

BILINGUAL EDUCATION FOR CENTRAL AMERICA

FINANCIAL STATEMENTS

December 31, 2021

Bilingual Education for Central America
Statement of Financial Position
For the Year Ended December 31, 2021

Assets

Current Assets

Cash	\$ 69,414
Prepaid Expenses	\$ 13,132
Donations Receivable	<u>\$ 26,345</u>
Total Current Assets	<u>\$ 108,890</u>
Total Assets	<u><u>\$ 108,890</u></u>

Liabilities

Current Liabilities

Accounts Payable and Accrued Expenses	\$ 922
Debt	<u>\$ -</u>
Total Current Liabilities	<u>\$ 922</u>
Total Liabilities	<u>\$ 922</u>

Net Assets

Without Donor Restriction	\$ 94,263
With Donor Restriction	<u>\$ 13,705</u>
Total Net Assets	<u>\$ 107,969</u>
Total Liabilities and Net Assets	<u><u>\$ 108,890</u></u>

Bilingual Education for Central America
Statement of Activities
For the Year Ended December 31, 2021

	Without Donor Restriction	With Donor Restriction	Total
Support and Revenue			
Individual Contributions	\$ 113,993	\$ 10,520	\$ 124,513
Corporate Contributions	\$ 2,552	\$ -	2,552
Foundation Contributions	\$ 68,514	\$ -	68,514
Other Contributions	\$ -	\$ -	-
Total Support and Revenue	<u>\$ 185,059</u>	<u>\$ 10,520</u>	<u>\$ 195,579</u>
Expenses			
Program Expenses	\$ 177,796	\$ 22,160	\$ 199,956
Managerial and General Expenses	\$ 13,468	\$ -	\$ 13,468
Fundraising Expenses	\$ 77	\$ -	\$ 77
Total Expenses	<u>\$ 191,341</u>	<u>\$ 22,160</u>	<u>\$ 213,501</u>
Change in Net Assets	\$ (6,282)	\$ (11,640)	\$ (17,922)
Net Assets at Beginning of Year	<u>\$ 100,545</u>	<u>\$ 25,345</u>	<u>\$ 125,890</u>
Net Assets at End of Year	<u>\$ 94,263</u>	<u>\$ 13,705</u>	<u>\$ 107,969</u>

**Bilingual Education for Central America
Statement of Functional Expenses
For the Year Ended December 31, 2021**

	Program Expenses	Managerial and General Expenses	Fundraising Expenses	2021 Total	2020 Total	Difference	Comment
Personnel Expenses							
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 22,501	\$ (22,501)	No CEO or ED employed in 2021
Consultants	\$ 18,900	\$ -	\$ -	\$ 18,900	\$ 16,829	\$ 2,071	
Stipends	\$ 93,284	\$ -	\$ -	\$ 93,284	\$ 58,574	\$ 34,710	Increased # & amount of Honduran volunteers stipends
Payroll Taxes	\$ -	\$ -	\$ -	\$ -	\$ 8,222	\$ (8,222)	No CEO or ED employed in 2021
Total Personnel Expenses	\$ 112,184	\$ -	\$ -	\$ 112,184	\$ 106,126	\$ 6,058	
Direct Expenses							
School Year Program	\$ 31,811	\$ -	\$ -	\$ 31,811	\$ 56,594	\$ (24,783)	Some teacher stipends now paid directly by BECA rather than reimbursing partners
Teacher Training & Summer Insitutu	\$ 50	\$ -	\$ -	\$ 50	\$ -	\$ 50	Teacher training was virtual due to COVID-19
Libros y Familias	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	No program due to COVID-19
BBP Scholarship	\$ 5,364	\$ -	\$ -	\$ 5,364	\$ 3,991	\$ 1,373	
Teacher Classroom Spending	\$ -	\$ -	\$ -	\$ -	\$ 226	\$ (226)	
Passport and Visa Renewals	\$ 1,784	\$ -	\$ -	\$ 1,784	\$ 218	\$ 1,566	Increase in international volunteers
Conferences and Meetings	\$ 42	\$ -	\$ -	\$ 42	\$ 658	\$ (616)	Reduced due to COVID-19
Computer/Program Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Travel	\$ 3,573	\$ 1,990	\$ -	\$ 5,563	\$ 1,768	\$ 3,795	Increase due to relaxed COVID-19 restrictions
Licensing and Filing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Bank and Bank Card Charges	\$ -	\$ 3,347	\$ -	\$ 3,347	\$ 1,452	\$ 1,895	Increased ATM withdrawals and funds transfers in Honduras
Professional Fees	\$ -	\$ -	\$ -	\$ -	\$ 37	\$ (37)	
Curriculum	\$ 118	\$ -	\$ -	\$ 118	\$ -	\$ 118	
Other Expenses	\$ -	\$ 282	\$ 77	\$ 359	\$ 640	\$ (281)	
Office Expenses	\$ -	\$ 146	\$ -	\$ 146	\$ -	\$ 146	
Printing and Publications	\$ 11	\$ -	\$ -	\$ 11	\$ 16	\$ (5)	
Postage and Shipping	\$ -	\$ 47	\$ -	\$ 47	\$ 262	\$ (214)	
Staff Recruiting	\$ 2,432	\$ -	\$ -	\$ 2,432	\$ 2,061	\$ 371	
Financial Review	\$ -	\$ 3,236	\$ -	\$ 3,236	\$ -	\$ 3,236	Financial review for 2020 financials required by NY State
Fundraising Events	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Social Tourism	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Summer Camp	\$ 393	\$ -	\$ -	\$ 393	\$ -	\$ 393	No summer camp due to COVID-19
CC Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ 71	\$ (71)	
Donation Processing	\$ -	\$ 3,920	\$ -	\$ 3,920	\$ 4,523	\$ (604)	
Technology	\$ 1,050	\$ 499	\$ -	\$ 1,549	\$ 575	\$ 974	
Transportation	\$ 799	\$ -	\$ -	\$ 799	\$ -	\$ 799	Increase due to relaxed COVID-19 restrictions
Community Care	\$ 40,346	\$ -	\$ -	\$ 40,346	\$ 14,195	\$ 26,151	Tuition reduction, food staples & educational technology following COVID
Total Direct Expenses	\$ 87,772	\$ 13,468	\$ 77	\$ 101,316	\$ 87,286	\$ 14,030	
Total Expenses	\$ 199,956	\$ 13,468	\$ 77	\$ 213,501	\$ 193,412	\$ 20,088	

**Bilingual Education for Central America
Statement of Cash Flows
For the Year Ended December 31, 2021**

Cash Flows from Operating Activities

Cash Received from Unrestricted and Temporarily Restricted Contributions	\$ 195,579
Change in donations receivable	\$ 712
Change in Prepaid Expenses	\$ (7,654)
Cash Paid for Program Expenses	\$ (100,974)
Cash paid for Employee Salaries and Benefits	\$ -
Professional fees paid to independent contractors	\$ (112,184)
Net Cash from Operating Activities	<u>\$ (24,521)</u>

Cash Flow from Investing Activities

Investments	\$ -
Net Cash from Investing Activities	<u>\$ -</u>

Cash Flow from Financing Activities

Decrease in Debt	-
Net Cash from Financing Activities	<u>\$ -</u>

Net Increase (Decrease) in Cash	\$ (24,521)
Beginning Cash Balance	93,935
Ending Cash Balance	<u><u>\$ 69,414</u></u>

**Reconciliation of change in net assets
to net cash provided by operating activities**

Change in Net Assets	\$ (17,922)
Adjustments	
Decrease in Accounts Payable	342
Decrease in Accounts Receivable	712
Decrease in Prepaid Expenses	(7,654)
Decrease in Long-Term Debt	-
Net Cash Provided by Operations	<u><u>\$ (24,521)</u></u>

BILINGUAL EDUCATION FOR CENTRAL AMERICA

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Bilingual Education for Central America (“BECA”) recruits, trains, and supports English speaking volunteer teachers to staff a network of community-run bilingual schools in Honduras serving low-income communities. BECA was incorporated in 2002, recognized as a 501(c)3 non-profit organization in 2003, and began Honduran operations in 2004.

The BECA model is built on a partnership among Hondurans committed to high quality, progressive education and dedicated volunteer teachers from Honduras, North America, and around the globe. This partnership results in a high quality, bilingual education that is accessible to all members of the community and a life changing experience for our volunteers. BECA partners with three community-run bilingual schools in Honduras.

BECA in 2021

2021 was marked by the continued impact of COVID-19 on Honduras and its schools. Early on, the country went into a very strict lockdown. Schools were quickly closed and have remained closed nationwide through the end of the 2021 by government order.

In response to both COVID-19 and the two hurricanes that hit Honduras in fall of 2020, BECA launched its Community Care Fund to support community members most affected by these crises. The fund primarily provided technology grants to support remote learning, food staples and related essentials, and tuition relief for families.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation. BECA's financial statements are prepared based on the accrual method of accounting. BECA reports 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. \$25,345 in net assets with donor restrictions were held during the year ended December 31, 2020. \$13,705 in net assets with donor restrictions were held during the year ended December 31, 2021.

Functional and Presentation Currency The financial information is presented in US Dollars, as 100% of BECA's revenues and many of its expenses are in US Dollars. However, most program expenses incurred in Honduras are paid for in Honduran Lempiras. In recording these transactions to BECA's accounting records, we have used the average exchange rate received from our financial institutions when dollars are withdrawn as Lempiras. For cash withdrawals, the weighted average exchange rate for each month is used. For reimbursement to partners, the weighted average exchange rate for the year is used. The average rate for 2021 was 24.06 Lempiras to 1 Dollar.

Cash. Cash consists of five accounts maintained with financial institutions and online financial accounts as well as cash on hand.

Promises to Give. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. There were no promises to give but there were contributions receivable at 12-31-21.

BILINGUAL EDUCATION FOR CENTRAL AMERICA

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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

Equipment and Furniture. Equipment and furniture if obtained in the future would be stated at cost. Equipment and furniture that are received by donation would be recorded at the estimated fair value on the date of donation. Such donations would be reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property would be reported as restricted support. There are no restricted assets at this time. The threshold for capitalization is \$1,000 or more.

Absent donor stipulations regarding how long those donated assets must be maintained, the organization would report and maintain the assets for their useful life. If the donor provides stipulations regarding donated assets BECA would record assets as stipulated. Purchased or donated equipment and furniture equal to or in excess of \$1,000 are capitalized.

Presently BECA does not have any fixed assets. When assets are acquired BECA's policy on depreciation will be to calculate it on a straight-line basis in amounts sufficient to relate the cost of depreciable assets to operations and to fair value over their estimated useful lives.

Revenue Recognition Revenue is recognized when it is realized or realizable.

Contributions. Contributions received are recorded as with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor would be reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support would be reported as an increase in net assets with donor restrictions.

Grant Revenues. Foundation grants represented 35% of total contributions.

Functional Allocation of Expenses. The cost of providing the various programs and all other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Functional Allocation of Expenses has also been presented in the Statement of Functional Expenses. The allocation of expenses are primarily calculated based on specific identification.

Expenses. BECA's overhead salary expenses are allocated to Program, Fundraising, and General and Managerial Expenses based on time spent and management's judgment. BECA employed no full-time salaried employees in 2021.

Income Taxes. BECA is exempt from state and federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as an organization that is not a private foundation.

BILINGUAL EDUCATION FOR CENTRAL AMERICA

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets. Net Assets With Donor Restrictions – Net assets that are subject to a donor imposed restriction that permit the organization to use up or expand the donated asset as specified and is either satisfied by the passage of time or by actions of the organization.

In 2021, BECA received restricted donations in the amount of \$10,520. Combined with restricted funding from the end of 2020, \$13,705 were still restricted at the end of 2021.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Unrestricted Net Assets – \$13,705 in net assets are restricted at the end of 12-31-2021. The balance of net assets are not subject to any donor-imposed restrictions. This support is used to pay for BECA's program activities, fundraising expenses, salaries and other general and administrative costs.

NOTE 3 - CONTINGENCIES

There were no contingencies noted.

NOTE 4 - CONCENTRATION OF RISK

The organization revenues are not overly concentrated to produce a significant risk. The largest five donors comprise 62% of the total revenues with the largest one being \$60,814 and the next largest being \$32,000 at 16% of total revenues. The largest donor primarily supports a related program, so the cost of operating that program would be eliminated if this donation was eliminated.

Other risks specifically for volunteers in Honduras have been addressed through training, policy and procedures.

NOTE 5 – OPERATING LEASES

BECA does not have any written leases. BECA has two month to month verbal leases for living quarters for its teachers in Honduras at a monthly cost of \$709.91 or an annual cost of \$8,518.87.

There are no future minimum lease payments at December 31, 2021 under these leases.

NOTE 6 – RESTRICTED DONATIONS

There were \$13,705 in restricted donations at the end of 2021.

BILINGUAL EDUCATION FOR CENTRAL AMERICA

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 7 – SUBSEQUENT EVENTS

Management evaluated events and transactions that occurred after the balance sheet date for potential recognition and disclosure through 5-4-22, the date on which the financial statements were available to be issued. The entity experienced no reportable subsequent events.

NOTE 8– RATIOS

Fund raising expenses as a percent of total expenses.

Fund raising expenses	<u>77</u>	
Total expenses	213,501	0.04%

Management & General expenses as a percentage of total expenses.

Management & General expenses	<u>13,468</u>	
Total expenses	213,501	6.31%

Program Services expenses as a percentage of total expenses.

Program Services expenses	<u>176,814</u>	
Total expenses	213,501	93.66%

Contributions and Grants revenue expressed as a percentage of total revenue

Revenue from Contributions and Grants	<u>213,501</u>	
Total Revenue	213,501	100.00 %

Fundraising efficiency

Contributed income	<u>213,501</u>	
Fundraising expense	77	2,773 Times

A higher percentage of expenses were dedicated to Program Services in 2020 vs 2019 (94% vs 91%), with a lower percentage dedicated to Management & General (6% vs 7%) and Fundraising (0% vs 2%). This is primarily due to decreased staffing, as BECA did not employ any full time staff members during 2021 and fundraising duties were performed by the volunteer board.

NOTE 9 – FAIR VALUE MEASUREMENT

Management considers all assets, liabilities and components of unrestricted net assets to be stated at fair value in the financial statements.

NOTE 10 – ALLOCATION OF RESOURCES

Management has a policy of maximizing the amount of resources being used directly for BECA's program while minimizing the amount that is used for Fundraising and Management and General expenses.

BILINGUAL EDUCATION FOR CENTRAL AMERICA

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 11 – INSURANCE

BECA does not carry insurance coverage for its operations. Insurance is being considered. Risk is mitigated by the fact the BECA does not own any Real property and owns only limited personal property of small value.

End