

SEMILLA NUEVA
Consolidated Financial Statements
As of December 31, 2023 and 2022
With Independent Auditor's Report

AUDIT REPORT

INDEX	PAGE
1.- Independent auditor's report	1
2.- Consolidated financial statements as of December 31, 2023 and 2022	
2.1 Consolidated statements of financial position	3
2.2 Consolidated statement of activities for the year 2023	4
2.3 Consolidated statement of activities for the year 2022	5
2.4 Consolidated statement of functional expenses	6
2.5 Consolidated statement of cash flow	7
3.- Notes to the consolidated financial statements	8
Appendix "A" Audit Procedures	24



INDEPENDENT AUDITOR'S REPORT

Honorable
Board of Directors
Semilla Nueva

Report on the audit of the consolidated financial statements

Opinion

We have audited the attached Consolidated financial statements of Asociación Semilla Nueva, Semilla Nueva, SA and Semilla Nueva 501 (c)(3), which comprise the consolidated statements of financial position as of December 31, 2023, the Consolidated statement of activities and changes in net assets and cash flows for the year then ended and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of Asociación Semilla Nueva, Semilla Nueva, S.A. and Semilla Nueva 501 (c)(3), for the year ended December 31, 2023 have been prepared on the accrual basis of accounting (or accrual) in accordance with accounting principles generally accepted in the United States of America (US GAAP for non-profit organizations), indicated in Note 2. And that they reflect fairly, in all material respects, the financial condition of the three organizations.

Basis for the opinion

We have conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Asociación Semilla Nueva, Semilla Nueva, SA and Semilla Nueva 501 (c)(3) in accordance with the ethical requirements that are relevant to our audit of financial statements in Guatemala, and we have fulfilled other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and provides a reasonable basis to support our opinion. The administration has stated that the Semilla Nueva Association and Semilla Nueva 501 (c)(3) will continue to operate; However, Semilla Nueva SA provisionally closed operations in 2023.

Accounting Basis

Without affecting our opinion, we draw attention to Note 2) of the accompanying consolidated financial statements that have been prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP for non-profit organizations). As a result, our report is intended exclusively for the Board of Directors of the Semilla Nueva Association, Semilla Nueva SA and Semilla Nueva 501 (c) (3).

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting policies of the Semilla Nueva Association, Semilla Nueva, SA and Semilla Nueva 501 (c)(3) Likewise, the Administration is responsible for the internal control that it considers necessary to allow the consolidated financial statements to be free of material error, whether due to fraud or error.

In preparing the Consolidated financial statements, management is responsible for assessing the ability of the Semilla Nueva Association, Semilla Nueva, S.A. and Semilla Nueva 501 (c)(3) to continue as going concerns, disclosing, where appropriate, matters relating to going concern and using the going concern basis of accounting unless management intends to liquidate or cease operations, or has no more realistic alternative to do it.

Those in charge of the administration of the Semilla Nueva Association, Semilla Nueva, S.A. and Semilla Nueva 501 (c)(3), are responsible for supervising the entity's financial reporting process.

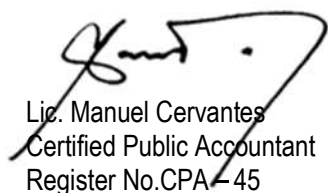
Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements, whether due to fraud or error, and to issue the audit report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when one exists.

Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to affect the economic decisions made by users on the basis of these financial statements.

A more detailed description of our responsibilities in relation to the audit of the financial statements is included in Appendix "A" to this report. This description is an integral part of this audit report.

Our report is intended exclusively for use by the services of the Semilla Nueva Association, Semilla Nueva, S.A. and Semilla Nueva 501 (c)(3).



Lic. Manuel Cervantes
Certified Public Accountant
Register No.CPA-45

Manuel Cervantes & Asociados, S.C.
Auditores y Consultores

Guatemala, April 18, 2024

SEMILLA NUEVA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

At December 31

Figures expressed in Dollars

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalent	4	401,521	1,262,163
Accounts receivable	5	240,355	204,747
Inventories	6	14,211	2,163
Investments	7	2,707,359	-
Total current assets		3,363,446	1,469,073
NON-CURRENT ASSET			
Property, plant and equipment	8	53,655	29,704
Intangibles	9	952	-
Total non-current assets		54,607	29,704
TOTAL ASSETS		3,418,053	1,498,777
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	10	75,920	63,479
Total current liabilities		75,920	63,479
NON-CURRENT LIABILITIES			
Labor provisions	11	85,186	54,948
Other provisions	12	33,051	17,089
Total current liabilities		118,237	72,037
TOTAL LIABILITIES		194,157	135,516
NET ASSETS			
Not restricted	13	2,756,161	1,238,785
Restricted	13	467,735	124,476
Total net assets		3,223,896	1,363,261
TOTAL LIABILITIES AND NET ASSETS		3,418,053	1,498,777

The accompanying notes are an integral part of the consolidated financial statements.

SEMILLA NUEVA

CONSOLIDATED STATEMENT OF ACTIVITIES

From January 1 to December 31, 2023

Figures expressed in Dollars

	Notes	Net Assets		2023
		Not restricted	Restricted	
Operating income				
Donations	14	3,734,611	915,809	4,650,420
Sales	15	138,304	-	138,304
Financial income		47,249	-	47,249
Total operating income		3,920,164	915,809	4,835,973
Net assets released from restrictions	13	572,550	(572,550)	-
Total operating income and net assets released without restrictions		4,492,714	343,259	4,835,973
Operating expenses				
Service program		2,293,865	-	2,293,865
Administration and general expenses		508,508	-	508,508
Fundraising		140,377	-	140,377
Total operating expenses		2,942,750	-	2,942,750
Change in net assets from operating activities		1,549,964	343,259	1,893,223
Non-Operational Activities				
Exchange rate differential		(14,230)	-	(14,230)
Profit (loss) financial statement conversion		(18,359)	-	(18,359)
Change in net assets from non-operating activities		(32,589)	-	(32,589)
Change in net assets		1,517,375	343,259	1,860,634
Net assets, at the beginning of the year		1,238,785	124,476	1,363,261
Net assets, at the end of the year	13	2,756,161	467,735	3,223,896

The accompanying notes are an integral part of the consolidated financial statements.

SEMILLA NUEVA

CONSOLIDATED STATEMENT OF ACTIVITIES

From January 1 to December 31, 2022

Figures expressed in Dollars

	Notas	Activo Neto		2022
		No Restringido	Restringido	
Operating income				
Donations	14	1,228,783	698,516	1,927,299
Sales	15	101,799	-	101,799
Financial income		837	-	837
Other income		94	-	94
Total operating income		1,331,513	698,516	2,030,029
Net assets released from restrictions	13	932,758	(932,758)	-
Total operating income and net assets released without restrictions		2,264,271	(234,242)	2,030,029
Operating expenses				
Service program		1,679,592	-	1,679,592
Administration and general expenses		434,763	-	434,763
Fundraising		78,860	-	78,860
Total operating expenses		2,193,215	-	2,193,215
Cambio en activo neto proveniente de actividades operativas		71,056	(234,242)	(163,186)
Actividades No Operativas				
Ganancia (pérdida) conversión de estados financieros		109,371	-	109,371
Change in net assets from non-operating activities		109,371	-	109,371
Change in net assets		180,427	(234,242)	(53,815)
Net assets, at the beginning of the year		1,058,358	358,718	1,417,076
Net assets, at the end of the year	13	1,238,785	124,476	1,363,261

The accompanying notes are an integral part of the consolidated financial statements

SEMILLA NUEVA

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSE

From January 1 to December 31, 2023 and 2022

Figures expressed in Dollars

	Notes	Services program	Administration and general expenses	Fundraising	2023
Salaries and benefits	16	748,321	218,858	-	967,179
Professional services	17	143,554	57,535	139,532	340,621
General development activities	18	1,020,570	24,191	-	1,044,761
Transportation, mobilization and fuel	19	279,109	487	845	280,441
Rentals and maintenance expenses	20	27,807	90,875	-	118,682
General office expenses	21	70,598	53,754	-	124,352
Taxes, fees and excise duties	22	128	55,508	-	55,636
Depreciations	23	3,778	2,884	-	6,662
Banking expenses	24	-	4,416	-	4,416
Total operating expenses		2,293,865	508,508	140,377	2,942,750

	Notas	Services program	Administration and general expenses	Fundraising	2022
Salaries and benefits	16	507,362	156,927	270	664,559
Professional services	17	237,432	68,052	76,345	381,829
General development activities	18	682,977	60,526	-	743,503
Transportation, mobilization and fuel	19	224,207	8,438	2,245	234,890
Rentals and maintenance expenses	20	26,608	40,998	-	67,606
General office expenses	21	1,006	71,008	-	72,014
Taxes, fees and excise duties	22	-	21,432	-	21,432
Depreciations	23	-	5,974	-	5,974
Banking expenses	24	-	1,408	-	1,408
Total operating expenses		1,679,592	434,763	78,860	2,193,215

The accompanying notes are an integral part of the consolidated financial statements

SEMILLA NUEVA

CONSOLIDATED STATEMENTS OF CASH FLOW

At December 31

Figures expressed in Dollars

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Increase (decrease) in net assets	1,860,634	(53,815)
Adjustments to reconcile the increase in net assets with net cash (used in) provided by operational activities:		
Depreciation and amortization	6,662	5,972
Changes in working capital		
Accounts receivable	(35,608)	(80,246)
Inventories	(12,048)	(2,163)
Accounts payable and accrued liabilities	12,441	27,300
Compensation and other provisions	46,201	38,459
Net cash from (used) in operating activities	<u>1,878,282</u>	<u>(64,493)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(31,565)	(33,863)
Investment acquisition	(2,707,359)	-
Net cash provided (used) in investing activities	<u>(2,738,924)</u>	<u>(33,863)</u>
Cash flows from financing activities		
Contracting (cancellation) of loans payable	-	-
Net cash from (used) in financing activities	-	-
Net increase (decrease) in cash and cash equivalents	(860,642)	(98,356)
Cash and cash equivalents at the beginning of the year	1,262,163	1,360,519
Cash and cash equivalents at the end of the year	<u>401,521</u>	<u>1,262,163</u>

The accompanying notes are an integral part of the consolidated financial statements.