



JOINT DEVELOPMENT
ASSOCIATES
INTERNATIONAL, INC.

Financial Statements
With Independent Auditors' Report

December 31, 2020 and 2019

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, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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, 2020 and 2019 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.

Financial Condition - Emphasis of Matter

As discussed in Note 10 to the financial statements, Joint Development Associates International, Inc. has completed all grant program requirements as of December 31, 2020. Management's plans to pursue future funding and manage expenses are described in Note 10. Our opinion is not modified with respect to this matter.

Capin Crouse LLP

Colorado Springs, Colorado
October 25, 2021

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Statements of Financial Position

	December 31,	
	<u>2020</u>	<u>2019</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 81,682	\$ 240,966
Grants receivable	72,874	24,678
Prepaid expenses	2,574	7,141
	<u> </u>	<u> </u>
Total Assets	<u>\$ 157,130</u>	<u>\$ 272,785</u>
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,621	\$ 25,125
Line of credit	71,174	94,500
	<u> </u>	<u> </u>
	<u>73,795</u>	<u>119,625</u>
Net assets:		
Without donor restrictions	83,335	39,021
With donor restrictions	-	114,139
	<u> </u>	<u> </u>
Total net assets	<u>83,335</u>	<u>153,160</u>
Total Liabilities and Net Assets	<u>\$ 157,130</u>	<u>\$ 272,785</u>

See notes to financial statements

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Statements of Activities

	Year Ended December 31,					
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contract and grant revenue	\$ 91,501	\$ 1,097,641	\$ 1,189,142	\$ 680,836	\$ 1,473,694	\$ 2,154,530
Contributions and donations	55,411	2,806	58,217	73,570	147,336	220,906
Miscellaneous revenue	9,327	-	9,327	5,556	-	5,556
Total Support and Revenue	156,239	1,100,447	1,256,686	759,962	1,621,030	2,380,992
NET ASSETS RELEASED:						
Purpose restrictions	1,214,586	(1,214,586)	-	1,557,461	(1,557,461)	-
EXPENSES:						
Program services:						
Rehabilitation	1,059,295	-	1,059,295	1,473,694	-	1,473,694
Agriculture	-	-	-	481,772	-	481,772
Water development	-	-	-	350,169	-	350,169
Project development	923	-	923	8,911	-	8,911
	1,060,218	-	1,060,218	2,314,546	-	2,314,546
Supporting activities:						
Management and general	262,086	-	262,086	228,077	-	228,077
Fundraising	4,207	-	4,207	4,853	-	4,853
Total Expenses	1,326,511	-	1,326,511	2,547,476	-	2,547,476
Change in Net Assets	44,314	(114,139)	(69,825)	(230,053)	63,569	(166,484)
Net Assets, Beginning of Year	39,021	114,139	153,160	269,074	50,570	319,644
Net Assets, End of Year	\$ 83,335	\$ -	\$ 83,335	\$ 39,021	\$ 114,139	\$ 153,160

See notes to financial statements

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services:				Supporting Activities:			
	Rehabilitation	Agriculture	Water Development	Project Development	Total Program	Management and General	Fundraising	Total
Equipment and materials	\$ 753,668	\$ -	\$ -	\$ -	\$ 753,668	\$ 66	\$ -	\$ 753,734
Salaries and related expenses	213,276	-	-	840	214,116	52,624	-	266,740
Office and occupancy	32,206	-	-	-	32,206	205,986	4,207	242,399
Travel and transport	60,145	-	-	83	60,228	3,410	-	63,638
	\$ 1,059,295	\$ -	\$ -	\$ 923	\$ 1,060,218	\$ 262,086	\$ 4,207	\$ 1,326,511

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>

See notes to financial statements

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Statements of Cash Flows

	Year Ended December 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (69,825)	\$ (166,484)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Forgiveness of Paycheck Protection Program loan	(38,345)	-
Change in operating assets and liabilities:		
Grant payable	-	(239,457)
Grants receivable	(48,196)	97,488
Prepaid expenses	4,567	16,705
Accounts payable and accrued expenses	(22,504)	(58,117)
Net Cash Used by Operating Activities	(174,303)	(349,865)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from lines of credit	234,174	987,500
Payments on lines of credit	(257,500)	(928,000)
Proceeds from Paycheck Protection Program loan	38,345	-
Net Cash Provided by Financing Activities	15,019	59,500
Change in Cash and Cash Equivalents	(159,284)	(290,365)
Cash and Cash Equivalents, Beginning of Year	240,966	531,331
Cash and Cash Equivalents, End of Year	\$ 81,682	\$ 240,966
SUPPLEMENTAL DISCLOSURE:		
Cash paid for interest	\$ 5,615	\$ 5,544
Non-cash transaction to recognize loan forgiveness	\$ 38,345	\$ -

See notes to financial statements

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2020 and 2019

1. NATURE OF ORGANIZATION:

Joint Development Associates International, Inc. (JDAI) 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. JDAI believes each person has unique creative abilities to make a difference in their lives, their families, their communities, and their nation. JDAI 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 JDAI's involvement in northern Afghanistan and Kurdistan (Iraq) during 2019-2020:

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, JDAI has been a RADP-North implementing partner in the provinces of Jowzjan, Balkh, Samangan, and Baghlan. JDAI 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. JDAI 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.

JDAI completed all RADP-North program activities in May 2019. Operations in Afghanistan ended and the local office closed in March 2020.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2020 and 2019

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.

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, JDAI 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: JDAI 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, 2020 and 2019

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.

JDAI Water Access Sanitation and Hygiene (WASH)

The JDAI 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, JDAI'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. JDAI shares this important message with students and promotes washing hands to stay healthy through a puppet show play. JDAI 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, 2020 and 2019

1. NATURE OF ORGANIZATION, continued:

JDAI Water Access 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 JDAI.

2018-2019: 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.

2019-2020: the second year of Returnees, IDPs, and Vulnerable Adults Attain Livelihoods (RIVAL) program completed successfully. JDA served 1,828 beneficiaries through cash for work activities, livestock grants, business grants and training opportunities. Cash for work activities provided an income to beneficiaries who helped with renovations of public facilities and rehabilitation of sewer canals in Doghat and Khatarah villages, and the renovation of Alqosh cemetery. In agriculture cash for work, 220 beneficiaries worked in weeding and harvesting land for future agriculture crops. Greenhouse technical training and tools were provided to 342 farmers. 45 beneficiaries received income generation grants to jump start a new business, such as barbershop, sewing shop, coffee shop and tailoring. An additional 40 grants were presented to existing small businesses for their rehabilitation. JDAI also facilitated the purchase of sheep and lambs through livestock grants to 300 beneficiaries, the majority being women. Additionally, 239 farmers received training on fodder management.

Staffing

In 2020, JDAI was staffed with 16 employees: four in the United States, two in Afghanistan, and ten employees in Kurdistan.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2020 and 2019

1. NATURE OF ORGANIZATION, continued:

Other Resources/Facilities/Assets (Project Development)

With the end of operations in Afghanistan, JDAI closed its office in Mazar-i-Sharif in March 2020. The troubled security situation and budget cuts affected our capacity to continue providing humanitarian aid services in Afghanistan. In Kurdistan (Iraq), JDAI maintains offices in Erbil, Dohuk and Baghdad.

JDAI's support comes from federal contract revenue, individual donor contributions, and grants from sponsor organizations. JDAI 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, JDAI is subject to federal income tax on any unrelated business taxable income. In addition, JDAI is not classified as a private foundation within the meaning of Section 509(a) of the IRC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

JDAI 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

JDAI considers all highly liquid instruments with maturities less than three months to be cash and cash equivalents. As of December 31, 2020 and 2019, JDAI has cash and cash equivalents on deposit with financial institutions that exceed the federally insured balance by approximately \$600 and \$7,500, respectively. JDAI has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

GRANTS RECEIVABLE

JDAI's grants 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 grants receivable was received subsequent to the years ended December 31, 2020 and 2019, therefore, an allowance for doubtful accounts has not been recorded as of December 31, 2020 and 2019, respectively.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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. As of December 31, 2020 and 2019, JDAI's vehicles and equipment are fully depreciated and have a net book value of \$0.

NET ASSETS

The net assets of JDAI 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

Contract and grant revenue is recognized when earned. Contributions and donations are 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. Miscellaneous revenue consists primarily of gains on currency exchanges and other income, and it is recorded when earned.

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 JDAI's fixed asset policies.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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.

RECENTLY ADOPTED ACCOUNTING STANDARD

In 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. JDAI adopted the provisions of this new standard during the year ended December 31, 2020 as a resource provider. This new standard provides guidance on determining whether transactions should be accounted for as an exchange transaction or a contribution and whether a contribution should be recorded as conditional or unconditional. This standard did not have a material impact on the presentation of the December 31, 2020 financial statements and had no effect on change in net assets or net assets in total.

3. LIQUIDITY AND AVAILABILITY OF FUNDS:

JDAI has approximately \$155,000 and \$266,000, of financial assets available within one year of the statement of financial position date as of December 31, 2020 and 2019, respectively. This amount consists of cash and cash equivalents and grants 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.

JDAI 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. JDAI 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, 2020, \$178,826 is still available to be borrowed under this agreement.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2020 and 2019

4. VEHICLES AND EQUIPMENT–NET:

Vehicles and equipment–net, consist of:

	December 31,	
	2020	2019
Vehicles	\$ 27,720	\$ 27,720
Furniture and equipment	18,345	18,345
	<u>46,065</u>	<u>46,065</u>
Less: Accumulated depreciation	<u>(46,065)</u>	<u>(46,065)</u>
	<u>\$ -</u>	<u>\$ -</u>

5. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	December 31,	
	2020	2019
RIVAL program	\$ -	\$ 100,116
Kurdistan support	-	6,450
WASH program	-	5,586
Legacy program	-	1,987
	<u>\$ -</u>	<u>\$ 114,139</u>

6. LINE OF CREDIT:

JDAI has a \$250,000 revolving line of credit agreement with no maturity date. It is personally guaranteed by the president of JDAI. As of December 31, 2020 and 2019, the interest rate was 4.25% and 5.75%, respectively. There were no covenants associated with the line of credit as of December 31, 2020 and 2019. Borrowings on the line of credit totaled \$71,174 and \$94,500 as of December 31, 2020 and 2019, respectively.

7. PAYCHECK PROTECTION PROGRAM LOAN:

In April 2020, due to the coronavirus pandemic, JDAI obtained a Paycheck Protection Program (PPP) loan from the Small Business Administration in the amount of \$38,345. The loan is fully forgivable provided JDAI meets certain spending and employment thresholds. All of the conditions were met by December 31, 2020, and the amount was recognized as contract and grant revenue with donor restrictions in the statements of activities for the year ended December 31, 2020. JDAI received notice of forgiveness in November 2020.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2020 and 2019

8. FOREIGN OPERATIONS:

In connection with its foreign projects, JDAI maintains programs and supporting facilities and services in various countries outside the United States. For the years ended December 31, 2020 and 2019, assets in other countries totaled approximately \$24,000 and \$33,000, respectively, and liabilities in other countries were approximately \$2,000 and \$14,000, respectively. Total public support and revenue received from foreign sources totaled approximately \$1,059,000 and \$1,652,000, for the years ended December 31, 2020 and 2019, respectively. The account balances relating to foreign operations are reflected in the financial statements in U.S. Dollars.

The large majority of JDAI's operations occur in Iraq, which continues to undergo significant political, economic, and social change. In this environment, unforeseen events could disrupt JDAI's operations. The geographic concentration of JDAI'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 JDAI to continue its operations or to recover its assets located in Afghanistan, as the effects of these risks are not possible to reasonably estimate.

9. CONCENTRATIONS:

On August 14, 2014, JDAI entered into a subcontract agreement with DAI who in turn has contracted with the U.S. government to implement the RADP-North. JDAI was subcontracting with DAI to promote the wheat value chain in Afghanistan. The period of performance on the cost plus fixed fee subcontract was from August 2014 to May 2019 and has a not-to-exceed value of \$6,733,103. For the years ended December 31, 2020 and 2019, JDAI has recognized revenue of approximately \$0 and \$610,500, respectively on this subcontract which accounted for approximately 0% and 26% of total support and revenue for the years ended December 31, 2020 and 2019, respectively.

On October 11, 2018, JDAI entered into a subcontract agreement with ZOA who in turn has contracted with the U.S. government to implement the RIVAL program. JDAI was 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 was from September 2018 to August 2020 and has a not-to-exceed value of \$2,956,043. For the years ended December 31, 2020 and 2019, JDAI has recognized revenue of approximately \$1,059,000 and \$1,544,000, respectively, on this subcontract which accounted for approximately 84% and 65%, respectively, of total support and revenue. This revenue is included in foreign operations in Note 8. As of December 31, 2020, JDAI has completed its performance on this subcontract and fully recognized the related revenue.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2020 and 2019

10. FINANCIAL CONDITION:

As of December 31, 2020, JDAI has completed all grant program requirements as noted in Note 9. Management continues to actively pursue grant applications and plans to continue to do so until a grant is secured. Based on donations received subsequent to year end, forecasted donations to be received through September 2022 and reduced monthly cash outflows, management believes it will be able to meet all financial obligations until such a time as grant funding is received. Management is closely monitoring these events and conditions.

11. RISKS AND UNCERTAINTIES:

In March 2020, 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 volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of JDAI for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

12. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 25, 2021, which is the date the financial statements were available to be issued.