



JOINT DEVELOPMENT ASSOCIATES
INTERNATIONAL, INC.

Financial Statements
With Independent Auditors' Report

December 31, 2019 and 2018

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Joint Development Associates International, Inc.
Grand Junction, Colorado

We have audited the accompanying financial statements of Joint Development Associates International, Inc. which comprise the statements of financial position as of December 31, 2019 and 2018, 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.

Auditors' 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.

Board of Directors
Joint Development Associates International, Inc.
Grand Junction, Colorado

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Joint Development Associates International, Inc., as of December 31, 2019 and 2018 and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Joint Development Associates International, Inc., has adopted Financial Accounting Standards Board Accounting Standards Update No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as described in Note 2. This has had a material effect on the presentation of the December 31, 2019 financial statements. Our opinion is not modified with respect to this matter.

Capin Crouse LLP

Colorado Springs, Colorado
April 15, 2020

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Statements of Financial Position

	December 31,	
	<u>2019</u>	<u>2018</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 240,966	\$ 531,331
Accounts receivable	24,678	122,166
Prepaid expenses	7,141	23,846
	<u> </u>	<u> </u>
Total Assets	<u>\$ 272,785</u>	<u>\$ 677,343</u>
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Grant payable	\$ -	\$ 239,457
Accounts payable and accrued expenses	25,125	83,242
Line of credit	94,500	35,000
	<u> </u>	<u> </u>
	119,625	357,699
Net assets:		
Without donor restrictions	39,021	269,074
With donor restrictions	114,139	50,570
	<u> </u>	<u> </u>
	153,160	319,644
	<u> </u>	<u> </u>
Total Liabilities and Net Assets	<u>\$ 272,785</u>	<u>\$ 677,343</u>

See notes to financial statements

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Statements of Activities

	Year Ended December 31,					
	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Federal contract and grant revenue	\$ 680,836	\$ 1,473,694	\$ 2,154,530	\$ 1,677,466	\$ -	\$ 1,677,466
Contributions and donations	73,570	147,336	220,906	45,848	179,097	224,945
Miscellaneous revenue	5,556	-	5,556	4,415	-	4,415
Total Support and Revenue	759,962	1,621,030	2,380,992	1,727,729	179,097	1,906,826
NET ASSETS RELEASED:						
Purpose restrictions	1,557,461	(1,557,461)	-	160,514	(160,514)	-
EXPENSES:						
Program services:						
Rehabilitation	1,473,694	-	1,473,694	184,722	-	184,722
Agriculture	481,772	-	481,772	1,167,218	-	1,167,218
Water development	350,169	-	350,169	207,415	-	207,415
Project development	8,911	-	8,911	57,375	-	57,375
	2,314,546	-	2,314,546	1,616,730	-	1,616,730
Supporting activities:						
General and administrative	228,077	-	228,077	264,913	-	264,913
Fundraising	4,853	-	4,853	4,854	-	4,854
Total Expenses	2,547,476	-	2,547,476	1,886,497	-	1,886,497
Change in Net Assets	(230,053)	63,569	(166,484)	1,746	18,583	20,329
Net Assets, Beginning of Year	269,074	50,570	319,644	267,328	31,987	299,315
Net Assets, End of Year	\$ 39,021	\$ 114,139	\$ 153,160	\$ 269,074	\$ 50,570	\$ 319,644

See notes to financial statements

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Statement of Functional Expenses

Year Ended December 31, 2019

	Program Services:				Supporting Activities:			
	Rehabilitation	Agriculture	Water Development	Project Development	Total Program	Management and General	Fundraising	Total
Salaries and related expenses	\$ 331,274	\$ 385,049	\$ 218,953	\$ 8,911	\$ 944,187	\$ 147,783	\$ 4,853	\$ 1,096,823
Equipment and materials	590,636	793	63,349	-	654,778	1,038	-	655,816
Office and occupancy	444,193	36,735	25,089	-	506,017	61,811	-	567,828
Travel and transport	107,591	59,195	42,778	-	209,564	17,445	-	227,009
	<u>\$ 1,473,694</u>	<u>\$ 481,772</u>	<u>\$ 350,169</u>	<u>\$ 8,911</u>	<u>\$ 2,314,546</u>	<u>\$ 228,077</u>	<u>\$ 4,853</u>	<u>\$ 2,547,476</u>

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Statement of Functional Expenses

Year Ended December 31, 2018

	Program Services:					Supporting Activities:		
	Rehabilitation	Agriculture	Water Development	Project Development	Total Program	Management and General	Fundraising	Total
Salaries and related expenses	\$ 86,253	\$ 880,646	\$ 133,564	\$ 39,681	\$ 1,140,144	\$ 209,629	\$ 4,854	\$ 1,354,627
Equipment and materials	25,847	4,123	36,230	63	66,263	1,850	-	68,113
Office and occupancy	10,258	121,424	17,103	5,945	154,730	39,703	-	194,433
Travel and transport	62,364	161,025	20,518	11,686	255,593	13,731	-	269,324
	<u>\$ 184,722</u>	<u>\$ 1,167,218</u>	<u>\$ 207,415</u>	<u>\$ 57,375</u>	<u>\$ 1,616,730</u>	<u>\$ 264,913</u>	<u>\$ 4,854</u>	<u>\$ 1,886,497</u>

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Statements of Cash Flows

	Year Ended December 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (166,484)	\$ 20,329
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	-	342
Change in operating assets and liabilities:		
Grant payable	(239,457)	239,457
Accounts receivable	97,488	5,373
Prepaid expenses	16,705	8,127
Accounts payable and accrued expenses	(58,117)	3,134
Net Cash Provided (Used) by Operating Activities	(349,865)	276,762
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from lines of credit	987,500	903,904
Payments on lines of credit	(928,000)	(933,904)
Net Cash Provided (Used) by Financing Activities	59,500	(30,000)
Change in Cash and Cash Equivalents	(290,365)	246,762
Cash and Cash Equivalents, Beginning of Year	531,331	284,569
Cash and Cash Equivalents, End of Year	\$ 240,966	\$ 531,331
SUPPLEMENTAL DISCLOSURE:		
Cash paid for interest	\$ 5,544	\$ 4,766

See notes to financial statements

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2019 and 2018

1. NATURE OF ORGANIZATION:

Joint Development Associates International, Inc. (JDA) is dedicated to assist in the transformational development of local communities by helping initiate and implement projects in areas of agriculture development, clean water, poverty alleviation, infrastructure development, community health education, and emergency aid and relief. JDA believes each person has unique creative abilities to make a difference in their lives, their families, their communities, and their nation. JDA seeks to empower these individuals and communities to tap into this creative potential by facilitating community projects through organizational and technical support.

Certain nonfinancial information in Note 1 is being presented by management. This nonfinancial information has not been subject to audit procedures and therefore does not fall within the scope of the audit opinion to these financial statements.

The following programs provide an overview of JDA's recent involvement in northern Afghanistan and Kurdistan during 2019:

Agriculture Development

Agriculture is the main livelihood for about 75% of the population in Afghanistan. Growth of the agriculture sector is essential for the nation's food security and a major economic driver for the country, therefore, rehabilitation of the agricultural sector is vital for Afghanistan's recovery.

In 2014, the Regional Agricultural Development Program North (RADP-North), funded by USAID, was launched to assist the country in its efforts to improve food and economic security for rural Afghan farmers. The goal was to restore Afghanistan's wheat sector, diversify agriculture and diets, increase farm revenues by introducing high-value crops, and strengthen the livestock sector. For the last five years, JDA has been a RADP-North implementing partner in the provinces of Jowzjan, Balkh, Samangan, and Baghlan. JDA has worked with local farmers, businesses, and leaders to restore Afghanistan's agricultural strength by providing farmers with training and skills in laser land-leveling, certified seed, mechanized seeding, fertilizing, and harvesting. Several high-value crops were introduced to farmers in hopes of increasing sales, exports, and improving nutrition. JDA also assisted women establish their own kitchen gardens to improve household nutrition and provide income. The program also helped farmers gain access to farming equipment.

JDA completed all RADP-North program activities and closed down the program in May 2019.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2019 and 2018

1. NATURE OF ORGANIZATION, continued:

Agriculture Development, continued

Land Laser-Leveling (LLL): Using LLL promotes uniform crop growth and savings in water, seed, fertilizer, and irrigation time (reduced time and cost to irrigate and fertilize from 13 hours to 7 hours per 2.47 acres). Once trained through the RADP-North program, a laser-land leveling vendor can sell their services to farmers.

In 2019, the wheat team conducted LLL demonstration field days attended by 1,050 farmers. The land laser-leveling activity will conclude having facilitated the cost share of 35 LLL units. Since this activity began in 2016, 309 leveling field days have been held introducing the technology to over 8,800 farmers. LLL operators were contracted by 1,208 farmers and leveled 3,612 acres of land, generating a revenue of \$227,784.

Weed Control: Weed control focused training on weed control mechanical methods, effective and safe weed control by herbicides, and storage and handling. During the last few months of the activity, JDA trained 6,038 farmers in weed control. The farmers learned about safe and effective weed control by herbicides, the cost benefit calculation of herbicide spraying, rye control in wheat crop, and approaches to decrease pest threat. The farmers learned appropriate herbicides spraying techniques and to capture backpack sprayer (BPS) use on record sheets. At the end of these lessons, each trained group was equipped with one high quality BPS with special herbicides-spraying twin nozzles, boom, and personal protective equipment.

Over the five years of the program, 78,151 farmers in Balkh, Samangan, Jowzjan, and Baghlan were trained in integrated weed control management. We were able to increase farmers' yields by 57% through weed control training.

Seed Business Development: JDA organized field demonstrations showing farmers how to choose seed that best fit their growing conditions, budgets, and the benefits of using certified seeds. In 2019, our agriculture team organized 184 field days attended by 2,944 farmers and sold 25,526 kg of certified wheat seed.

In total 3,894 farmers purchased 210 tons of certified seed for the duration of this activity.

Conservation Agriculture: Farmers received training about the three principles of conservation agriculture. Training topics included reducing tillage, permanent cover crop, crop rotation benefits, the benefits of land laser technology, sowing by two-wheeled tractor, seed and fertilizer rate, harvesting, and the different methods of weed control. In 2019, our wheat team conducted 37 field days to 684 farmers. In addition, 274 mechanical harvester operators harvested 10,356 acres of land for 1,945 farmers.

This activity provided training to 1,648 lead farmers in Baghlan, Balkh, Jowzjan, and Samangan provinces.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2019 and 2018

1. NATURE OF ORGANIZATION, continued:

Agriculture Development, continued

Hygiene and Nutrition: Many Afghans suffer chronic malnutrition because they lack information about what to eat. Under RADP-North, we used our expertise and experience in hygiene and nutrition training and community development into the related field of nutrition training. During 2019, 500 women received hygiene and nutrition training. Over four years, nearly 20,000 women were trained in hygiene and nutrition.

Kitchen Gardens: This activity helped women establish vegetable gardens in their yards to help them to: grow sustainable fresh vegetables, save money by growing their own vegetables and herbs instead of purchasing them, increase income through sale of surplus vegetables and herbs, employ cultivated land around houses for productive purposes.

More than 7,700 kitchen gardens were established, empowering women to improve household nutrition, disseminate nutrition principles and reduce child diarrhea. The women continue to maintain their gardens.

Water, Sanitation, and Hygiene (WASH)

The JDA Water Access Sanitation and Hygiene (WASH) program began in 2009 and has worked with 46 communities since then. 41 villages are now classified as open defecation free (ODF). Women are empowered with knowledge to practice hygiene, sanitation, and nutrition in their household. During, 2019, JDA's Hygiene and Nutrition training reached 2,861 women and 731 men across Balkh, Baghlan, Samangan, and Jowzjan provinces. An estimated 32,000 family members benefited from hygiene and nutrition training. The activity consists of ten lessons delivered over a five-week period that develops awareness of good hygiene and nutrition. Trainers use different training methods such as role-play, storytelling, illustrations, group work, practical work, and asking some life stories and experiences from the participants. Each individual who completed the training received a hygiene package containing items such; toothpaste, toothbrush, soap, chlorine solution, and hand towel.

In Schools: Frequent hand washing is the most easy, effective, and low cost way to protect students from germ transmission that may lead to other diseases. JDA shares this important message with students and promotes washing hands to stay healthy through a puppet show play. JDA prepared puppet shows for Amir Shir Ahmad Khan Shahid School. A total of 309 students received the hand washing message. The message focused on increasing the practice of hand washing with soap and managing safe drinking water.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2019 and 2018

1. NATURE OF ORGANIZATION, continued:

Water, Sanitation, and Hygiene (WASH), continued

Water Points: Providing clean water access remains one of our priorities. In the majority of the villages that we work with, women and children have to travel long distances to collect water for their daily needs, or have to rely on dirty streams. In 2019, 16 new wells with hand pumps were installed. Each well provides clean water access to an average of 105 families. The number of people obtaining clean water through these wells is 10,072. In addition, 12 hand pumps were repaired, 51 men received hand pump repair training, and 1,412 Sawyer PointONE filters were distributed or sold out. Of these, 1,149 filters were distributed to the remote area of Charkint district to provide water-filtering access and decrease water borne diseases for 1,300 people. Since our work started in 2009, over 81,000 beneficiaries have gained access to safe water through 84 wells drilled and hand pumps fitted.

Iraq (Rehabilitation)

RIVAL (Returnees, IDPs and Vulnerable Iraqis Attain Livelihoods) is a two-year livelihoods program funded by the US State Department of Bureau of Population, Refugees, and Migration (PRM) and implemented by ZOA (Dutch NGO) and JDA.

The first year of the program successfully achieved objectives by serving a total of 2,296 beneficiaries. RIVAL consisted of three project objectives split into eight separate activities, all based in Sumel and Telkaif districts and targeting minority communities of Chaldean and Assyrian Christians and Yazidis.

Objective 1: Cash for Work

JDA conducted cash for work activities in 14 villages, providing 790 beneficiaries with job opportunities. Cash for work activities included; cleaning public facilities and streets, removal of garbage piles in town centers, renovation of sewerage system for Beban, Bozan, and Hatara, renovation of two Lalish Halls, renovation of four schools, cleaning of rubble, and the renovation of a parking lot.

JDA supported the rehabilitation of ten small businesses in Alqosh and Sharya. Beneficiaries were selected based on vulnerability and having an existing or previous businesses that they needed to revitalize and rehabilitate. JDA also provided start-up income grants were provided to 250 households in Telkaif and Sumel districts.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2019 and 2018

1. NATURE OF ORGANIZATION, continued:

Iraq, continued

Objective 2: Agriculture Cash for Work

Agriculture cash for work provided temporary job opportunities to 281 beneficiaries. Workers prepared fields and green houses for greenhouse and field cropping activities. They cleaned thistles and thorns from fields from, removed barricades, and prepared land for agriculture season.

JDA, in cooperation with the University of Dahuk and Debbane Agri, a private sector company, provided 215 Yazidi farmers with agricultural kits of inputs and training on greenhouse crop agriculture to help farmers with their agricultural livelihood activities. The crop agriculture kits included high-productivity wheat seeds, and different types of fertilizers to increase speed and productivity of the crops. In addition, 340 farmers and greenhouse owners received technical training and tools on greenhouse farming in Beban, Hatara, Sharia, and Sina villages.

Objective 3: Livestock Grants

Livestock grants were given to 256 women and 4 men in Sumel and Telkaif districts. JDA organized livestock fairs, inviting beneficiaries and more than one livestock seller. We created a livestock specialist committee to check health and the quality of the livestock at the fair, and prepared grant distribution lists and distributed grant vouchers to beneficiaries. Beneficiaries exchanged grant vouchers with cash from the contracted Hawala Company, then utilized the cash in buying the livestock from one of the wholesalers.

In the men's livestock activity, Fodder Management training was provided to 150 beneficiaries throughout seven villages. Fodder Management teaches a simple technique for improving the quality of straw for fodder by adding urea.

Staffing

JDA was staffed with 107 employees: five in the United States, 82 in Afghanistan (all local Afghans), and 20 employees in Kurdistan. With the end of the RADP-North program, staff contracts ended leaving about 32 employees in Afghanistan after May 2019.

Other Resources/Facilities/Assets (Project Development)

JDA's base of operations for 2018 was at the main office in Mazar-i-Sharif, which houses the staff operations. JDA also has enough land for small demonstrations in greenhouse production and oil press operations. Agricultural research and demonstrations were carried out at the two acre JDA research center and at the 7.4 acre development center located in a separate building in Mazar-i-Sharif. The Development Center is equipped with a training center and several demonstration wells for training on well drilling and pump installation and maintenance for the WASH program. In Kurdistan, JDA is currently has offices in Erbil and Dohuk with activities in Ninewa and Dohuk governates.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2019 and 2018

1. NATURE OF ORGANIZATION, continued:

JDA's support comes from federal contract revenue, individual donor contributions, and grants from sponsor organizations. JDA is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, JDA is subject to federal income tax on any unrelated business taxable income. In addition, JDA is not classified as a private foundation within the meaning of Section 509(a) of the IRC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

JDA maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. 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, disclosures of any contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could vary from the estimates that were assumed in preparing the financial statements. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

CASH AND CASH EQUIVALENTS

JDA considers all highly liquid instruments with maturities less than three months to be cash and cash equivalents. As of December 31, 2019 and 2018, JDA has cash and cash equivalents on deposit with financial institutions that exceed the federally insured balance by approximately \$7,500 and \$260,000, respectively. JDA has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

ACCOUNTS RECEIVABLE

JDA's accounts receivable are due from Development Alternatives, Inc. (DAI) and ZOA as a result of contract and grant agreements and are recorded at estimated net realizable value in the period in which they are earned. Management reviews the receivables periodically and provides an allowance for uncollectible accounts at a level which, in management's judgment, is adequate to absorb potential losses inherent from uncollectible receivables. The full amount of the accounts receivable were received subsequent to the years ended December 31, 2019 and 2018, therefore, an allowance for doubtful accounts has not been recorded as of December 31, 2019 and 2018, respectively.

VEHICLES AND EQUIPMENT—NET

Vehicles and equipment—net are stated at cost, or if donated, at the estimated fair market value at the date of donation. Vehicles and equipment donated with restrictions regarding its use and contributions of cash to acquire property are reported as restricted support. Absent any donor stipulations, these restrictions expire when the asset is acquired or placed in service, and a reclassification is made from net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation is recorded using the straight-line method over estimated useful lives of five years. Vehicles and equipment purchases exceeding \$5,000 are capitalized.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2019 and 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

GRANT PAYABLE

A Dutch non-governmental organization advanced funds to JDA for the performance of the RIVAL program. If the contract were to be terminated or ended due to performance, JDA would owe the NGO any unused funds from the cash advances for the project. For these funds not yet used by JDA, a payable has been recorded. As of December 31, 2019 and 2018, unused funds totaled \$0 and \$239,457 respectively. Additionally, under the provisions of the RIVAL program grant, conditional grant receivables of approximately \$1,193,000 are expected to be received once the conditions are met.

NET ASSETS

The net assets of JDA are reported according to class as follows:

Net assets without donor restrictions are those currently available for operating purposes under the direction of the board.

Net assets with donor restrictions are those contributed with donor stipulations for specific operating purposes and programs, including WASH projects and flood relief.

SUPPORT AND REVENUE

Federal contract and grant revenue is recognized when earned. Support is recorded when contributions are made, which may be when cash and other assets are received or unconditionally promised. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, 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. All contributions are considered available for unrestricted use unless specifically restricted by the donor or grantor.

CURRENCY CONVERSION

Each field receives cash in U.S. Dollars that is converted into local currency. The exchange rate provided by the local bank is used to translate all expenses back to U.S. Dollars for reporting. Fixed assets purchased with local currency are valued in U.S. Dollars at the time of purchase and maintained in U.S. Dollars in accordance with JDA's fixed asset policies.

FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are reported when costs are incurred. The costs of providing various program services and supporting activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, costs related to more than one function, such as payroll expenses, have been allocated among the program services and supporting activities benefited using an estimate of time and effort spent.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2019 and 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ADOPTION OF NEW ACCOUNTING STANDARDS

In 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, Not-for-Profit Entities (Topic 958) *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. JDA adopted the provisions of this new standard as a resource recipient during the year ended December 31, 2019. Adoption of this standard had a material effect on the presentation of classification of federal contract and grant revenue and net assets by class, however there was no material change in net assets in total. Additionally as noted in the grant payable footnote, disclosure on conditional grant receivables was added.

In 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers. JDA adopted the provision of this new standard during the year ended December 31, 2019. The new standard applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Adoption of this standard had no effect on the change in net assets or net assets in total.

3. LIQUIDITY AND AVAILABILITY OF FUNDS:

JDA has approximately \$266,000 and \$654,000 of financial assets available within one year of the statement of financial position date as of December 31, 2019 and 2018, respectively. This amount consists of cash and cash equivalents and accounts receivable. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statements of financial position date.

JDA structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management monitors cash flows closely through finance committee meetings and detailed financial analysis. JDA also has a \$250,000 line of credit secured by the president, which it could draw upon in the event of an anticipated liquidity need. As of December 31, 2019, \$155,500 is still available to be borrowed under this agreement.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2019 and 2018

4. VEHICLES AND EQUIPMENT–NET:

Vehicles and equipment–net, consist of:

	December 31,	
	2019	2018
Vehicles	\$ 27,720	\$ 27,720
Furniture and equipment	18,345	18,345
	46,065	46,065
Less: Accumulated depreciation	(46,065)	(46,065)
	\$ -	\$ -

5. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	December 31,	
	2019	2018
RIVAL program	\$ 100,116	\$ -
Kurdistan support	6,450	11,000
WASH program	5,586	37,583
Legacy program	1,987	1,987
	\$ 114,139	\$ 50,570

6. LINE OF CREDIT:

JDA has a \$250,000 revolving line of credit agreement with no maturity date. It is personally guaranteed by the president of JDA. As of December 31, 2019 and 2018, the interest rate was 5.75% and 6.5%, respectively. There were no covenants associated with the line of credit as of December 31, 2019 and 2018. Subsequent to year end, an additional \$49,500 was drawn on this line of credit.

7. FOREIGN OPERATIONS:

In connection with its foreign projects, JDA maintains programs and supporting facilities and services in various countries outside the United States. For the years ended December 31, 2019 and 2018, assets in other countries totaled approximately \$33,114 and \$13,747, respectively, and liabilities in other countries were approximately \$14,215 and \$68,151, respectively. Total public support and revenue received from foreign sources totaled approximately \$1,651,828 and \$304,656 for the years ended December 31, 2019 and 2018, respectively. The account balances relating to foreign operations are reflected in the financial statements in United States Dollars.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2019 and 2018

7. FOREIGN OPERATIONS, continued:

The large majority of JDA's operations occur in Iraq, which continues to undergo significant political, economic, and social change. In this environment, unforeseen events could disrupt JDA's operations. The geographic concentration of JDA's operations in Afghanistan also makes them vulnerable to the risk of lost support. The accompanying financial statements do not include adjustments for these risks, nor for the effects that their realization would have on the ability of JDA to continue its operations or to recover its assets located in Afghanistan, as the effects of these risks are not possible to reasonably estimate.

8. CONCENTRATIONS:

On August 14, 2014, JDA entered into a subcontract agreement with DAI who in turn has contracted with the U.S. government to implement the RADP-North. JDA is subcontracting with DAI to promote the wheat value chain in Afghanistan. The period of performance on the cost plus fixed fee subcontract is from August 2014 to May 2019 and has a not-to-exceed value of \$6,733,103. For the years ended December 31, 2019 and 2018, JDA has recognized revenue of approximately \$610,500 and \$1,470,000, respectively on this subcontract which accounted for approximately 26% and 77% of total support and revenue for the years ended December 31, 2019 and 2018, respectively.

On October 11, 2018, JDA entered into a subcontract agreement with ZOA who in turn has contracted with the U.S. government to implement the RIVAL program. JDA is subcontracting with ZOA to provide resources and training to those returning to the Telkaif district of Ninewa and Sumel district of Dohuk, Iraq. The period of performance on the cost plus fixed fee subcontract is from September 2018 to August 2020 and has a not-to-exceed value of \$2,956,043. For the years ended December 31, 2019 and 2018, JDA has recognized revenue of approximately \$1,544,000 and \$206,000, respectively, on this subcontract which accounted for approximately 48% and 11%, respectively, of total support and revenue. This revenue is included in foreign operations in Note 7.

9. SUBSEQUENT EVENTS:

Subsequent to the year ended December 31, 2019, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy, and has contributed to significant declines and volatility in financial markets. Due to COVID-19's impact on the world economy, there is a possibility that JDA will see changes in the timing of the program progress as well as future revenues from ZOA throughout the year ended December 31, 2020.

Subsequent events have been evaluated through April 15, 2020, which is the date the financial statements were available to be issued.