NOE INTERNATIONAL, INC.

FINANCIAL STATEMENTS
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

December 31, 2019

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Management is responsible for the accompanying financial statements of NOE International, Inc. (a non-profit corporation), which comprise the statement of financial position as of December 31, 2019 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements of NOE International, Inc. as of December 31, 2018 were subjected to a compilation engagement by other accountants whose report dated May 15, 2019 stated that they have not audited or reviewed the 2018 financial statements and accordingly, do not express an opinion, a conclusion, nor provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

CPA

Alan M. Lane. CPA
Castle Rock, CO
August 17, 2020

NOE INTERNATIONAL INC.
Statement of Financial Position

	December 31,	
	2019	2018
ASSETS:		
Cash & Cash Equivalents (unrestricted)	$ 60,137	$ 111,865
Cash & Cash Equivalents (restricted)	93,623	
Fixed Assets (net, fully depreciated)		
Total Assets	$ 153,760	$ 111,865
LIABILITIES AND NET ASSETS:		
Liabilities		
Accounts Payable & Accrued Expenses	$ 1,231	$ 2,162
Total Liabilities	1,231	2,162
Net assets:		
Without Donor Restrictions	58,906	109,703
With Donor Restrictions	93,623	
Total Net Assets	152,529	109,703
Total Liabilities and Net Assets	$ 153,760	$ 111,865

See accompanying notes and independent accountant's compilation report

NOE INTERNATIONAL, INC.
Statement of Activities

	Year Ended December 31, 2019			Year Ended December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions (Building Fund)	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	$ 228,104	$ 218,523	$ 446,627	$ 292,986		$ 292,986
Special Events	114,523		114,523	115,786		115,786
Other Income	50		50	8		8
Net Assets released from restrictions and designations	124,900	(124,900)				
Total Support and Revenue	467,577	93,623	561,200	408,780		408,780
EXPENSES:						
Program Services	390,625		390,625	327,020		327,020
Supporting Services						
General & Administrative	55,558		55,558	67,589		67,589
Fund Raising	72,191		72,191	40,816		40,816
Total Supporting Services	127,749		127,749	108,405		108,405
Total Expenses	518,374		518,374	435,425		435,425
CHANGE IN NET ASSETS	(50,797)	93,623	42,826	(26,645)		(26,645)
BEGINNING NET ASSETS	109,703		109,703	136,348		136,348
ENDING NET ASSETS	$ 58,906	$ 93,623	$ 152,529	$ 109,703		$ 109,703

See accompanying notes and independent accountant's compilation report

NOE INTERNATIONAL, INC.
Statement of Functional Expenses

	Year Ended December 31, 2019				Year Ended December 31, 2018			
	Program	General & Administrative	Fundrasing	Total	Program	General & Administrative	Fundrasing	Total
EXPENSES								
Wages & Payroll Taxes	$ 44,738	$ 44,926	$ 13,628	$ 103,292	$ 50,928	$ 41,696	$ 11,507	$ 104,131
Employee Benefits	1,018	1,019	310	2,347	561			561
Bank & Payment Processing Fees	2,508	2,509	764	5,781		5,680		5,680
Office Supplies	98	99	30	227	434	5,613		6,047
Local Transportation	409	409	125	943		915		915
Postage & Mailing	798	799	243	1,840		2,032		2,032
Printing & Copying	519	520	158	1,197		3,073	33	3,106
Telephone	78	78	24	180				
Professional Services	2,261	2,263	688	5,212	250	4,985	10,000	15,235
Software Services	1,394	1,395	424	3,213				
Travel	805	805	245	1,855	6,978			6,978
Other	736	736	224	1,696		2,819		2,819
Fundraising			55,328	55,328			19,276	19,276
Interns	12,202			12,202				
Support Payments to Mexico	323,061			323,061	267,869			267,869
Depreciation						776		776
Total Expenses	$ 390,625	$ 55,558	$ 72,191	$ 518,374	$ 327,020	$ 67,589	$ 40,816	$ 435,425

See accompanying notes and independent accountant's compilation report

NOE INTERNATIONAL, INC.
Statement of Cash Flows

		Year Ended December 31,	
		2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:			
Change in Net Assets	$	42,826	(26,645)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:			
Depreciation			776
Decrease (Increase) in Other Current Assets			1,837
Increase (Decrease) in Accounts Payable and Accrued Expenses		(931)	2,162
NET CASH PROVIDED BY OPERATING ACTIVITIES		41,895	(21,870)
NET CHANGE IN CASH AND CASH EQUIVALENTS		41,895	(21,870)
BEGINNING CASH AND CASH EQUIVALENTS		111,865	133,735
ENDING CASH AND CASH EQUIVALENTS	$	153,760	111,865

Unrestricted Cash & Cash Equivalents		60,137	111,865
Restricted Cash & Cash Equivalents		93,623	
Total Cash & Cash Equivalents		153,760	111,865

See accompanying notes and independent accountant's compilation report

NOE INTERNATIONAL, INC.
Notes to the Financial Statements
December 31, 2019

Note 1-Organization and Summary of Significant Accounting Policies

NOE International, Inc. (NOE) (Nuevas Oportunidades Educativas) is a not-for-profit organization that was originally incorporated in 1988 under the laws of the State of Oregon. NOE's mission is to provide support to the NOE Centers, non-denominational Christian community centers in Mexico. The mission of the NOE Centers is to transform the lives of young people by integrating Christ's love and teaching through community center based educational programs located in low income neighborhoods. The NOE Centers encourage a positive self-concept, academic excellence, creative expression, recreational skills, and social responsibility in the young people of Mexico. NOE is supported by donations from various individuals and foundations.

Basis of Presentation

The financial statements have been prepared using the accrual basis of accounting. In addition, the financial statement presentation follows the requirements of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC), which requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are neither perpetually nor temporarily restricted by donor-imposed stipulations and include revenue from fees, certain investment Income, and all gifts, grants, and contributions that are free of donor restrictions. These amounts are currently available at the discretion of the Organization's Board for use in its operations.

Net Assets with Donor Restrictions

Net assets with donor restrictions account for unspent contributions that are restricted by the donor to use for specific purposes or during specific time periods.

Note 1-Organization and Summary of Significant Accounting Policies (continued)

Revenues and Expenses

Contributions without donor restrictions are recognized as income when cash or ownership of donated assets is unconditionally promised to the organization. Contributions with donor restrictions are recognized as income in the statement of activities when cash or the ownership of assets is unconditionally promised to the organization, and they are subsequently released to net assets without donor restrictions when conditions have occurred in satisfaction of those designations. Other income is recognized when earned. Expenses are recognized when incurred in accordance with the accrual basis of accounting.

Cash

Highly liquid investments with initial maturities of three months or less are considered to be cash equivalents. The Organization's cash and cash equivalents are on deposit with major domestic financial institutions. Accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2019, the FDIC insurance coverage for bank deposits is up to $250,000 per account holder. Cash equivalents, other securities, and limited amounts of cash held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to $500,000 of protection for each brokerage account with a limit of $250,000 for claims of uninvested cash balances. The SIPC insurance does not protect against market losses on investments.

Property and Equipment

Property and equipment are stated at cost net of depreciation, which is computed using the straight-line method over the estimated useful service life of the assets (furniture, equipment and software are depreciated over 3 to 10 years). Additions and betterments of $500 or more are capitalized, while repairs and maintenance that do not improve or extend the useful lives of the respective assets are expensed currently.

Note 1-Organization and Summary of Significant Accounting Policies (continued)

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support increasing net assets without donor restrictions unless the donor has restricted the donated assets for a specific purpose or period of time. Assets with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization decreases net assets with donor restrictions and increases net assets without donor restrictions at that time (net assets released from restrictions).

Donated Other Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Donated Services

No amounts have been reflected in the financial statements for donated services as the criteria for recognition has not been met under FASB ASC. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific ministry programs, campaign solicitations, and various committee assignments.

Concentrations

For the year ended December 31, 2019, one donor contributed $150,000, which is 33.58 percent of total contributions and nineteen donors contributed a total of $219,891, which is 49.23 percent of total contributions received.

Note 1-Organization and Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the Statement of Functional Expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses requiring allocation include bank charges & payment processing fees, office supplies, postage, mailing, printing, telephone, professional services, software services, travel, and other expenses. All were allocated based on estimates of time & effort.

Use of Estimates in Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates.

Subsequent Events

Management has evaluated all subsequent events and transactions through August 17, 2020, the date the financial statements were available to be issued. In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization declared the outbreak to constitute a “Public Health Emergency of International Concern.” The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on donors, employees, and vendors. All of these factors are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Organization’s financial condition or results of operations is uncertain.

NOE INTERNATIONAL, INC.
Notes to the Financial Statements
December 31, 2019

Note 2-Income Tax Status

The Organization is exempt from federal and state income taxes under Section 50l(c)(3) of the Internal Revenue Code, except for unrelated business income, which is taxable. As a result, no income tax provision or liability has been provided in the accompanying financial statements. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code and qualifies for deductible contributions as provided in Section 170(c)(2) of the Internal Revenue Code.

As of December 31, 2019, the Organization does not believe it has any uncertain tax positions that would result in the Organization having a liability to a taxing authority. The Organization is subject to federal and state tax examinations for fiscal years 2017, 2018 and 2019-- generally three years from the date the returns are filed. However, the Organization is not aware of any ongoing examinations.

Note 3-Concentration of Risk

Financial instruments that potentially expose the Organization to concentrations of credit risk consist primarily of contributions receivable. The Organization does not recognize or record contributions receivable based on pledges received or any other basis. Contributions are generally recognized and recorded when the contribution is received. The Organization maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Organization invests with financial institutions of sound reputation and evaluates credit risk on an ongoing basis. The Organization has not experienced any losses in such accounts.

Note 4-Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the Statement of Financial Position date, December 31, 2019 reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the Statement of Financial Position dates.

Financial Assets	**December 31, 2019**
Cash & Cash Equivalents	$153,760
Total Financial Assets Available	153,760
Less assets unavailable for general expenditures because of donor-imposed purpose restrictions	(93,623)
Financial Assets Available for General Expenditures	$ 60,137

Note 5-Fixed Assets

Expenditures for equipment are capitalized at cost. Donated assets are capitalized at their fair market value on the date of the gift if such value is readily ascertainable. Expenditures for repairs and maintenance are charged to expense. It is the Organization's policy to carry capitalized items at cost, with depreciation provided on a straight-line basis over the estimated useful lives of the assets. Fixed Assets at December 31, 2019 were as follows:

Fixed Assets	**December 31, 2019**
Automobiles, Furniture, & Equipment	$33,391
Less Accumulated Depreciation	(33,391)
Fixed Assets, Net	$ 0.00

Note 6-Discretion and Sole Control of Contributions

NOE International, Inc. ("the Organization") is a charitable, nonprofit entity as described in §501(c)(3) of the Internal Revenue Code. The Organization's EIN number is 93-0983604 and it is registered in the state of Oregon. In Accordance with the Internal Revenue Service guidelines, the Organization maintains discretion and sole control over the use of all donated funds. All donations are non-refundable. In practice, the Organization honors a donor's request on how monies are spent. An example of that is the Building Fund. In rare cases when that is not possible, gifts will be used where needed. Therefore, donors explicitly release NOE International Inc. from any restrictions on how those funds are spent. No goods or services were provided in return for any contribution. Contributions are tax-deductible to the extent allowed by law.