International Fertilizer Development Center
Financial Statements
December 31, 2020 and 2019

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Independent Auditor's Report

To the Board of Directors
International Fertilizer Development Center

Report on the Financial Statements

We have audited the accompanying financial statements of International Fertilizer Development Center ("IFDC"), a nonprofit organization, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements (collectively, 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IFDC as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2021 on our consideration of IFDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of IFDC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering IFDC's internal control over financial reporting and compliance.

CDPA, P.C.

Florence, AL
June 16, 2021

International Fertilizer Development Center
Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	$ 18,512,295	$ 9,764,756
Grants and contracts receivable	8,543,924	9,369,199
Other receivables	189,850	159,126
Supplies inventory	28,046	26,194
Prepaid expenses and advances	290,898	500,657
Advances to subrecipients	1,571,087	1,763,530
Total current assets	29,136,100	21,583,462
Noncurrent Assets		
Buildings and equipment, net	529,766	153,435
Investments	-	5,000,000
Total noncurrent assets	529,766	5,153,435
Total assets	$ 29,665,866	$ 26,736,897
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	$ 1,023,411	$ 1,490,068
Accrued salary, withholdings, annual leave and sick leave	724,047	599,453
Deferred revenue	28,291,266	27,141,994
Total current liabilities	30,038,724	29,231,515
Total liabilities	30,038,724	29,231,515
Net assets:		
Without donor restrictions	(372,858)	(2,494,618)
With donor restrictions	-	-
Total net assets	(372,858)	(2,494,618)
Total liabilities and net assets	$ 29,665,866	$ 26,736,897

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

International Fertilizer Development Center
Statements of Activities and Changes in Net Assets
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities			
Revenue and support:			
Grants and contracts	$ 49,674,148	$ -	$ 49,674,148
Other government assistance	771,800	-	771,800
Other	158,241	-	172,020
Net Assets released from restrictions	-	-	-
Total revenue and support	50,604,189	-	50,617,968
Expenses:			
Program –			
Research and development	3,416,281	-	3,416,281
Field projects	36,330,772	-	36,551,100
Capacity building	3,256,080	-	3,256,080
Support services	4,457,699	-	4,457,702
Operational expense	1,033,681	-	1,033,681
Total expenses	48,494,513	-	48,714,844
Change in net assets from operating activities	2,109,676	-	1,903,124
Nonoperating activities			
Interest income	12,084	-	10,390
Change in net assets from nonoperating activities	12,084	-	10,390
Change in net assets	2,121,760	-	2,121,760
Net assets, beginning of year	(2,494,618)	-	(2,494,618)
Net assets, end of year	$ (372,858)	$ -	$ (372,858)

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

International Fertilizer Development Center
Statements of Activities and Changes in Net Assets
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities			
Revenue and support:			
Grants and contracts	$ 47,664,757	$ -	$ 47,664,757
Other	115,229	-	115,229
Net Assets released from restrictions	8,330	(8,330)	-
Total revenue and support	47,788,316	(8,330)	47,779,986
Expenses:			
Program –			
Research and development	3,540,208	-	3,540,208
Field projects	34,308,470	-	34,308,470
Capacity building	4,089,564	-	4,089,564
Support services	4,914,723	-	4,914,723
Operational expense	503,865	-	503,865
Total expenses	47,356,830	-	47,356,830
Change in net assets from operating activities	431,486	(8,330)	423,156
Nonoperating activities			
Interest income	15,854	-	15,854
Change in net assets from nonoperating activities	15,854	-	15,854
Change in net assets	447,340	(8,330)	439,010
Net assets, beginning of year	(2,941,958)	8,330	(2,933,628)
Net assets, end of year	$ (2,494,618)	$ -	$ (2,494,618)

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

International Fertilizer Development Center
Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Change in net assets	$ 2,121,760	$ 439,010
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	37,282	10,586
Change in assets and liabilities:		
Grants and contracts receivable	825,275	(1,944,402)
Other receivables	(30,724)	8,996
Supplies inventory	(1,852)	7,807
Advances to subrecipients	192,443	(1,582,056)
Prepaid expenses	209,759	35,795
Accounts payable and accrued liabilities	(466,657)	(248,659)
Accrued salary, annual leave and sick leave	124,594	(253,459)
Deferred revenue	1,149,272	9,723,890
Net cash flows from operating activities	4,161,152	6,197,508
Cash flows from investing activities		
Purchase of fixed assets	(413,613)	(90,320)
Proceeds from sale of investments	5,000,000	223,000
Net cash flows from investing activities	4,586,387	132,680
Change in cash and cash equivalents	8,747,539	6,330,188
Cash and Cash Equivalents		
Beginning of year	9,764,756	3,434,568
End of year	$ 18,512,295	$ 9,764,756

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

NOTE 1 – GENERAL

International Fertilizer Development Center ("IFDC") is a non-profit organization incorporated October 7, 1974 under the state laws of Alabama. On March 14, 1977, IFDC was designated as a public international organization by executive order of the President of the United States. IFDC focuses on increasing and sustaining food and agricultural productivity in developing countries and transitional economies through the development and transfer of effective and environmentally sound plant nutrient technology and agribusiness expertise. In the event of dissolution, the articles of incorporation provide that the residual assets of the organization will be distributed to one or more tax exempt organizations or to the federal, state, or local government for exclusive public purposes.

IFDC is engaged in the following programs:

- *Research and Development Program* – The Research and Development Program is comprised primarily of three programs: 1) Developing and Scaling Out Technologies, Approaches and Practices, which develops and diffuses technologies that address nutrient management issues and promotes advancement of sustainable agricultural intensification; 2) Supporting Policy Reforms and Market Development, which conducts evidence-based policy analyses to support reform processes in multiple dimensions of economic policy and 3) Learning Agendas and Knowledge Management, which works to ensure that IFDC captures, documents, analyzes, and disseminates the knowledge generated from all of IFDC's work on increased agricultural productivity.

- *Field Projects Program* – The Field Projects Program aims to increase the productivity and profitability of smallholder agriculture through the development of competitive and sustainable agricultural value chains and the improvement of social and environmental stability in various regions of the world.

- *Capacity Building Program* – The Capacity Building Program aims to equip IFDC partners (farmers, dealers, marketers, entrepreneurs) in developing countries with the capabilities, expertise and skills required to perform their functions in the food value chain in an effective and efficient manner.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of IFDC have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018. Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of IFDC and changes therein are classified as follows:

- *Net assets without donor restrictions*: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of IFDC. IFDC's board may designate assets without restrictions for specific operational purposes from time to time.

- *Net assets with donor restrictions*: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of IFDC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

It remains the policy of IFDC to first apply restricted resources when an expense is incurred and then apply unrestricted resources when both restricted and unrestricted net assets are available.

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, disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. Allowances, if any, are established for pledges estimated to be uncollectible.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

Grants and Contracts

Except for the any amounts classified as contributions discussed above, IFDC's grants and contracts are considered to be exchange contracts and, therefore, the revenues are classified as unrestricted and are recognized as the related funds are expended. Deferred revenue of $27,999,112 and $27,141,994 at December 31, 2020 and 2019, respectively, represents funds received or billings in advance or in excess of amounts expended on grants and contracts. Grants and contracts receivable represent amounts earned or billed under exchange contracts but not received at year end. As previously noted, amounts are deemed earned and are recognized as revenue as the related funds are expended.

Investments

During 2019, IFDC held long-term investments, which consisted of bank certificates of deposit, recorded at cost, which approximates market value. If IFDC were to acquire other types of investments, the net appreciation (depreciation) in the fair value of those investments, which would consist of the realized gains or losses and the unrealized appreciation (depreciation) on those investments, would be presented in the statement of activities in accordance with donor restrictions as investment return. For all investments, investment return is presented net of investment fees. The average cost method is primarily used to determine the basis for computing any realized gains or losses.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to IFDC's ongoing activities. Nonoperating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

IFDC considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Other Receivables

Other receivables consist primarily of receivables from employees. Due to the nature of IFDC's operations in foreign countries, advances are routinely made to employees working in these regions for living or travel expenses. All amounts are due within one year.

Supplies Inventory

Inventories of supplies are valued at the lower of cost or replacement cost using the first-in, first-out method.

Advances to Subrecipients

Advances to subrecipients represent payments to subrecipients in advance of services being provided by the subrecipients in accordance with the terms of the grant contract. These payments are recorded as advances when made and are appropriately reclassified as project expenses as the work is performed under these contracts.

Buildings and Equipment

Buildings and equipment are recorded at cost, or fair value at the date of donation in the case of gifts. Major renewals and betterments are capitalized. IFDC's capitalization policy defines a major renewal or betterment as a purchase of property, plant or equipment with a cost exceeding $5,000 and a life reasonably expected to be longer than one year. Maintenance and repairs are charged to expense as incurred. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets ranging from three to twelve years. When items of buildings or equipment are sold or retired, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss is included in the statements of activities and changes in net assets.

Accrued Annual and Sick Leave

Annual and sick leave accrue at the monthly rate of 16 hours and 8 hours, respectively. Employees may carry forward annual leave up to a maximum of 176 hours and sick leave up to a maximum of 1,200 hours. Annual leave in excess of 176 hours can be converted to sick leave until accrued sick leave reaches 1,200 hours. Upon termination, employees are paid for accrued annual leave up to 176 hours. All unused sick leave is forfeited upon termination.

Income Tax Status

IFDC has a tax determination letter from the Internal Revenue Service stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

Uncertain Tax Positions

IFDC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization had no unrelated business activities that are subject to taxes.

Foreign Currency

IFDC records transactions denominated in foreign currency on a monthly basis, using the average monthly exchange rate. Bank accounts denominated in foreign currency are translated as of the ending balance sheet dates using the current exchange rate at that time.

Concentrations of Credit Risk

IFDC maintains cash accounts with several large financial institutions. All accounts at financial institutions in the United States of America are guaranteed by the Federal Deposit Insurance Corporation up to $250,000 per bank. IFDC also maintains cash accounts with foreign financial institutions. IFDC's policy is to maintain one month's worth of operating expenses within these foreign accounts to cover current expenses of programs based in these foreign countries. Credit risk with respect to deposits and investments, is more fully described in Note 4.

During the year ended December 31, 2020 and 2019, approximately 16% and 23%, respectively, of revenues were generated from contributions, grants or contracts directly or indirectly funded by USAID. During the year ended December 31, 2020 and 2019, approximately 58% and 56%, respectively, of revenues were generated from contributions, grants or contracts directly or indirectly funded by one foreign government. At times, IFDC may have concentrations of receivables from both foreign and domestic entities. Management evaluates the collectability of these receivables and reserves for any receivables that are doubtful of collection. At December 31, 2020 and 2019, receivables from contributions, grants and contracts funded by USAID were 13% and 37%, respectively, of total contributions, grants and contracts receivable. At December 31, 2020 and 2019, IFDC had $4,899,269 and $5,786,245, respectively, of receivables from foreign governments and entities.

Long-Lived Assets

IFDC reviews long-lived assets held and used in operations for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be fully recoverable. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of recoverability is performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required. IFDC did not recognize any impairment write-downs for long-lived assets in 2020 and 2019.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

At December 31, 2020, IFDC has $28,344,802 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash and cash equivalents of $18,304,049, grants and contributions receivable of $8,251,770, and other current financial assets of $1,788,983.

NOTE 4 – CASH AND INVESTMENTS

Cash and Cash Equivalents

At December 31, cash and cash equivalents consisted of the following:

	2020	2019
Deposits in U.S. banks	$ 9,728,630	$ 9,389,414
Deposits in U.S. banks – money market	8,001,205	-
Deposits in foreign financial institutions	776,521	370,652
Petty cash funds	5,939	4,690
	$ 18,512,295	$ 9,764,756

At December 31, 2020, the balance per the bank statements (prior to reconciliation) of the U.S. bank deposits was $18,599,032. Of this balance, $901,133 was covered by FDIC insurance and $503,663 of the balance was collateralized with securities pledged by the financial institutions. At December 31, 2020, $17,194,236 was unsecured or uncollateralized. At December 31, 2019, the balance per the bank statements (prior to reconciliation) of the U.S. bank deposits was $9,489,024. Of this balance, $667,534 was covered by FDIC insurance and $500,440 of the balance was collateralized with securities pledged by the financial institutions. At December 31, 2019, $8,321,050 was unsecured or uncollateralized. The securities pledged to secure IFDC's deposits are held by the pledging institution's third party safe-keeper on behalf of IFDC. The securities are held in the name of the pledging financial institution. Pledges are released only by notification of consent from IFDC to the safekeeping financial institution.

Investments

At December 31, investments consisted of the following:

	2020	2019
Certificates of Deposit, U.S. banks, matures < 1 year	$ -	$ -
Certificates of Deposit, U.S. banks, matures > 1 year	-	5,000,000
Total	$ -	$ 5,000,000

At December 31, 2019, $5,000,000 of certificates of deposits were unsecured and uncollateralized.

Income from deposits and investments consisted of interest income only. For the year ended December 31, 2021 and 2020, interest income totaled $12,084 of which $10,390 is included in other income and $1,694 is included in grants and contracts income in accordance with requirements set forth in the grant/contract agreements. For the year ended December 31, 2019, interest income totaled $16,171 of which $15,854 is included in other income and $317 is included in grants and contracts income in accordance with requirements set forth in the grant/contract agreements.

NOTE 5 – BUILDINGS AND EQUIPMENT

Buildings and equipment consist of the following at December 31, 2020 and 2019:

	2020	2019
Buildings	$ 6,583,771	$ 6,168,067
Equipment	385,771	385,771
	6,969,542	6,553,838
Accumulated depreciation	(6,439,776)	(6,400,403)
	$ 529,766	$ 153,435

Depreciation expense was $37,282 and $10,586 for the years ended December 31, 2020 and 2019, respectively.

IFDC's building, which was being depreciated over thirty-five years, was fully depreciated during the year ended December 31, 2007. The land on which the building was constructed is owned by the Tennessee Valley Authority ("TVA"). On August 16, 1976, TVA granted IFDC a permanent easement for the construction, operation, and maintenance of fertilizer research and related facilities on this land. In the event that IFDC ceases such operations, TVA has the right to terminate the easement upon ninety days written notice to IFDC. Upon any such termination, IFDC, at its own expense, may remove any of the improvements that it shall have placed on the land within 180 days following termination of the easement. Any improvements not removed within the 180 day time frame shall, upon expiration thereof, automatically vest in TVA, its successors or assignees. IFDC's building was constructed with federal funds received through a USAID capital construction program grant. This grant, effective June 30, 1975 through June 29, 1978, provided funds totaling $8,800,000 for the support of capital development costs including the purchase and acquisition of capital equipment. Under the terms of the grant, any real property purchased or constructed with the use of these federal funds obligates IFDC, or in the case of any transfer of such property, any transferee, to use such property for a purpose for which the grant funds were expended or for another purpose involving the provision of similar services or benefits.

An amendment to IFDC's articles of incorporation, dated January 17, 1975, provides that in the event of dissolution, the residual assets of the organization will be turned over to one or more organizations which themselves are exempt as organizations described in Sections 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1954 or corresponding sections of any prior or future Internal Revenue Code, or to the federal, state or local government for exclusive public purpose.

NOTE 6 – RETIREMENT PLAN

IFDC provides retirement benefits for eligible employees through a fully vested defined contribution retirement plan. Contributions, which are made by IFDC for each eligible employee, are based upon salary and age. IFDC's contributions for the years ended December 31, 2020 and 2019 were $1,031,787 and $1,023,563, respectively.

NOTE 7 – RISKS AND UNCERTAINTIES

IFDC's projects, like most projects of other International Agricultural Research Centers, are normally situated in unstable regions arising from the political turmoil and instability. The situation in any of these areas could change rapidly, at which time the project in that area may have to be abandoned or postponed. The abandonment or long-term interruption of any major project could have a negative impact on IFDC's financial position and/or results of operations. In addition, a majority of IFDC's multilateral and bilateral donor funding is subject to competition, changes in procurement policies and regulations, the continuing availability of congressional appropriations, world events, and the size and timing of programs in which IFDC may participate. These risks could result in deduction or loss of future funding. Significant reductions in multilateral or bilateral donor funding could have a material adverse impact on IFDC's financial position, results of operations and cash flows.

NOTE 8 – LINE OF CREDIT

IFDC entered into an agreement with First Metro Bank, Muscle Shoals, Alabama, for a $4,000,000 line of credit on July 12, 2018. The agreement allowed IFDC to borrow up to $4,000,000 at 5% interest through July 12, 2019. The agreement expired on July 12, 2019 and management is currently renegotiating its terms as of the date of the audit report. No amounts were outstanding at December 31, 2020 and 2019.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The Company leases various building and equipment under operating leases. Rent expense under operating leases during the years ended December 31, 2020 and 2019 totaled $351,843 and $474,274. Future minimum lease payments under non-cancelable operating leases as of December 31, 2020, are as follows:

Year Ending December 31,	
2021	$ 306,875
2022	145,368
2023	145,368
2024	145,368
2025	-
Total	$ 742,979

NOTE 10 – GRANTS AND CONTRACTS

Revenue recognized under grants and contracts for the years ended December 31, 2020 and 2019 is summarized as follows:

	2020	2019
AFAP	$ -	$ 8,876
African Development Bank	-	833,483
Alliance for a Green Revolution in Africa (AGRA)	897,880	1,692,599
Argus	45,000	30,000
Borax	23,567	-
Catholic Relief Services	-	205,719
Development Gateway	79,634	
Dutch Embassy of Benin	4,265,257	7,628,520
Dutch Embassy of Burundi	10,411,165	6,298,113
Dutch Embassy of Uganda	3,385,958	4,604,558
FDOV	338,863	-
Federal Ministry of Nigeria	234,117	-
GIZ Uganda	398,703	360,832
Government of Nigeria	-	227,674
Hexion, Inc.	36,259	10,115
ICL Fertilizer	144,319	272,424
IFAD VCDP	59,682	76,501
Inclusive Agribusiness	108,805	-
International Fertilizer Industry Association	167,239	151,184
International Food Policy Research Institute (IFPRI)	614,291	962,311
International Maize & Wheat Improvement Center (CIMMYT)	136,805	216,702
Irish Aid	402,219	433,698
MAEP	674,281	765,959
Mercy Corps	240,415	
Millennium Challenge Authority (MCA)	689,817	1,599,018
Netherlands Minister for Development Cooperation (DGIS)	13,303,689	8,341,319
Nutrien	141,689	-
OCP Foundation	2,043,872	718,316
Other Pilot Plant/Lab/Greenhouse Income	10,000	221,768
Others	183,167	273,463
Shell Oil Products US	69,881	26,337
Sirius	130,589	294,051
Sulvaris	109,825	143,311
Swiss Contact	570,611	199,289
TAAT	281,265	-
The Fertilizer Institute	-	8,335
Training Programs	-	222,586
United Nations Office for Project Development (UNOPS-LIFT)	940,944	1,351,114
United States Agency for International Development	8,243,881	8,887,903
USDA	807	84,373
Wal-Mart Foundation, Inc.	289,652	132,079
World Bank	-	382,227
Total grants and contracts revenue	$ 49,674,148	$ 47,664,757

NOTE 11 – SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition and disclosure through the date of the auditors' report, which was the date the financial statements were available to be issued.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the company, to date, there is a risk that the Organization will experience a decrease in operational activity due to the economic impact of this pandemic.

NOTE 12 – NEW ACCOUNTING PRONOUNCEMENTS

Adopted

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement, Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. This ASU intends to improve the effectiveness of disclosures in the notes to financial statements by modifying disclosure requirements for fair value measurements. The ASU is effective for the Organization for annual and interim reporting periods beginning after December 15, 2019 with early adoption permitted. The adoption of this ASU had no impact to the financial statement disclosures.

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU intends to clarify and improve current accounting guidance to determine when a transaction should be accounted for as a contribution or as an exchange transaction and provides additional guidance about how to determine whether a contribution is conditional. The ASU is effective for the Organization for annual reporting periods beginning after June 15, 2018 for contributions received and after December 15, 2018 for contributions made. The adoption of this ASU had no impact to total unrestricted revenues, excess of revenues over expenses or total net assets.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance, and requires expanded disclosures about revenue recognition. The core principle of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also requires enhanced disclosures related to the disaggregation of revenue and significant judgments made in measurement and recognition. The ASU is effective for the Organization for annual reporting periods beginning after December 15, 2018. The adoption of this ASU had no impact to total unrestricted revenues, excess of revenues over expenses or total net assets.

Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities. This ASU was originally effective for fiscal years beginning after December 15, 2019 but was extended to December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently evaluating the effect the provisions of ASU 2016-02 will have on the financial statements.

In October 2020, the FASB issued ASU No. 2020-10, *Codification Improvements*. ASU 2020-10 clarifies various topics in the Codification, including the addition of existing disclosure requirements to the relevant disclosure sections. This ASU improves consistency by amending the Codification to include all disclosure guidance in the appropriate disclosure sections, and clarifies application of various provisions in the Codification by amending and adding new headings, cross referencing to other guidance, and refining or correcting terminology. The amendments in Sections B and C of this Update are effective for annual periods beginning after December 15, 2020, for public business entities. For all other entities, the amendments are effective for annual periods beginning after December 15, 2021, and interim periods within annual periods beginning after December 15, 2022. Early application of the amendments in this Update is permitted for public business entities for any annual or interim period for which financial statements have not been issued. For all other entities, early application of the amendments is permitted for any annual or interim period for which financial statements are available to be issued. The amendments in this Update should be applied retrospectively. An entity should apply the amendments at the beginning of the period that includes the adoption date. The Organization is currently evaluating the effect the provisions of ASU 2020-10 will have on the financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958). The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires a not-for-profit to disclose:

a. Contributed nonfinancial assets recognized within the statement of activities disaggregated by category that depicts the type of contributed nonfinancial assets, and
b. For each category of contributed nonfinancial assets recognized (as identified in (a)):
    i. Qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, a description of the programs or other activities in which those assets were used.
    ii. The not-for-profit's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets.
    iii. A description of any donor-imposed restrictions associated with the contributed nonfinancial assets.
    iv. The valuation techniques and inputs used to arrive at a fair value measure, in accordance with the requirements in Topic 820, Fair Value Measurement, at initial recognition.
    v. The principal market (or most advantageous market) used to arrive at a fair value measure if it is a market in which the recipient NFP is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets.

The amendments in this ASU should be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021, and interim periods with annual reporting periods beginning after June 15, 2022. Early adoption is permitted. The Organization is currently evaluating the effect the provisions of ASU 2020-07 will have on the financial statements.

NOTE 13 – FUNCTIONAL EXPENSES

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort; occupancy costs and depreciation, which are allocated on a square footage basis; and supplies and telephone costs, which are allocated based on usage estimates.

For fiscal year 2020, natural expense accounts were allocated as follows:

	Program Services			Supporting Services		
	Research and Development	Field Projects	Capacity Building	Administrative	Operational	Total
Compensation	$ 1,287,887	$ 8,030,107	$ 473	$ 2,443,728	$ -	$ 11,762,195
Benefits	821,612	4,248,681	290	1,319,807	-	6,390,390
Office expenses	20,847	782,216	728	64,700	73,278	941,769
Occupancy	34,443	866,799	626	-	680,089	1,581,957
Travel	52,211	1,607,745	10,702	84,135	-	1,754,793
Depreciation	-	1,846	-	-	35,436	37,282
Insurance	-	116,818	-	-	106,023	222,841
Research and development	789,660	14,875,029	3,224,438	-	-	18,889,127
Communications	6,357	281,587	414	-	40,139	328,497
Equipment and materials	116,150	1,537,855	10,266	65,555	32,152	1,761,978
Shipping	14,077	105,174	3,010	-	5,314	127,575
Other	273,037	3,876,915	5,133	479,774	61,250	4,696,109
Total	$ 3,416,281	$ 36,330,772	$ 3,256,080	$ 4,457,699	$ 1,033,681	$ 48,494,513

For fiscal year 2019, natural expense accounts were allocated as follows:

	Program Services			Supporting Services		
	Research and Development	Field Projects	Capacity Building	Administrative	Operational	Total
Compensation	$ 1,617,442	$ 8,396,191	$ 49,514	$ 2,471,154	$ -	$ 12,534,301
Benefits	657,892	2,765,994	18,262	981,100	-	4,423,248
Office expenses	36,921	1,101,027	874	120,009	52,755	1,311,586
Occupancy	22,254	1,018,454	2,372	386,681	234,414	1,664,175
Travel	276,821	2,991,313	21,342	350,986	-	3,640,462
Depreciation	-	-	-	10,586	-	10,586
Insurance	1,184	78,805	-	40,149	56,896	177,034
Research and development	327,124	12,105,369	-	35,910	-	12,468,403
Communications	5,851	271,402	367	26,373	16,234	320,227
Workshops and training	117,885	-	3,929,496	18,331	-	4,065,712
Equipment and materials	234,703	1,006,650	19	11,744	13,632	1,266,748
Shipping	13,538	80,322	1,962	34,481	75	130,378
Other	228,593	4,492,943	65,356	427,219	129,859	5,343,970
Total	$ 3,540,208	$ 34,308,470	$ 4,089,564	$ 4,914,723	$ 503,865	$ 47,356,830