,103	-	743,103
Management and general	124,821	-	124,821
Fund raising	18,755	-	18,755
Total expenses	886,679	-	886,679
Change in net assets	350,190	828,211	1,178,401
Net assets (deficit)			
Beginning of year	(99,055)	104,812	5,757
End of year	\$ 251,135	\$ 933,023	\$ 1,184,158

See accompanying notes to financial statements.

ECOAGRICULTURE INTERNATIONAL, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Grants and contributions	\$ 264,348	\$ 314,003	\$ 578,351
Contract and service fee revenue	62,996	-	62,996
Other income	22,192	-	22,192
Net assets released from restrictions	<u>573,807</u>	<u>(573,807)</u>	<u>-</u>
Total support and revenue	<u>923,343</u>	<u>(259,804)</u>	<u>663,539</u>
Expenses			
Program			
1000 Landscapes for 1 Billion People	487,995	-	487,995
Landscapes and Leaders	58,186	-	58,186
Outreach	15,959	-	15,959
Policy	20,782	-	20,782
Research and Synthesis	<u>4,922</u>	<u>-</u>	<u>4,922</u>
Total program	587,844	-	587,844
Management and general	245,416	-	245,416
Fund raising	<u>38,250</u>	<u>-</u>	<u>38,250</u>
Total expenses	<u>871,510</u>	<u>-</u>	<u>871,510</u>
Change in net assets	51,833	(259,804)	(207,971)
Net assets (deficit)			
Beginning of year	<u>(150,888)</u>	<u>364,616</u>	<u>213,728</u>
End of year	<u>\$ (99,055)</u>	<u>\$ 104,812</u>	<u>\$ 5,757</u>

See accompanying notes to financial statements.

ECOAGRICULTURE INTERNATIONAL, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	Program Services			Total Program Services	Management and General	Fund Raising	Total
	1000 Landscapes for 1 Billion People	Landscapes and Leaders	Outreach				
Personnel							
Salaries	\$ 332,998	\$ 480	\$ 8,411	\$ 341,889	\$ 52,302	\$ 11,714	\$ 405,905
Payroll taxes and fringe benefits	131,456	176	3,117	134,749	18,605	4,450	157,804
Total personnel	464,454	656	11,528	476,638	70,907	16,164	563,709
Consulting, contractual and subawards	186,257	49,099	1,499	236,855	14,797	2,591	254,243
Professional administrative services	13,638	-	-	13,638	18,554	-	32,192
Publication and outreach costs	1,788	-	-	1,788	-	-	1,788
Office expense							
Bank and other fees	-	-	-	-	4,017	-	4,017
Supplies	3,890	-	-	3,890	1,864	-	5,754
Insurance	-	-	-	-	3,819	-	3,819
Telephone	1,955	-	-	1,955	331	-	2,286
Postage and delivery	-	-	-	-	41	-	41
Small equipment and depreciation	-	-	-	-	539	-	539
Interest	-	-	-	-	91	-	91
Other	-	-	-	-	861	-	861
Total office expense	5,845	-	-	5,845	11,563	-	17,408
Travel	8,339	-	-	8,339	8,918	-	17,257
Meetings/conferences	-	-	-	-	82	-	82
Total expenses	\$ 680,321	\$ 49,755	\$ 13,027	\$ 743,103	\$ 124,821	\$ 18,755	\$ 886,679

See accompanying notes to financial statements.

ECOAGRICULTURE INTERNATIONAL, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020

	Program Services					Total Program Services	Management and General	Fund Raising	Total
	1000 Landscapes for 1 Billion People	Landscapes and Leaders	Outreach	Policy	Research and Synthesis				
Personnel									
Salaries	\$ 252,258	\$ 3,747	\$ 5,868	\$ 11,904	\$ 1,888	\$ 275,665	124,774	\$ 25,617	\$ 426,056
Payroll taxes and fringe benefits	102,242	1,386	3,042	6,567	456	113,693	37,456	5,710	156,859
Total personnel	354,500	5,133	8,910	18,471	2,344	389,358	162,230	31,327	582,915
Consulting, contractual and subawards	130,524	48,188	7,049	2,311	2,578	190,650	28,558	6,923	226,131
Professional administrative services	1,650	-	-	-	-	1,650	34,408	-	36,058
Publication and outreach costs	-	-	-	-	-	-	3,251	-	3,251
Office expense									
Bank and other fees	-	-	-	-	-	-	700	-	700
Supplies	-	-	-	-	-	-	1,713	-	1,713
Rent/occupancy	-	-	-	-	-	-	3,556	-	3,556
Insurance	-	-	-	-	-	-	3,966	-	3,966
Telephone	-	-	-	-	-	-	2,250	-	2,250
Small equipment and depreciation	-	-	-	-	-	-	607	-	607
Interest	-	-	-	-	-	-	432	-	432
Other	-	-	-	-	-	-	(313)	-	(313)
Total office expense	-	-	-	-	-	-	12,911	-	12,911
Travel	1,921	4,865	-	-	-	6,786	1,649	-	8,435
Meetings/conferences	(600)	-	-	-	-	(600)	2,409	-	1,809
Total expenses	\$ 487,995	\$ 58,186	\$ 15,959	\$ 20,782	\$ 4,922	\$ 587,844	\$ 245,416	\$ 38,250	\$ 871,510

See accompanying notes to financial statements.



ECOAGRICULTURE INTERNATIONAL, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 1,178,401	\$ (207,971)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation expense	539	607
Change in operating assets		
Grants, contracts and contributions receivable	(799,999)	63,415
Change in operating liabilities		
Accounts payable and accrued expenses	39,252	(139,196)
Refundable advances	<u>(54,730)</u>	<u>36,076</u>
Net cash provided by (used for) operating activities	<u>363,463</u>	<u>(247,069)</u>
Cash flows from financing activities		
Line of credit draws	98,000	55,000
Line of credit repayments	<u>(98,000)</u>	<u>(55,000)</u>
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Net change in cash and cash equivalents	363,463	(247,069)
Cash and cash equivalents		
Beginning of year	<u>44,813</u>	<u>291,882</u>
End of year	<u>\$ 408,276</u>	<u>\$ 44,813</u>
Supplemental disclosure: interest paid during the year	<u>\$ 91</u>	<u>\$ 432</u>

See accompanying notes to financial statements.



ECOAGRICULTURE INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1. ORGANIZATION AND NATURE OF ACTIVITIES

Ecoagriculture International, Inc. (EcoAgriculture Partners or the Organization), a nonprofit organization, was incorporated effective January 25, 2005. Its mission is to enable landscape partnerships to engage in long-term collaboration, access finance, and influence local, national, and global policy to advance integrated landscape management. The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and treated as a publicly supported organization.

The 1000 Landscapes for 1 Billion People initiative accounts for about 90% of EcoAgriculture Partners' program expenses and 75% of total expenses. This is a collaborative initiative begun by EcoAgriculture in 2019 with six other international organizations, working with dozens of other technical and landscape partner organizations. EcoAgriculture serves as convener and program coordinator, as well as contributing technical landscape management, finance and communications expertise.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The Organization's financial statements have been prepared on the accrual basis of accounting. Under this basis, revenue is recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation - Financial statement presentation follows the recommendations of U.S. generally accepted accounting principles in accordance with Financial Accounting Standards Board Accounting Standards Codification, *Not-for-Profit Entities - Presentation of Financial Statements*. Under those principles, the Organization is required to report information regarding its financial position and activities according to two classes of net assets - net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - These net assets are available to finance the general operations of the Organization. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in its organizing documents.



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net assets with donor restrictions - These net assets result from contributions and other inflows of assets, the use of which by the Organization is limited by donor-imposed time or purpose restrictions that may be either temporary or perpetual. At December 31, 2021 and 2020, the Organization had no net assets subject to perpetual donor 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 reported amounts of assets and liabilities, the 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 the estimates.

Cash and Cash Equivalents - The Organization considers cash in checking accounts and short-term investments with original maturities of 90 days or less to be cash and cash equivalents.

Unconditional Promises to Give - Unconditional promises to give that are expected to be collected within one year are reported at their net realizable value. Unconditional promises to give that are expected to be collected in future years are reported at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Management is of the opinion that all promises to give are fully collectible.

Revenue Recognition - Revenue is derived primarily from contribution transactions. Unconditional contributions are recognized upon receipt of cash or other assets, or when a donor promises to transfer cash or other assets in the future. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return or release, are not recognized until the conditions on which they depend have been substantially met.

Contributions - Contributions received are reported as increases in net assets without donor restrictions unless received with donor stipulations that require the assets be used for specific purposes or in specific time periods. All donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a 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.

Grants and Similar Agreements - Most grant agreements are accounted for as contribution transactions. When an agreement includes both a barrier and either a right of return of assets to the resource provider or a right of release from obligation by the resource provider, the contribution is considered to be conditional. Amounts received



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

under conditional transfers are reported as a liability (refundable advance) and recognized as contribution revenue only when the conditions are met. We also derive revenue from cost-reimbursable federal grants and contracts, which are conditioned upon certain performance requirements, compliance with federal statutes, and the incurrence of allowable qualifying expenses. Those conditions are considered to have been met and revenue is recognized when we have incurred expenditures in compliance with specific grant or contract provisions.

Functional Allocation of Expenses - The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities and functional expenses. Salaries, fringe benefits and common costs such as occupancy, depreciation and the like are allocated based on staff time and effort studies. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The following program services are included in the accompanying financial statements:

*1000 Landscapes for
1 Billion People* -

Convening and co-implementing the initiative begun in 2019 as a long-term collaborative effort to drive systemic changes that will make local partnerships for landscape sustainability much more effective, through: a digital platform to facilitate landscape management and link actors with data and tools; institutionalizing capacity-building for integrated landscape management; connecting landscapes with expertise, finance, and one another and promoting financial system innovations to enable landscape investments at scale.

Landscapes and Leaders -

Demonstrating and supporting the on-the-ground practice of integrated landscape management.

Outreach -

Raising awareness of the benefits of integrated landscape management, and innovative tools and policies developed by EcoAgriculture Partners.

Policy -

Advancing ecoagriculture by influencing the macroscale institutional structures that affect management of and investment in agriculture, conservation, and rural landscapes.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Research and Synthesis - Improving the evidence base about ecoagriculture to identify and support wide adoption of most effective practices and approaches.

NOTE 3. LIQUIDITY AND AVAILABILITY OF RESOURCES

As part of the Organization'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. In addition, the Organization has access to a line of credit in the total amount of \$200,000.

The following table represents the Organization's financial assets available to meet cash needs for general expenditures within one year as of December 31, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Total assets at end of year	\$ 1,250,077	\$ 87,154
Less non-financial assets		
Net property and equipment	<u>(56)</u>	<u>(595)</u>
Total financial assets at end of year	1,250,021	86,559
Less amounts unavailable for general expenditures within one year		
Assets the use of which is restricted by donors	<u>(933,023)</u>	<u>(86,559)</u>
Financial assets available for general expenditures within one year	<u>\$ 316,998</u>	<u>\$ -</u>

NOTE 4. CONCENTRATIONS

Financial instruments which potentially subject the Organization to concentration of credit risk consist principally of cash and temporary cash investments. The Organization maintains its cash accounts at a single financial institution. Although amounts on deposit may at times exceed the Federal Deposit Insurance Corporation (FDIC) insurance limit, management does not believe the Organization is at significant risk with respect to cash balances as of year-end.

Although the Organization attempts to raise funds from a broad base of contributors, during certain years funds may be received from a limited number of donors. During 2021, approximately 90% of total support was received from four donors, one of which is the Organization's CEO, who provided roughly 13% of total support. As of December 31, 2021, approximately 95% of total receivables were due from two donors.

NOTE 5. LINE OF CREDIT

The Organization has a bank line of credit in the total amount of \$200,000, of which the Organization had no outstanding balance at December 31, 2021 and 2020. Advances on the line of credit bear interest at the bank's prime rate plus 3.50%, for a total of 6.75% as of December 31, 2021. Interest expense on the line of credit for the years ended December 31, 2021 and 2020 was \$91 and \$432, respectively.

NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at year-end and net assets released from donor restrictions during 2021 and 2020 were in support of the following programs.

	2021			
	Beginning of Year	Contributions	Released	End of Year
1000 Landscapes	\$ 89,440	\$ 1,454,891	\$(611,308)	\$ 933,023
Landscapes and Leaders	11,927	54,707	(66,634)	-
Outreach	338	-	(338)	-
Policy	13	-	(13)	-
Research and Synthesis	3,094	-	(3,094)	-
	<u>\$ 104,812</u>	<u>\$ 1,509,598</u>	<u>\$(681,387)</u>	<u>\$ 933,023</u>
	2020			
	Beginning of Year	Contributions	Released	End of Year
1000 Landscapes	\$ 349,244	\$ 250,000	\$(509,804)	\$ 89,440
Landscapes and Leaders	11,927	64,003	(64,003)	11,927
Outreach	338	-	-	338
Policy	13	-	-	13
Research and Synthesis	3,094	-	-	3,094
	<u>\$ 364,616</u>	<u>\$ 314,003</u>	<u>\$(573,807)</u>	<u>\$ 104,812</u>

NOTE 7. RETIREMENT PLAN

The Organization has a defined contribution pension plan covering substantially all full-time employees. Contributions are made at 3% of covered compensation and the total expense for 2021 and 2020 was \$14,932 and \$14,607, respectively.



NOTE 8. PAYCHECK PROTECTION PROGRAM LOANS

In April 2020, the Organization received a loan in the amount of \$76,748 under the Paycheck Protection Program (PPP) established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). A second PPP loan in the amount of \$96,087 was received in January 2021. PPP loans and accrued interest are forgivable after a covered period (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, primarily payroll, benefits, rent and utilities. Management of the Organization used the loan proceeds for purposes consistent with the PPP requirements and applied for and received forgiveness of both loans. The Organization initially recorded the notes payable as refundable advances and subsequently recognized contribution income related to the debt forgiveness in accordance with the guidance for recognizing conditional contributions. The amount of contribution income recognized during the years ended December 31, 2021 and 2020 was \$96,087 and \$76,748, respectively.

NOTE 9. SUBSEQUENT EVENTS REVIEW

All subsequent events have been evaluated through Date August 15, 2022, which is the date the financial statements were available to be issued. This review and evaluation revealed no other new material event or transaction which would require an adjustment to or disclosure in the accompanying financial statements.