Safe Passage
Camino Seguro

Consolidated Financial Statements

December 31, 2024 and 2023

CONTENTS

Independent Auditors' Report

Board of Directors
Safe Passage and Camino Seguro
New Gloucester, Maine

Opinion

We have audited the accompanying consolidated financial statements of Safe Passage and Camino Seguro, (the "organization"), which comprise the consolidated statements of financial position as of December 31, 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 consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Safe Passage and Camino Seguro as of December 31, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Safe Passage and Camino Seguro and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 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 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 Safe Passage and Camino Seguro's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the 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 auditors' 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 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 of the effectiveness of Safe Passage and Camino Seguro'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 Safe Passage and Camino Seguro'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.

As stated in the opinion section of this letter, the financial statements of Safe Passage and Camino Seguro present fairly, in all material respects, the financial position of Safe Passage and Camino Seguro, and as of December 31, 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.

PGM, LLC

Biddeford, Maine
August 6, 2025

Consolidated Statements of Financial Position

December 31, 2024 and 2023

ASSETS	2024	2023
Current Assets		
Cash	$ 615,267	$ 540,951
Contributions receivable	20,138	19,528
Inventories	74,114	72,911
Prepaid expenses	25,464	46,980
Total Current Assets	734,983	680,370
Property and Equipment, net	2,752,295	2,009,299
Other Assets		
Investments	2,261,105	2,552,506
Cash - Capital Campaign	446,131	1,033,379
Contributions receivable - other - net of current portion	100,000	100,000
Operating lease right of use asset	59,240	76,972
Total Other Assets	2,866,476	3,762,857
Total Assets	$ 6,353,754	$ 6,452,526
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 16,630	$ 25,381
Due to support groups	500	3,000
Accrued payroll and severance	485,854	459,344
Operating lease liability - current	19,325	17,732
Total Current Liabilities	522,309	505,457
Other Liabilities		
Long-term operating lease liability	39,915	59,240
Total Other Liabilities	39,915	59,240
Total Liabilities	562,224	564,697
Net Assets		
Without donor restrictions		
Undesignated	2,838,278	2,096,497
Board designated reserve	986,785	1,422,840
Total without donor restrictions	3,825,063	3,519,337
With donor restrictions		
Time and purpose restricted	913,318	1,325,523
Perpetual in nature (Endowment)	1,053,149	1,042,969
Total with donor restrictions	1,966,467	2,368,492
Total Net Assets	5,791,530	5,887,829
Total Liabilities and Net Assets	$ 6,353,754	$ 6,452,526

Consolidated Statement of Activities

Year Ended December 31, 2024

	Without donor restrictions	With donor restrictions	Total 2024	Total 2023
Operating Activities				
Revenues				
Contributions	$ 1,651,037	$ 509,577	$ 2,160,614	$ 2,091,408
Sponsorships	18,092		18,092	73,855
Other income	73,087		73,087	89,513
Loss on currency translation				(11,486)
In-kind contributions	45,275		45,275	217,656
Endowment income utilized in operations for a specific purpose	546,830		546,830	506,128
Net assets released from restrictions	1,145,636	(1,145,636)		
Total Revenues	3,479,957	(636,059)	2,843,898	2,967,074
Expenses				
Program	1,862,362		1,862,362	1,888,782
Administrative	408,716		408,716	404,559
Fundraising	526,493		526,493	628,297
Total expenses	2,797,571		2,797,571	2,921,638
Change in Net Assets - Operations	682,386	(636,059)	46,327	45,436
Non-Operating Activites				
Contributions capital campaign		128,273	128,273	11,030
Contributions		10,180	10,180	
Net investment return	170,170	69,680	239,850	370,793
Interest income on restricted cash		25,901	25,901	15,604
Endowment income utilized	(546,830)		(546,830)	(506,128)
Change in Net Assets - Non - Operating	(376,660)	234,034	(142,626)	(108,701)
Total Change in Net Assets	305,726	(402,025)	(96,299)	(63,265)
Net Assets, Beginning of Year Restated	3,519,337	2,368,492	5,887,829	5,951,094
Net Assets, End of Year	$ 3,825,063	$ 1,966,467	$ 5,791,530	$ 5,887,829

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Activities

Year Ended December 31, 2023

	Without donor restrictions	With donor restrictions	Total 2023
Operating Activities			
Revenues			
Contributions	$ 1,965,809	$ 125,599	$ 2,091,408
Sponsorships	73,855		73,855
Other income	89,513		89,513
Loss on currency translation	(11,486)		(11,486)
In-kind contributions	217,656		217,656
Endowment income utilized in operations for a specific purpose	506,128		506,128
Net assets released from restrictions	360,492	(360,492)	
Total Revenues	3,201,967	(234,893)	2,967,074
Expenses			
Program	1,888,782		1,888,782
Administrative	404,559		404,559
Fundraising	628,297		628,297
Total expenses	2,921,638		2,921,638
Change in Net Assets - Operations	280,329	(234,893)	45,436
Non-Operating Activites			
Contributions capital campaign		11,030	11,030
Net investment return	142,459	228,334	370,793
Interest income on restricted cash		15,604	15,604
Endowment income utilized	(506,128)		(506,128)
Change in Net Assets - Non - Operating	(363,669)	254,968	(108,701)
Total Change in Net Assets	(83,340)	20,075	(63,265)
Net Assets, Beginning of Year Restated	3,602,677	2,348,417	5,951,094
Net Assets, End of Year Restated	$ 3,519,337	$ 2,368,492	$ 5,887,829

Consolidated Statement of Functional Expenses

Year Ended December 31, 2024

	Program	Administrative	Fundraising	Total 2024	Total 2023
Salaries, taxes and benefits	$ 1,050,897	$ 280,780	$ 286,564	$ 1,618,241	$ 1,690,807
In-kind food, supplies and materials	45,275			45,275	217,656
Professional services	93,689	60,106	58,897	212,692	164,518
Rent and security	122,591	16,076	27,322	165,989	139,552
Depreciation	84,678	525	502	85,705	72,498
Printing, postage and office supplies	6,073	4,318	64,867	75,258	75,706
Travel and transportation	11,754	2,577	14,069	28,400	24,504
Food and drinking water	150,291			150,291	122,988
School expenses	101,415	105		101,520	76,512
Telephone and communications	31,302	5,078	4,845	41,225	41,905
Repairs and maintenance	68,006	2		68,008	63,101
Utilities	30,141	4,279	5,191	39,611	29,108
Medical and family assistance	26,113			26,113	29,622
Minor furniture and equipment	10,537	115		10,652	24,276
Other expenses	877			877	
After school activities and supplies	14,723			14,723	9,844
Staff recruitment and development	3,169	17,256	2,933	23,358	28,979
Insurance	10,703	16,161	3,361	30,225	26,725
Bank fees and service charges	128	1,338	16,608	18,074	15,951
Fundraising, outreach, donor stewardship			41,334	41,334	67,386
Total Expenses	$ 1,862,362	$ 408,716	$ 526,493	$ 2,797,571	$ 2,921,638
Less Capital Campaign Expenses			(4,553)	(4,553)	(16,264)
Total Expenses	$ 1,862,362	$ 408,716	$ 521,940	$ 2,793,018	$ 2,905,374

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Functional Expenses

Year Ended December 31, 2023

	Program	Administrative	Fundraising	Total 2023
Salaries, taxes and benefits	$ 1,035,302	$ 243,358	$ 412,147	$ 1,690,807
In-kind food, supplies and materials	214,142	2,556	958	217,656
Professional services	68,858	80,241	15,419	164,518
Rent and security	92,786	18,785	27,981	139,552
Depreciation	71,679	306	513	72,498
Printing, postage and office supplies	3,592	4,412	67,702	75,706
Travel and transportation	10,973	4,517	9,014	24,504
Food and drinking water	122,988			122,988
School expenses	76,512			76,512
Telephone and communications	32,041	5,555	4,309	41,905
Repairs and maintenance	63,101			63,101
Utilities	21,159	3,449	4,500	29,108
Medical and family assistance	29,622			29,622
Minor furniture and equipment	23,340	829	107	24,276
After school activities and supplies	9,499	345		9,844
Staff recruitment and development	4,087	22,794	2,098	28,979
Insurance	8,121	16,152	2,452	26,725
Bank fees and service charges	239	975	14,737	15,951
Fundraising, outreach, donor stewardship	741	285	66,360	67,386
Total Expenses	$ 1,888,782	$ 404,559	$ 628,297	$ 2,921,638
Less Capital Campaign Expenses	(16,236)		(28)	(16,264)
Total Expenses	$ 1,872,546	$ 404,559	$ 628,269	$ 2,905,374

Consolidated Statements of Cash Flows

Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ (96,299)	$ (63,265)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	85,705	72,498
Gain on investments, net of fees	(239,850)	(354,749)
Contributions for long lived assets	(128,273)	(11,030)
(Increase) decrease in operating assets:		
Contributions receivable	(610)	45,643
Inventories	(1,203)	2,179
Prepaid expenses	21,516	4,350
Increase (decrease) in operating liabilities:		
Accounts payable	(8,751)	6,669
Due to support groups	(2,500)	(2,500)
Accrued payroll and severance	26,510	21,977
Net cash flows from operating activities	(343,755)	(278,228)
Cash flows from investing activities:		
Purchase of property and equipment	(828,701)	(112,585)
Purchase of investment	(1,608,041)	(171,109)
Proceeds from sale of investments	2,139,292	661,193
Net cash flows from investing activities	(297,450)	377,499
Cash flows from financing activities:		
Collection of contributions for long lived assets	128,273	11,030
Net cash flows from financing activities	128,273	11,030
Net change in cash	(512,932)	110,301
Cash, beginning of period	1,574,330	1,464,029
Cash, end of period	$ 1,061,398	$ 1,574,330
Cash and cash equivalents		
Cash	$ 615,267	$ 540,951
Cash - capital campaign	446,131	1,033,379
	$ 1,061,398	$ 1,574,330

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Safe Passage is a 501(c)(3) tax-exempt nonprofit corporation in the United States, and Camino Seguro is a tax-exempt nonprofit organization registered and operating in Guatemala (hereinafter they are collectively called the Organization). Through quality education and comprehensive wellness services, Safe Passage offers a transformative experience for our students within a loving and supportive environment. Our educational community co-creates learning experiences that support students in developing the character, knowledge, and skills to reach their maximum potential. This cultivates positive and lasting change for themselves, their families and community, and Guatemala. Based in the communities surrounding the municipal garbage dump in Guatemala City, the Organization was founded in 1999 by an American school teacher, Hanley Denning.

The core activities of the Organization include operating a full-day Early Childhood Program (age 3) and Preschool (ages 4, 5, 6), an official full-day Primary School (1st through 5th-grade), a full-day Middle School – Basico (Basico) (6th through 9th-grade) and a half-day Educational Reinforcement and Career Planning Program for our students when they enroll in partnering high schools. The Organization currently enrolls over 530 students, representing approximately 350 families, and provides integrated health and psychosocial services, 4 daily nutritious meals and snacks, socio-emotional curriculum including daily mindfulness practices, a family nurturing/certificate course in parenting, and special programming in English and computer literacy.

The Organization's programs are located in Zones 3 and 7 of Guatemala City, based in the Early Childhood Center (*El Jardin*), Colegio Experimental Hanley Denning and the Multi-purpose Center (*El Centro*), all three built with donated funds. An additional building includes the Health Center, which in 2024 we began the construction to include the middle school classrooms, library, and administrative offices. Currently, a small building one block from the Colegio is being rented for additional administrative offices. The physical plant, including classrooms, a computer lab, library, and health clinic, and administrative facilities, is well-equipped and maintained.

The Organization employs approximately 115 full and part-time staff of Guatemalan teachers, social workers, and support personnel. It also maintains an administrative and fundraising office in the United States, located in New Gloucester, Maine, with a staff of 1.5 FTE and one part time consultant designer, and a remote Director of Development who resides in Maryland.

The Organization registered its full-day pre-primary program for students ages 4, 5, and 6 years old with the Guatemalan Ministry of Education, earning recognition as an official school that was inaugurated in January 2012. The Organization opened two full-day 1st grade classrooms in January 2013, with accreditation from the Guatemalan Ministry of Education based on an active learning Montessori-based approach. A grade of two classrooms of 20 students was added each year, per year, until the first 9th grade class graduated in 2021. Full-day 1st grade classrooms and above are using an interdisciplinary curriculum called Expeditionary Learning, that promotes hands-on experiences and critical thinking and focuses on real-world issues to provide an engaging and relevant educational experience that prepares students for jobs in the formal sector. The Ministry of Education has accredited the Expeditionary Learning approach for use by Safe Passage in its educational programs in Guatemala. The Early Childhood Program for 24 3-year-olds was added in 2022, certified by the Ministry of Wellness.

Beneficiaries of the Organization include its students, as well as their immediate family members. Indirectly, the surrounding community benefits from increased educational opportunities, teacher training, local jobs, and engagement of area youth in productive activities.

The Organization remains dependent on philanthropy to sustain its programs and ambitions. That philanthropy comes from Guatemala, the United States, Canada, and several European countries.

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Accounting and Presentation

The financial statements for the Organization have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net Assets

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-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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released from donor restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and cash equivalents

Cash and highly liquid investments with initial maturities of three months or less are considered to be cash equivalents. This excludes cash and money market funds held in the endowment.

Property and Equipment

Property and equipment are stated at cost or, in the case of donated property, at estimated fair value at the date of receipt. The Organization capitalizes property and equipment with at least a cost, or estimated fair value of $1,000, if acquired in the United States, and approximately $100, if acquired in Guatemala. Depreciation on furniture, fixtures and equipment, and vehicles is calculated on a straight-line basis using estimated useful lives of three to eight years. Buildings and land improvements are depreciated on a straight-line basis over 10 to 20 years. Land, buildings and the majority of the vehicles, furniture, fixtures and equipment are located in Guatemala.

Reclassification

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Grant and Contract Revenue Recognition

Revenues are recognized as earned or attributable to the period in which specific terms of the funding agreement are satisfied and to the extent that expenses have been incurred for the purposes specified by the funding source.

Contribution Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized. An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

- Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.
- Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions.

Donated stocks are liquidated upon receipt and recorded at the net value received.

Investments

Investments are carried at fair value and realized and unrealized gains and losses are reflected in the statementsof activities.

The Organization's investment policy and spending policy for donor restricted endowments and board-designatedinvestments is, as follows:

- The portfolio will be managed with no less than 40% and no more than 60% in equities or securities convertible into common stock. Debt securities with maturities greater than one year shall be at least 20% and no more than 60% of the portfolio; the remainder of the fund shall be invested in high quality cash equivalents.The current target allocation for the fund is 50% equities and 50% debt securities, including cash equivalents. Mutual funds and Exchange Traded Funds (ETFs) are permitted. Non-U.S. securities are limited to 25% of the portfolio.

- Primary Investment Objective: The Permanent Endowment Fund is perpetual in nature; it must provide for long-term growth in order to create and maintain a growing stream of income to support the needs of Safe Passage over time. Specifically, the Permanent Endowment Fund seeks a long-term average annual inflation adjusted total return in excess of the spending rate adopted by the Board from time to time.

- The Investment Committee will recommend the payout for the coming fiscal year to the Board of Directors inNovember of each year. The annual payout shall be no more than 3% of a rolling three-year average of the market value of the fund as of the last business day of September.

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Interpretation of Relevant Law

The State of Maine Uniform Prudent Management Institutional Funds Act (UPMIFA) requires the preservation of the historic value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this Act, the Organization classifies as donor-restricted, perpetual in nature: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as "donor-restricted, perpetual in nature" is classified as "donor-restricted, purpose and time restricted". Those purpose and time restricted assets remain restricted until amounts are appropriated for expenditure by the Organization according to the endowment fund's gift intent and spending policy, and also in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers a number of factors in making a determination to appropriate or accumulate donor-restricted endowment funds which are designed to safeguard the principal.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods, including market, income and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy.

The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

> Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The type of investments included in Level 1 include listed equities and listed derivatives.
>
> Level 2 – Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.
>
> Level 3 - Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts.

In determining the appropriate levels, Safe Passage performs a detailed analysis of the assets and liabilities that are subject to fair value. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses in the reporting period. Actual results could differ from these estimates.

Functional Allocation of Expenses

The Organization allocates expenses on a functional basis among its programs and supporting services. Supporting services are those related to operating and managing the Organization and its programs on a day-to-day basis and are composed of the following:

General and administrative – includes all activities related to the Organization's internal management and accounting for program services.

Fundraising – includes all activities related to maintaining contributor information, writing grant proposals, distribution of materials and other similar projects related to the procurement of funds for the Organization's programs.

Expenses that can be identified with a specific program or supporting service are allocated directly to those classifications. Expenses that are attributed to more than one program or supporting function require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, benefits, and payroll taxes, which are allocated on the basis of actual time and effort.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. No allowance for uncollectible accounts was considered necessary as of December 31, 2024 and 2023.

Accrued Payroll and Severance

Guatemalan law requires each employer to provide two bonuses annually, each in the amount of one month’s salary to each employee. "Bono14" must be paid by July 15th, and "Aguinaldo" is paid in December. In addition, Guatemalan law requires employers to provide severance to all employees who are dismissed without justification in the amount of one month’s salary for each year of service. The Organization has recorded the accrued bonus and severance as of December 31, 2024 and 2023 on the consolidated statement of financial position.

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Foreign Currency Translation

The Guatemalan quetzal is the functional currency for the Organization's programs. All amounts in these consolidated financial statements are reflected in U.S. dollars. All financial position accounts have been translated using an exchange rate representative of the exchange rate in effect at the financial position dates. The foreign currency translation adjustment is recorded in the consolidated statement of activities. The approximate accumulated foreign currency translation adjustments amounted to $(11,486) at December 31, 2023.

Income Taxes

The Organization is classified as a public charity exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and has been determined not to be a private foundation within the meaning of Section 509(a) of the Code.

Management has evaluated the Organization's tax positions and concluded that, as of December 31, 2024 and 2023, it has not taken any tax positions that would require the recording of any additional tax liability, nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months. The Organization is subject to U.S. federal and state examinations by taxing authorities for three years after the filing of the Organization's return.

Advertising

Advertising costs are expensed as they are incurred. Advertising costs for the years ended December 31, 2024 and 2023 were $910 and $3,534, respectively.

NOTE 2 – LIQUIDITY AND AVAILABILITY

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. The following table reflects the Organization's financial assets as of December 31, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions or internal board designations. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2024	2023
Cash and cash equivalents	**$ 615,267**	$ 540,951
Contributions receivable	**20,138**	19,528
Amounts available from spending formula - board designated	**90,000**	90,000
	$ 725,405	$ 650,479

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

NOTE 3 – CASH AND CASH EQUIVALENTS

The Organization maintains its cash in bank deposit accounts located in the United States and Guatemala. Cash maintained in accounts located in the United States, at times, may exceed federally insured limits of up to $250,000. At December 31, 2024 the Organization was $218,000 over the FDIC limit at one bank. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk from cash and cash equivalents.

NOTE 4 – CONTRIBUTION RECEIVABLE

Contributions receivable are as follows at December 31, 2024 and 2023:

	2024	2023
Unconditional promises to give	**$ 244,138**	$ 243,528
Less: unamortized discount	**(124,000)**	(124,000)
Net unconditional promizes to give	**120,138**	119,528
Amounts due in:		
Less than one year	**20,138**	19,528
One to five years		
More than five years	**100,000**	100,000
Total	**$ 120,138**	$ 119,528

Discount rates used for the calculation of the unamortized discount range from 2% to 3%. Planned giving amounts have been adjusted for life expectancy.

NOTE 5 – INVESTMENTS

Investments at fair value are, as follows at December 31, 2024 and 2023:

	2024	2023
Cash and money market funds	**$ 77,120**	$ 61,200
Mutual funds - fixed income	**819,675**	862,296
Mutual funds - equity	**1,364,310**	1,629,010
Total	**$ 2,261,105**	$ 2,552,506

The Organization invests in various investment securities and money market funds. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated withinvestments, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amount reported in the consolidated statement of financial position.

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

NOTE 6 – ENDOWMENT FUNDS

The Organization's endowment fund consists of a donor-restricted fund and a board designated fund that functions as an endowment.

Endowment net asset compositions by type of fund as of December 31, 2024 and 2023 are, as follows:

December 31, 2024	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment fund		**$ 1,225,247**	**$ 1,225,247**
Board-designated endowment fund	**$ 1,035,858**		**1,035,858**
	$ 1,035,858	**$ 1,225,247**	**$ 2,261,105**

Changes in endowment net assets for the year ended December 31, 2024	Without Donor Restriction	With Donor Restriction	Total
Beginning of year	**$ 1,422,840**	**$ 1,129,666**	**$ 2,552,506**
Investment return:			
Investment income, net of fees	**24,879**	**28,589**	**53,468**
Net gain	**129,570**	**56,812**	**186,382**
Contributions	**5,399**	**10,180**	**15,579**
Amounts appropriated	**(546,830)**		**(546,830)**
End of year	**$ 1,035,858**	**$ 1,225,247**	**$ 2,261,105**

December 31, 2023	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment fund		$ 1,129,666	$ 1,129,666
Board-designated endowment fund	$ 1,422,840		1,422,840
	$ 1,422,840	$ 1,129,666	$ 2,552,506

Changes in endowment net assets for the year ended December 31, 2023	Without Donor Restriction	With Donor Restriction	Total
Beginning of year	$ 1,582,677	$ 1,105,164	$ 2,687,841
Investment return:			
Investment income, net of fees	26,972	21,414	48,386
Net gain	179,719	142,688	322,407
Amounts appropriated	(366,528)	(139,600)	(506,128)
End of year	$ 1,422,840	$ 1,129,666	$ 2,552,506

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following purposes at December 31,:

	2024	2023
Time and purpose restricted:		
Capital campaign	**$ 416,131**	$ 1,033,379
Contributions receivable - annual fund		1,697
Contributions receivable - capacity building	**100,000**	100,000
Endowment earnings available for appropriation	**172,098**	86,697
Contribution receivable - rotary	**20,000**	16,000
Learning loss	**31,406**	44,052
Program	**19,370**	
Opportunidades	**40,053**	
Other capital	**30,000**	29,421
Other	**84,260**	14,277
Total time and purpose restricted	**913,318**	1,325,523
Perpetual in nature:		
Endowment - to support future operations	**1,053,149**	1,042,969
Total net assets with donor restrictions	**$ 1,966,467**	$ 2,368,492

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2024 and 2023.

	2024	2023
Satisfaction of purpose restrictions		
Capital Campaign	**$ 866,740**	$ 129,034
Daycare		51,003
Extra Food & Family Nurturing	**8,302**	8,535
Health Clinic	**48,158**	41,892
Learning Loss	**110,346**	15,948
Miscellaneous	**12,090**	16,552
Opportunidades	**100,000**	97,528
	$1,145,636	$ 360,492

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

NOTE 8 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2024 and 2023:

	2024	2023
Property and Equipment		
Buildings and land improvements	**$ 1,051,900**	$ 1,051,900
Furniture, fixtures and equipment	**665,042**	627,497
Vehicles	**154,552**	154,552
Leasehold improvements	**10,530**	10,530
Construction in progress	**1,702,583**	911,427
	3,584,607	2,755,906
Accumulated depreciaton	**(1,539,940)**	(1,454,235)
	2,044,667	1,301,671
Land	**707,628**	707,628
Property and Equipment, net	**$ 2,752,295**	$ 2,009,299

NOTE 9 – LEASES

The Organization leases space in New Gloucester, Maine, for administrative offices. The lease commenced in September 2017, and was amended in 2022 with an expiration date of October 2027.

We include in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. We have elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. We have applied the risk-free rate option to the building classes of assets. The rate used was 6.25%.

We have elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The Organization leases other office spaces under month-to-month operating leases. The Organization also has an operating lease agreement for office equipment that expired in 2024. The office equipment lease expense was $664 for years ended December 31, 2024 and 2023.

Future minimum payments under operating leases as of December 31, 2024 are as follows:

Years ending December 31,		
	2025	$ 22,483
	2026	22,933
	2027	19,428
Total lease payments		64,844
Less interest		(5,604)
Present value of lease liabilities		$ 59,240

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

NOTE 9 – LEASES- CONTINUED

Total right-of-use assets and lease liabilities at December 31, 2024 and 2023 are as follows:

	2024	2023
Lease Assets - Classification in Statement of Financial Position		
Operating lease right of use asset	**59,240**	76,972
Total lease right-of-use assets	**$ 59,240**	$ 76,972
Lease Liabilities - Classification in Statement of Financial Position		
Operating lease liability- current	**$ 19,325**	$ 17,732
Long-term operating lease liability	**39,915**	59,240
Total lease liabilities	**$ 59,240**	$ 76,972

	2024	2023
Operating lease cost	**$ 165,989**	$ 139,552

NOTE 10 – CAPITAL CAMPAIGN

In 2013 the Organization initiated a Capital Campaign to build a new school building and reconfigure existing buildings to accommodate students through 6th grade. A donor offered the use of property next to the entrance of the dump, and the Organization purchased another property close to the Colegio Experimental Hanley Denning. In 2015 the school building that came with the donated land was used as the base of the building of three structures donated by TELUS International S.A. with an estimated contribution of $155,000 that was recorded in the building account as of June 2016. Currently the space is used for the half-day educational re-enforcement and career preparation program for high school students. Two of the buildings are rented to a partner Creamos, which is an adult literacy and jobs training program for women. In 2017, the Board directed the purchase of land next to the Colegio Experimental Hanley Denning for the creation of a new playground and expansion of multi-use facilities. In 2018 the land was purchased through a large donation. The projects funded by this capital campaign were completed in 2020.

In 2021 the Organization initiated a small Capital Campaign to build a new Basico Building (grades 7 through 9). Most of the funds were raised in 2021 and the building broke ground in 2024. It is located on previously purchased land next door to its present administrative and medical facility which are located near its existing three educational centers for Pre-K to 6th Grade.

NOTE 11 – RELATED PARTY TRANSACTIONS

The Organization received land and a building described in a Note 10 – Capital Campaign, from one of the Board of Directors in November 2015. Estimated value of land and building of $110,000 and $40,000 is recorded in the land and buildings accounts, respectively.

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

NOTE 12 – FAIR VALUE MEASUREMENTS

Fair value of assets measured on a recurring basis are as follows:

December 31, 2024	Fair Value	Level 1	Level 2	Level 3
Cash and money market funds	**$ 77,120**	**$ 77,120**		
Mutual funds - fixed income	**819,675**	**819,675**		
Mutual funds - equity	**1,364,310**	**1,364,310**		
Total	**$ 2,261,105**	**$ 2,261,105**		

December 31, 2023	Fair Value	Level 1	Level 2	Level 3
Cash and money market funds	$ 61,200	$ 61,200		
Mutual funds - fixed income	862,296	862,296		
Mutual funds - equity	1,629,010	1,629,010		
Total	$ 2,552,506	$ 2,552,506		

NOTE 13 – CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributions of nonfinancial assets for the year ended December 31, 2024:

Donation	**Revenue Recognized**	**Utilization in Program**	**Donor Restrictions**	**Valuation Techniques**
Supplies	**$ 6,682**	**Educational Program**	**None**	**Donated supplies are valued based on fair market value at time of receipt.**
Food	**38,593**	**Educational Program**	**None**	**Donated food is valued based on fair market value at time of receipt.**
Total	**$ 45,275**			

Contributions of nonfinancial assets for the year ended December 31, 2023:

Donation	Revenue Recognized	Program Utilized	Donor Restrictions	Valuation Techniques
Supplies	$ 179,063	Educational Program	None	Donated supplies are valued based on fair market value at time of receipt.
Food	38,593	Educational Program	None	Donated food is valued based on fair market value at time of receipt.
Total	$ 217,656			

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

NOTE 14 - PRIOR PERIOD ADJUSTMENT

During 2024, it was discovered that property and equipment was understated in prior years. This correction is reflected as a $111,247 increase in net assets without donor restrictions in 2022.

NOTE 15 – SUBSEQUENT EVENTS

Management has made an evaluation of subsequent events to and including August 8, 2025, which was the date the financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.