

FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO

**REPORT TO THE BOARD OF DIRECTORS IN RELATION TO THE
FINANCIAL STATEMENTS OF THE FISCAL YEAR CLOSED ON
DECEMBER 31, 2020**

BCA

Benítez Cudas & Asociados Correspondent in Paraguay of KPMG International Cooperative
("KPMG International")

March 26, 2021

VICTORIA V. BROWN
OFFICIAL TRANSLATOR
Prof. Reg. 462
JUDICIARY - Paraguay

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ABBREVIATIONS

Gs = Guaraníes (local currency)

USD = US dollars

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EXPERT OPINION OF THE INDEPENDENT AUDITORS

CEO and Members of the Board
Fundación Paraguaya de Cooperación y Desarrollo

AUDIT REPORT ON THE FINANCIAL STATEMENTS

We have audited the attached financial statements of the **Fundación Paraguaya de Cooperación y Desarrollo** (henceforth “the Entity”) which include the balance sheets of the financial position to December 31, 2020, the corresponding statements of resources and expenses, of evolution of corporate assets and cash flows of the fiscal year closed on said date and the summary of the main accounting policies, other illustrative notes and annexes.

Responsibility of the Board and Management of the Entity in relation to the financial statements

The Board and Management of the Entity are responsible for the preparation and reasonable presentation of the financial statements in accordance with the Financial Information Standards issued by the Association of Public Accountants of Paraguay, and of the internal control the administration deems necessary to facilitate the preparation of financial statements free of significant errors due to fraud or error.

Responsibility of the auditors

Our responsibility is to express an opinion on these financial statements based on our audit. We have performed our analysis in accordance with the Audit Standards issued by the Association of Public Accountants of Paraguay. These standards require that we comply with ethical requirements, and that we plan and execute the audit to establish reasonable security that the financial statements are free of significant errors. To perform these risk assessments, the auditors consider the relevant aspects of internal control for the preparation and reasonable presentation of the financial statements by the entity, in order to design audit procedures that are adjusted to the circumstances, but not to express an opinion on the effectiveness of the internal control of the entity. An audit entails assessment of accounting policies used and the reasonableness of the accounting estimations performed by the Board and Management of the Entity, as well as assessment of the general presentation of the financial statements as a whole.

We consider that the evidence provided is sufficient and appropriate to sustain our audit opinion.

Opinion

Our opinion is that the financial statements are presented reasonably, in all their significant aspects, the equity and financial position of the Fundación Paraguaya de Cooperación y Desarrollo to December 31, 2020, as well as the resources and expenses, the evolution of its corporate assets and cash flows for the fiscal year closed on said date, as per the Standards of Financial Information issued by the Association of Public Accountants of Paraguay.

Miscellaneous

The financial statements of the Fundación Paraguaya de Cooperación y Desarrollo for the year closed on December 31, 2020, were audited by other auditors whose expert opinion dated May 22, 2020 expressed no caveats in this regard.

Asunción, March 26, 2021

BCA – Benítez Cudas & Asociados

Signed by Javier Benítez Duarte, Partner

Prof. Reg. CCP 528 A

Prof. Reg. CPy C652

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Translator's Note: This is a true translation of an Expert Opinion in Spanish that I had before me (Victoria Brown Prof. Reg. 462) in May 2021 in Asunción, Paraguay.


VICTORIA V. BROWN
OFFICIAL TRANSLATOR
Prof. Reg. 462
JUDICIARY - Paraguay

FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO
STATEMENT OF FINANCIAL POSITION TO DECEMBER 31, 2020
Presented comparatively with fiscal year ended December 31, 2019
(expressed in Guaraníes)

	Reference	31.12.2020	31.12.2019
Assets			
<u>Current assets</u>			
Cash & equivalents	Note 3	5,296,375,653	6,106,583,490
Short-term investments	Note 4	23,138,318,643	6,678,489,841
Credits	Notes 5-6	130,515,163,736	137,011,667,574
Other assets	Note 7	3,317,132,870	3,126,901,571
Total current assets		162,266,990,902	152,923,642,476
<u>Non-current assets</u>			
Credits	Notes 5-6	7,650,299,597	8,964,106,160
Property, plant & equipment	Annex I	17,652,179,055	18,373,816,522
Other assets LP	Note 7	2,113,736,710	2,109,310,645
Total non-current assets		27,416,215,362	29,447,233,327
Total Assets		189,683,206,264	182,370,875,803
Liabilities			
<u>Current liabilities</u>			
Financial obligations	Note 8	95,893,773,209	93,697,968,588
Received donations for projects	Note 10	9,271,467,470	1,211,630,753
Social and tax debts		1,122,854,490	545,189,135
Provisions		3,311,361,828	2,932,726,619
Other liabilities		1,940,204,479	3,184,790,953
Total current liabilities		111,539,661,476	101,572,306,048
<u>Non-current liabilities</u>			
Financial obligations	Note 8	8,026,456,487	11,577,200,241
Total non-current liabilities		8,026,456,487	11,577,200,241
Total liabilities		119,566,117,963	113,149,506,289
Net Assets			
Optional reserves	Note 13 a)	23,721,802,672	22,806,533,787
Revaluation reserve	Note 13 b)	4,805,700,209	4,811,704,586
Accumulated surplus		40,687,862,256	37,591,169,498
Surplus of the fiscal year		901,723,164	4,011,961,643
Total Net Assets		70,117,088,301	69,221,369,514
Total Liabilities and Corporate Assets		189,683,206,264	182,370,875,803

Notes 1 to 16 and Annexes I to IX are integral part of these financial statements.

Signed by Luis Fernando Sanabria, General Manager
Signed by Liliana Marroco Franco, Accounting Manager
Signed by BCA

FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO
STATEMENT OF RESOURCES AND EXPENSES FOR THE YEAR CLOSED ON DECEMBER 31, 2020
Presented comparatively with fiscal year ended December 31, 2019
 (expressed in Guaraníes)

	Reference	31.12.2020	31.12.2019
Resources of the microfinance unit		89,347,887,169	82,596,721,582
Expenses of the microfinance unit		(84,705,825,799)	(74,498,444,096)
Sub-total		4,642,061,370	8,098,277,486
Resources of agreements related to microfinance		290,864	386,088,871
Expenses of agreements related to microfinance		(93,481,881)	(475,074,725)
Sub-total	Annex IV	(93,191,017)	(88,985,854)
Net surplus of the microfinance unit	Annex VIII	4,548,870,353	8,009,291,632
Resources of the agricultural schools unit		3,148,630,547	4,957,786,155
Expenses of the agricultural schools unit		(4,744,683,603)	(5,837,469,470)
Sub-total	Annex V	(1,596,053,056)	(879,683,315)
Resources of agreements related to agricultural schools		1,508,279,987	1,057,154,004
Expenses of agreements related to agricultural schools		(2,710,056,089)	(2,735,086,293)
Sub-total	Annex V	(1,201,776,102)	(1,677,932,289)
Net deficit of the agricultural schools unit	Annex IX	(2,797,829,158)	(2,557,615,604)
Resources of the entrepreneurial education unit		996,622,022	1,374,141,477
Expenses of the entrepreneurial education unit		(1,051,874,574)	(1,654,937,246)
Sub-total	Annex VI	(55,252,552)	(280,795,769)
Resources of agreements related to entrepreneurial education		389,074,199	1,957,071,124
Expenses of agreements related to entrepreneurial education		(330,699,799)	(1,957,071,124)
Sub-total	Annex VI	58,374,400	-
Net surplus (deficit) of the entrepreneurial education unit	Annex X	3,121,848	(280,795,769)
Resources of the Poverty Stoplight Unit		1,999,717,515	1,895,642,681
Expenses of the Poverty Stoplight Unit		(2,275,174,195)	-2,953,019,319
Sub-total	Annex XII	(275,456,680)	(1,057,376,638)
Resources of agreements related to the Poverty Stoplight		4,654,713,316	4,479,105,637
Expenses of agreements related to the Poverty Stoplight		(4,165,754,204)	(3,872,506,471)
Sub-total	Annex XII	488,959,112	606,599,166
Net deficit of the Poverty Stoplight unit	Annex XI	213,502,432	(450,777,472)
Surplus before income tax		1,967,665,475	4,720,102,787
Income Tax	Note 14	(1,065,942,311)	(708,141,144)
Surplus of the fiscal year		901,723,164	4,011,961,643

Notes 1 to 16 and Annexes I to IX are integral part of these financial statements.

Signed by Luis Fernando Sanabria, General Manager
Signed by Liliana Marroco Franco, Accounting Manager
Signed by BCA

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FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO
STATEMENT OF EVOLUTION OF NET ASSETS FOR THE YEAR CLOSED ON DECEMBER 31, 2020
Presented comparatively with fiscal year ended December 31, 2019
 (expressed in Guaraníes)

	Optional reserves	Revaluation reserve	Accumulated surplus	Surplus of the fiscal year	Total
Balances to December 31, 2018	21,723,660,592	4,383,997,570	33,659,057,954	5,014,984,739	64,781,700,855
Transfer to accumulated surplus	-	-	5,014,984,739	(5,014,984,739)	-
Establishment of reserves	1,082,873,195	-	(1,082,873,195)	-	-
Revaluation of fiscal year 2019	-	427,707,016	-	-	427,707,016
Surplus of the fiscal year 2019	-	-	-	4,011,961,643	4,011,961,643
Balances to December 31, 2019	22,806,533,787	4,811,704,586	37,591,169,498	4,011,961,643	69,221,369,514
Transfer to accumulated surplus	-	-	4,011,961,643	(4,011,961,643)	-
Establishment of reserves	915,268,885	-	(915,268,885)	-	-
Revaluation of fiscal year 2020	-	(6,004,377)	-	-	(6,004,377)
Surplus of the fiscal year 2020	-	-	-	901,723,164	901,723,164
Balances to December 31, 2020	23,721,802,672	4,805,700,209	40,687,862,256	901,723,164	70,117,088,301

Notes 1 to 16 and Annexes I to IX are integral part of these financial statements.

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FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO
CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2020
Presented comparatively with fiscal year ended December 31, 2019

(expressed in Guaraníes)

	<u>31.12.2020</u>	<u>31.12.2019</u>
I. CASH FLOW OF OPERATING ACTIVITIES		
Interest and commissions charged	31,750,357,203	38,682,829,826
Interest paid on financial obligations	(7,427,441,192)	(7,450,328,231)
Other income - microfinance unit	30,843,387,014	31,610,844,564
Credit variation - microfinance unit	4,226,552,780	(6,216,743,228)
Net collections - agricultural schools unit	3,148,630,547	5,948,086,948
Net collections - entrepreneurial education unit	996,622,022	1,374,141,477
Net collections - poverty spotlight unit	1,999,717,515	-
Donations received and other income from agreements	4,885,061,216	7,348,556,132
Payments to suppliers and employees	(49,386,096,531)	(69,172,005,036)
Income tax payment	(844,192,264)	(918,625,701)
Interest collected from short-term investments	494,495,603	629,564,244
Net cash of operating activities	20,687,093,913	1,836,320,995
II. CASH FLOW OF INVESTMENT ACTIVITIES		
Short-term investments	(16,459,828,802)	195,770,658
Purchase of fixed assets	(3,608,064,225)	(5,525,942,335)
Net cash of investment activities	(20,067,893,027)	(5,330,171,677)
III. CASH FLOW OF FINANCING ACTIVITIES		
Financial obligations	(2,872,818,884)	2,344,640,032
Net cash of financing activities	(2,872,818,884)	2,344,640,032
Increase (Decrease) of cash and cash equivalents	(2,253,617,998)	(1,149,210,650)
Effect of foreign exchange spread on cash and cash equivalents	1,443,410,161	731,052,523
Cash and cash equivalents at onset of the fiscal year	6,106,583,490	6,524,741,617
Cash and cash equivalents at close of the fiscal year	5,296,375,653	6,106,583,490

Notes 1 to 16 and Annexes I to IX are an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS CORRESPONDING TO THE FISCAL YEAR CLOSED ON DECEMBER 31, 2020

Presented comparatively with the fiscal year closed on December 31, 2019 (expressed in Guaraníes)

NOTE 1 – BASIC INFORMATION ON THE ENTITY

The Fundación Paraguaya de Cooperación y Desarrollo, founded in 1985, is a non-profit, self-sustaining association, with main offices in Asunción, Paraguay. It became a legal entity on August 12, 1985. On May 11, 1988 Decree of the Executive Branch No. 28.327 approved the amendments to the Articles of Association of the Fundación Paraguaya de Cooperación y Desarrollo and authorized by the Extraordinary General Assembly held on November 20, 1987. The Fundación was recognized as public benefit institution by Resolution No. 102 of the Taxation Department of the Finance Ministry dated February 21, 1991.

The **mission** of the Entity is to develop and implement practical, innovative and sustainable solutions to eliminate poverty and create decent conditions for every family.

The **vision** is Paraguay, entrepreneur and poverty free, an example to the world.

The Fundación seeks to eliminate poverty and create decent living conditions for families through a comprehensive strategy that offers clients:

- 1) Poverty elimination through the Stoplight: a measurement system and methodology that measures poverty based on 50 indicators, which allows clients (90% of whom are women) to assess their poverty-related issues so that they are able to design their own “life maps” to overcome them;
- 2) Microfinance, Micro-franchises and Micro-insurance: in order to increase the income and reduce the financial risks of clients and create partnerships with other specialized institutions to address the other poverty-related issues;
- 3) Entrepreneurial Education: provides training and tutoring in business management to help clients and their children to find jobs and/or create their own employment; and
- 4) Financially self-sustaining schools: also for the children of clients, where students and teachers carry out sustainable activities on the campus, with the dual purpose: a) train students in a business environment, transforming them into rural entrepreneurs, and b) income generation to sustain the schools.

This comprehensive strategy allows clients and their families to play lead roles in leaving poverty behind, and allows resources to be channeled to where they are most needed, using the twenty-four microfinance offices as the main distribution network.

As civil non-profit association, the legal figure of the Fundación Paraguaya does not include owners and it is governed by 35 (thirty-five) partners, all of whom are Paraguayan professionals.

The governing structure is as follows:

- i) General Assembly: body made up by all the partners of the institution, who meet at least once a year. The Assembly approves the administrative and financial management of the Entity and selects the members of the Board.
- ii) Board: body made up of at least 6 and maximum 10 full members, who meet every month in physical or virtual meetings. Board members do not receive any payment for the time assigned to the Entity. According its good governance policy, four crosscutting committees have been set up to facilitate decision-making: 1) Compensations, 2) Audit and Risks, 3) Good Governance and Nominations, and 4) Theme Committees: a) Microfinance, b) Entrepreneurial Education, c) Agricultural School, and d) Teach a Man to Fish.

Two executive positions have been established:

- i) The Trustee: appointed by the Assembly to inspect assets, accounting books and documents of the Entity. The Trustee maintains close relationship with internal and external audits and participates in the meetings of the Board and of the Audit and Risks Committee. The Trustee provides the Assembly an annual report on the financial information of the Entity.
- ii) The Executive Director: it is an elective position working full-time in the Entity supporting the Board (chairing the meetings) and the General Management in the strategic work (not the operational activities).

Credit assistance is provided with the resources of the institution and with funds originating from loans made by local banks and international funds, given that the Entity does not take funds from the public, nor does it require that its clients make compulsory deposits or savings, hence it is not an intermediation entity.

The other programs are developed with the entity's own resources generated by the microfinance operations and with donations.

NOTE 2 – SUMMARY OF THE MAIN ACCOUNTING POLICIES

a. Accounting Bases

The financial statements have been drawn up following the guidelines of the Financial Information Standards issued by the Association of Public Accountants of Paraguay, on the basis of historical costs, except in the case of animals, property, plant and equipment and of assets and liabilities in foreign currency, as explained under items **b.**, **f.** and **g.** of this note, and do not fully recognize the effects of inflation on the assets and financial position of the Entity, on the results of resources and expenses and on the cash flows.

According to the overall consumer price index published by the Central Bank of Paraguay, inflation in 2020 was 2.2% and 2.8% in 2019.

b. Foreign Currency

The assets and liabilities in foreign currency (in US dollars and pounds sterling) are valued at the exchange rate in effect at the close of the fiscal year. See Note 15.

The spreads of the exchange rate originated by fluctuations in the exchange rates, between the dates of the realization of the operations and their settlement or valuation at the close of the fiscal year, are recognized in results.

c. Cash and Cash Equivalents

For the preparation of cash flow statements, the following were considered within the concept of cash: cash balances, liquid assets in bank accounts and all high liquidity investments, with initially agreed expiry date not greater than three months.

d. Short-term Investments

Short-term investments are constituted by fixed term deposits and savings deposit certificates (SDCs) in US dollars and guaraníes, maintained by the Entity in local banks, which are valued at their nominal value plus the uncollected interest earned to the closing date.

e. Credits

Current Credits

Credits are valued at their purchase price - net of provisions, in the case of arrears, plus the uncollected interest earned to the closing date.

According to the powers granted in Article 17 of the Articles of Association of the Entity, the Executive Director may set the interest rates on loans and the charges for the recovery of administrative costs. Such line-items are resources of the Entity. During the fiscal years closing on 31 December 2020 and 2019 the active interest rates were variable, but not higher than the allowed maximum rates published by the Central Bank of Paraguay.

Credit risk is controlled by the Entity's management, mostly through the evaluation and analysis of individual transactions, for which certain aspects that are clearly defined in the Entity's credit policies are taken into account, such as: proven payment capacity and indebtedness of the debtor, individual limits for the granting of credits, evaluation of economic sectors and the requirement of operating capital, in accordance with market risks.

Overdue Credit

The Entity institutes estimative provisions for credits of doubtful collection on the total of the portfolio of borrowers presenting arrears in the fulfillment of their obligations and on those credits whose collection is being managed directly or judicially.

Refinanced or Renegotiated Credits

The credit policy established the management of the Entity defines "refinancing" as the rescheduling of the original payment plan of a loan, which may contemplate the total capital balance. Refinancing may only be granted upon request of the client, provided there is a justified cause and having tried all other alternatives.

The percentages of provisions for overdue credits are applied on the balance of capital to be collected on the cutoff date. Interest is suspended as of 31 days of arrears. Below is a description of the provision percentages applied:

To December 31, 2020

Overdue Credits		Refinanced and Overdue Credits	
Days of arrears	% of provision on capital due	Days of arrears	% of provision on capital due
0 days	1%	0 days	1%
1-30 days	10%	1-30 days	30%
31-90 days	30%	31-90 days	60%
91-180 days	60%	More than 90 days	100%
More than 180 days	100%		
In judicial process	100%	In judicial process	100%

To December 31, 2019

Overdue Credits		Refinanced and Overdue Credits	
Days of arrears	% of provision on capital due	Days of arrears	% of provision on capital due
0 days	1%	0 days	1%
1-30 days	30%	1-30 days	30%
31-90 days	60%	31-90 days	60%
91-180 days	60%	More than 90 days	100%
More than 180 days	100%		
In judicial process	100%	In judicial process	100%

Uncollectible Credits

The policy established by the management of the Entity indicates that overdue credits meeting the following requirements must be written off as irrecoverable and recorded in memoranda accounts:

- a. Loans with more than 180 days in arrears
- b. Loans that cannot be recovered at any point in time due to:
 - i. Death of the debtor(s);
 - ii. Debtor has moved and/or left the country with no date of return, nor known domicile;
 - iii. Debtor(s) and their guarantors have lost all their assets and what is left is not significant to recover the debt and the costs of recovery;
 - iv. Amounts pending collection do not justify the recovery efforts;
 - v. Backup documentation of the loans has lapsed, was destroyed or lost.

f. Other Non-Current Assets

These are the assets received from the recovery of credits that are entered in the books as the amount of the credit paid or written-off plus the expenses incurred for their incorporation into the assets of the Entity. If such amount is higher than the estimated realizable value or market value of the assets received, the necessary provisions are instituted to appraise said assets at their market value, charged to the results of the year.

Furthermore, the line-item includes the animals priced at their cost plus the respective recategorization and the plantations of eucalyptus priced at the cost incurred until the time of the harvest and collection.

g. Property, Plant and Equipment

(i) General Criterion

Property, plant and equipment are presented at their purchase, net of depreciation and losses due to deterioration, when applicable; said assets may be re-expressed when the variation of the general consumer price index reaches at least 20% accumulated from the fiscal year of the last adjustment of the revaluation.

The cost of improvements that extend the lifespan of the assets or which increase their production capacity is input to the respective asset accounts. Maintenance expenses are charged to the results.

Depreciation is calculated based on the fixed percentage over the cost of fixed assets, minus their residual value estimated according to the expected lifespan for each category, as of the month following the month of their incorporation. The residual values and lifespans shall be revised and, if necessary, adjusted at the end of each period. See Annex 1.

The residual value of the assets, considered as a whole, does not exceed their recoverable value at the close of each fiscal year.

(ii) Assets received as donation

There are certain assets whose value of incorporation into corporate assets has been determined according to the best estimate of the Management using figures based on appraisals. These values, determined in this way, are considered as their purchase cost and with counterpart in the results of the fiscal year. This cost is revaluated and depreciated as per the abovementioned general criterion. Below is a description of the main assets received as donations and incorporated into the assets of the Entity:

- i. Under the donation agreement with stipulations as to its use signed on December 20, 2002 between the Fundación Paraguaya de Cooperación y Desarrollo and the Asociación Paraguaya de Educación y Asistencia (APEA), the latter donated to the Entity the lands, buildings and facilities of the "San Francisco de Asís" Agricultural School located in Cerrito (Department of Villa Hayes, Paraguayan Chaco), which was administrated and maintained by APEA until December 31, 2002 and which is administrated by the Entity as of January 1, 2003. These assets donated with stipulations as to their use were activated by the Entity to December 31, 2002 under the line-item "Property, Plant and Equipment" and are subject to the obligations and commitments mentioned in Note 12. The landed property and buildings of the Agricultural School received as donation with stipulations were entered into the books at the "quick sale" value estimated by an independent expert, while the movables, equipment and others received in donation with stipulations were entered into the accounts with 50% of the estimated market value established by an independent expert.

- ii. On July 1, 2011 the Entity received the usufruct of the real estate of the Belén Agricultural School and donation of the movables and livestock of said school. These chattels were activated at the market value, considered as their cost under assets.

h. Accounting Recognition of Resources and Expenses

Resources and expenses are recognized in terms of their earnings, except when:

- a. Interest earned and uncollected on credit installments more than 2 installments in arrears (if the term of the installments is less than 30 days) or more than 60 days, which are recognized in the accounting at the time of their collection.
- b. Interest and recovery of administrative costs generated by the credit portfolio under collection and judicial process, which are recognized in the accounting at the time of their collection.
- c. Donations received and unused at the close of the year, as mentioned in Note 2.i below.

Resources and expenses are displayed in the statement of resources and expenses segmented for each operating units of the Entity (including those related to financial and non-financial services). Common overhead or administrative expenses of the Entity which cannot be directly assigned to each one of the referred operating units, such as considerations for senior and administrative personnel (Controller’s Office, Administrative Management, Technology and Human Resources) are included in the statement of resources and expenses as expenses of the Microfinance Unit.

i. Accounting Recognition of Donations Received

Donations received in cash to finance activities and administrative costs of the units are presented at the time of their actual receipt under the line-item “Received donations for projects” of liabilities and are recognized as income or expenses in the statement of results at the time of their execution. Some of the donations received by the Entity present commitments and contingencies in terms of their use or destination, as detailed in Note 12.

Note 10 of the financial statements summarizes the donations received from third parties and pending realization.

j. Use of Estimates

The preparation of the current financial statements requires that the Management and Board of the Entity apply relevant accounting estimations, as well as assumptions and norms, in the process of applying the accounting policies, that affect the amount of the registered assets and liabilities, and the contingent assets and liabilities revealed to the date of these financial statements, as well as the income and expenses recorded in the fiscal year. Actual results may differ from said estimates.

Although the estimates made by the Entity's Board and Management were calculated based on the best information available to the 31 to December 2020, events that may take place in the future could force their modification in the coming years.

The effect on the financial statements of any modifications stemming from the adjustments to be made in upcoming years, is recognized in the year in which the estimate is modified and in the future years affected, i.e. it is recorded prospectively.

The most significant areas in which the Entity's Board and Management have made estimates of uncertainty and critical judgments on the application of accounting policies and with greater effect on the amount recognized in the financial statements refer to the allowances for uncollectible debts, residual values and depreciation of fixed assets and the income tax charge. Actual future results may differ from the estimates and evaluations made to the date of these financial statements.

Change of accounting estimates during 2020

To December 31, 2020, as a result of the new measures implemented by Taxation Department through the Decree No. 3182/2019 changes were established in the years of useful life and the determination of the residual value of fixed assets for tax purposes. Considering the new information available, the Entity adopted the same criteria for the accounting valuation of said assets.

The effect of this modification on the period ended on December 31, 2020, considering the new residual values, generated a reduction in depreciation expenses of Gs. 381,423,705.

The depreciation of these assets will be similarly affected in the next few years due to the effect of the change in the accounting estimate.

k. Comparative Information

Financial statements to December 31, 2020 and the respective complementary information are presented comparatively to the financial statements and complementary information of the fiscal year closing on December 31, 2019.

Some figures corresponding to the year ended December 31, 2019 were reclassified in the balance sheet, the income statement and the cash flow statement included in these financial statements, for comparison with the figures of the current period.

NOTE 3 – AVAILABLE

The available balance is made up as follows:

Item	<u>31.12.2020</u>	<u>31.12.2019</u>
Banks in local currency	3,001,435,035	998,195,357
Banks in foreign currency (*)	1,020,829,842	1,998,788,542
Revenues to deposit	665,858,072	1,579,164,018
Cash	608,252,704	1,530,435,573
Total	5,296,375,653	6,106,583,490

(*) To December 31, 2020 and 2019 includes USD 15,007 equivalent to Gs. 104,778,274 and Gs. 96,680,046 respectively) of restricted liquidity accounted for in compliance with contract clauses

related to the IADB-Rural financing agreement The IADB SP/SD-87-08-PR maintenance reserve was determined until December 31, 2005 based on the annual variation of the consumer price index on the balance of said IADB loan. As of 2006, the Fundación no longer establishes the abovementioned reserve because it assumes that the reserve established on December 31, 2005 is sufficient and adequate for its purpose.

NOTE 4 – SHORT-TERM INVESTMENTS

Short-term investments are made up as follows:

To December 31, 2020

Institution Short-term	Start	Expiry	Rate	Amount in currency of origin USD	Equivalent in guaranies
Banco Rio	24/07/2020	20/01/2021	3.25%	150,000	1,033,794,000
Banco Bilbao Vizcaya Argentina Paraguay S.A. (*)	07/02/2020	11/02/2021	4.15%	500,000	3,445,980,000
Banco Continental	18/02/2020	22/02/2021	4.15%	500,000	3,445,980,000
Sudameris Bank S.A.E.C.A.	13/10/2020	18/10/2021	3.00%	1,000,000	6,891,960,000
Banco Basa S.A. Mutual Funds GS				101,593	700,172,948
Banco Basa S.A. Mutual Funds US				1,060,401	7,308,239,966
Total capital				3,311,994	22,826,126,914
Interest earned				45,298	312,191,729
Total capital and interest				3,357,291	23,138,318,643

To December 31, 2019

Institution Short-term	Start	Expiry	Rate	Amount in currency of origin (USD)	Equivalent in guaranies
Banco Continental (*)	31/01/2019	05/02/2020	4%	500,000	3,221,165,000
Banco GNB Paraguay S.A. (*)	01/02/2019	06/02/2020	3.75	500,000	3,221,165,000
Total capital				1,000,000	6,442,330,000
Interest earned				36,658	236,159,841
Total capital and interest				1,036,658	6,678,489,841

(*) The liquidity of these term deposits is restricted as they are securing financial obligations as detailed in Note 9.

NOTE 5 – CREDITS

Credits are made up as follows:

Short-term	12/31/2020	12/31/2019
Credits granted to third parties	131,473,176,256	137,547,006,533
Credits granted to employees (*)	940,089,645	922,360,880
Refinanced or renegotiated credits	1,286,204,363	468,194,862
Subtotal credits	133,699,470,264	138,937,562,275
Accrued interest to be collected	2,860,447,715	2,040,198,654
Provisions for doubtful debts (**)	(4,753,542,894)	(2,603,490,416)
Generic provisions for doubtful debts(**)	(1,291,211,349)	(1,362,602,939)
Total	130,515,163,736	137,011,667,574

Long-term	31.12.2020	31.12.2019
Credits granted to third parties	5,913,609,278	7,230,809,537
Credits granted to employees (*)	1,439,621,862	1,522,247,637
Refinanced or renegotiated credits	297,068,457	211,048,986
Total	7,650,299,597	8,964,106,160
Overall total	138,165,463,333	145,975,773,734

(*) In fiscal years 2020 and 2019 no credits have been granted to the General Manager or to the Executive Director or to the Board members or partners of the Entity or to their associates.

(**) See following table on the evolution of the provisions for doubtful debts.

The evolution of the provisions for doubtful debts is as follows:

	31.12.2020	31.12.2019
Starting Balance	(3,966,093,355)	(3,814,892,664)
Plus		
Setting up of provisions – net of reversals (Annex VIII)	(4,811,390,678)	(4,417,810,150)
Constitution of generic provisions (Annex VIII)	(1,291,211,349)	(1,362,602,939)
Minus		
Application of provisions on uncollectible debts	4,023,941,139	5,629,212,398
Final balance	(6,044,754,243)	(3,966,093,355)

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NOTE 6 – ADDITIONAL CREDIT INFORMATION

a) Concentration of the portfolio

Number of clients	Amount and percentage of the credit portfolio							
	Current		Overdue					
Year 2020	Capital(*)	Interest	Total	%	Capital(*)	Interest	Total	%
10 highest debtors	1,788,934,454	11,246,788	1,800,181,242	1.37%	709,411,247	43,843,256	753,254,503	5.74%
50 subsequent high debtors	4,730,405,488	41,249,782	4,771,655,270	3.64%	1,600,110,517	88,964,004	1,689,074,521	12.86%
100 subsequent high debtors	4,802,979,559	57,434,622	4,860,414,181	3.71%	1,322,031,209	84,193,199	1,406,224,408	10.71%
Other subsequent debtors	117,651,795,216	1,995,701,515	119,647,496,731	91.28%	8,744,102,171	537,814,549	9,281,916,720	70.69%
Total of the loan	128,974,114,717	2,105,632,707	131,079,747,424	100%	12,375,655,144	754,815,008	13,130,470,152	100%
Year 2019								
10 highest debtors	1,955,935,003	19,199,727	1,975,134,730	1.43%	808,818,882	17,478,567	826,297,449	6.87%
50 subsequent high debtors	5,081,262,013	25,453,276	5,106,715,289	3.70%	1,673,415,342	47,097,568	1,720,512,910	14.30%
100 subsequent high debtors	5,052,702,011	41,454,761	5,094,156,772	3.69%	1,370,327,312	51,307,875	1,421,635,187	11.81%
Other subsequent debtors	124,183,475,850	1,547,237,269	125,730,713,119	91.17%	7,775,732,022	290,969,611	8,066,701,633	67.03%
Total of the loan	136,273,374,877	1,633,345,033	137,906,719,910	100%	11,628,293,558	406,853,621	12,035,147,179	100%

(*) Does not include balances of provisions

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b) Credit portfolio distributed per economic sector

Economic sector	Amount				
	Year 2020	Capital (*)	Interest	Total	%
Industrial		72,582,152,985	803,951,793	73,386,104,778	50.89%
Commerce		48,985,545,079	1,412,194,289	50,397,739,368	34.95%
Consumption		15,598,514,478	408,959,867	16,007,474,345	11.10%
Services		2,598,085,055	126,102,668	2,724,187,723	1.89%
Agriculture		890,013,992	52,384,624	942,398,616	0.65%
Livestock		695,458,272	56,854,474	752,312,746	0.52%
Total		141,349,769,861	2,860,447,715	144,210,217,576	100%

Economic sector	Amount				
	Year 2019	Capital (*)	Interest	Total	%
Industrial		74,905,488,538	599,271,404	75,504,759,942	50.36%
Commerce		50,440,938,954	977,710,775	51,418,649,729	34.29%
Consumption		16,987,403,173	287,993,781	17,275,396,954	11.52%
Services		4,137,212,065	62,775,916	4,199,987,981	2.80%
Livestock		931,471,100	74,138,192	1,005,609,292	0.67%
Agriculture		499,154,605	38,308,586	537,463,191	0.36%
Total		147,901,668,435	2,040,198,654	149,941,867,089	100%

(*) Does not include balances of provisions

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c) Credit portfolio distributed per geographical area of the country

Year 2020	Capital(*)	Interest	Total 2020	%	Total 2019	%
Paraguari	26,768,563,035	585,060,165	27,353,623,200	18.97%	30,881,403,615	20.61%
Central	26,570,550,299	501,335,680	27,071,885,979	18.77%	27,367,379,789	18.26%
Caaguazú	16,570,757,671	301,285,164	16,872,042,835	11.70%	16,288,514,949	10.87%
San Pedro	13,048,453,432	223,373,791	13,271,827,223	9.20%	12,057,791,085	8.05%
Itapúa	10,564,759,694	192,470,959	10,757,230,653	7.46%	10,708,361,377	7.15%
Alto Paraná	8,315,930,485	150,362,994	8,466,293,479	5.87%	8,645,216,841	5.77%
Guairá	7,733,627,874	216,419,738	7,950,047,612	5.51%	7,681,485,958	5.13%
Cordillera	7,642,440,348	100,393,418	7,742,833,766	5.37%	7,995,209,841	5.34%
Asunción	6,407,230,168	103,834,876	6,511,065,044	4.51%	9,054,131,590	6.04%
Concepción	4,032,728,653	87,834,761	4,120,563,414	2.86%	4,097,597,058	2.73%
Misiones	3,930,846,456	116,060,403	4,046,906,859	2.81%	4,524,028,259	3.02%
Ñembucú	3,764,826,344	120,786,043	3,885,612,387	2.69%	4,006,217,667	2.67%
Canindeyú	3,725,999,704	92,347,722	3,818,347,426	2.65%	3,727,613,478	2.49%
Chaco	2,273,055,698	68,882,001	2,341,937,699	1.62%	2,820,489,662	1.88%
Loan abroad (**)	-	-	-	-	86,425,920	0.06%
Total	141,349,769,861	2,860,447,715	144,210,217,576	100%	149,855,441,169	100%

(*) Does not include balances of provisions

(**) Loan granted to Transit Enterprise in England

d) Distribution of short-term investments, credits and financial obligations as per their expiration date

The management of the Entity controls its liquidity mostly by matching the expiration date of its assets and liabilities, according to the short, medium and long-term strategies defined and continuously monitored both for assets and liabilities.

The table below details the financial fit at the close of each fiscal year:

Item	Time remaining for their expiry – Balances to December 31, 2020					Total (*)
	Up to 30 days	From 31 days to 180 days	From 181 days to 1 year	More than 1 year & up to 3 years	More than 3 years	
Short-term investments	8,008,412,914	1,033,794,000	-	13,783,920,000	-	22,826,126,914
Interest accrued	-	14,728,050	-	297,463,679	-	312,191,729
Credits (*)						
Capital	27,458,022,840	79,529,438,053	26,713,887,086	6,843,926,313	806,373,284	141,351,647,576
Interest	1,857,145,153	675,369,283	199,917,906	101,845,291	26,170,082	2,860,447,715
Total assets	37,323,580,907	81,253,329,386	26,913,804,992	21,027,155,283	832,543,366	167,350,413,934
Fin. Obligations	9,582,238,439	33,449,594,307	56,581,373,157	4,264,676,893	42,346,900	103,920,229,696
Total obligations	9,582,238,439	33,449,594,307	56,581,373,157	4,264,676,893	42,346,900	103,920,229,696

Item	Time remaining for their expiry – Balances to December 31, 2019					Total (*)
	Up to 30 days	From 30 days to 180 days	From 181 days to 1 year	More than 1 year & up to 3 years	More than 3 years	
Short-term investments	-	6,442,330,000	-	-	-	6,442,330,000
Interest accrued	-	236,159,841	-	-	-	236,159,841
Credits (*)						
Capital	32,784,520,343	81,367,238,773	24,785,803,159	8,608,219,133	355,887,027	147,901,668,435
Interest	1,935,009,916	104,537,677	651,061	-	-	2,040,198,654
Total assets	34,719,530,259	88,150,266,291	24,786,454,220	8,608,219,133	355,887,027	156,620,356,930
Fin. Obligations	8,819,563,037	29,325,136,425	46,308,955,126	20,821,514,241	-	105,275,168,829
Total obligations	8,819,563,037	29,325,136,425	46,308,955,126	20,821,514,241	-	105,275,168,829

(*) Does not include balances of provisions

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e) Classification of the portfolio and provisions for doubtful debts (calculated in terms of their arrears):

To December 31, 2020

Current and overdue credits granted to third parties

	Portfolio quality	Capital	Interest earned	Total	% provision	Provision
Current portfolio	91.11%	125,547,129,349	2,082,531,814	127,629,661,163	1%	1,255,490,475
Overdue loans 1-30 days	5.58%	7,689,202,721	406,421,612	8,095,624,333	10%	766,024,351
Overdue loans 31-90 days	2.02%	2,781,132,462	216,055,910	2,997,188,372	30%	832,828,375
Overdue loans 91-180 days	0.99%	1,370,673,960	98,860,575	1,469,534,535	59%	806,313,935
Overdue >180 days	0.29%	402,493,075	25,229,429	427,722,504	100%	402,493,075
Total	100.00%	137,790,631,567	2,829,099,340	140,619,730,907		4,063,150,211

Number of loans: 29,908

Credits granted to employees of the Entity

	Portfolio quality	Capital	Interest earned	Total	% provision	Provision
Current portfolio	99.81%	2,375,209,629	4,494,410	2,379,704,039	1%	23,752,100
Overdue portfolio 1-30 days	0.17%	4,125,987	58,317	4,184,304	10%	412,599
Overdue portfolio 31-90 days	0.02%	375,891	6,109	382,000	30%	112,767
Overdue portfolio 91-180 days	0%	-	-	-	0%	-
Overdue portfolio >180 days	0%	-	-	-	0%	-
Total	100%	2,379,711,507	4,558,836	2,384,270,343		24,277,466

Number of loans: 182

Refinanced or renegotiated credits

	Portfolio quality	Capital	Interest earned	Total	% provision	Provision
Current portfolio	89.18%	1,051,775,739	18,606,483	1,070,382,222	1%	10,517,756
Overdue portfolio 1-30 days	9.35%	110,294,954	7,256,257	117,551,211	22%	23,726,566
Overdue portfolio 31-90 days	1.06%	12,460,618	803,764	13,264,382	60%	7,476,370
Overdue portfolio 91-180 days	0%	-	-	-	0%	-
Overdue portfolio > 180 days	0.42%	4,895,476	123,035	5,018,511	0%	4,895,476
Total	100.00%	1,179,426,787	26,789,539	1,206,216,326		46,616,168

Number of loans: 65

Total Portfolio

	Portfolio quality	Capital	Interest earned	Total	% provision	Provision
Current portfolio	92.14%	136,273,374,877	1,633,345,033	137,906,719,910	0.99%	1,362,603,518
Overdue portfolio 1-30 days	5.55%	8,208,909,908	274,049,193	8,482,959,101	10.03%	850,431,266
Overdue portfolio > 30 days	2.31%	3,419,383,650	132,804,428	3,552,188,078	49.35%	1,753,058,571
Total	100.00%	147,901,668,435	2,040,198,654	149,941,867,089		3,966,093,355

Number of loans: 19,277

(*) The provisions established based on days in arrears totaled Gs. 4,134,043,845 and, in turn, a special provision totaling Gs. 1,910,710,389 was set up on COVID funds to reflect the payment agreements signed with clients due to the pandemic.

To December 31, 2019*Current and overdue credits granted to third parties*

	Portfolio quality	Capital	Interest earned	Total	% provision	Provision
Current portfolio	92.17%	133,648,502,396	1,627,011,981	135,275,514,377	1%	1,336,354,777
Overdue portfolio 1-30 days	5.53%	8,022,645,657	265,436,964	8,288,082,621	10%	802,264,991
Overdue portfolio 31-90 days	1.30%	1,882,704,628	79,449,892	1,962,154,520	30%	564,811,493
Overdue portfolio 91-180 days	0.55%	802,388,012	29,438,009	831,826,021	60%	481,432,826
Overdue portfolio >180 days	0.44%	641,223,395	21,524,347	662,747,742	100%	641,036,238
Total	100.00%	144,997,464,088	2,022,861,193	147,020,325,281		3,825,900,325

Number of loans: 19,079

Credits granted to employees of the Entity

	Portfolio quality	Capital	Interest earned	Total	% provision	Provision
Current portfolio	98.01%	2,395,843,044	2,693,797	2,398,536,841	1%	23,958,453
Overdue portfolio 1-30 days	1.58%	38,565,046	641,208	39,206,254	10%	3,856,509
Overdue portfolio 31-90 days	0.19%	4,765,990	97,784	4,863,774	30%	1,429,799
Overdue portfolio 91-180 days	0.22%	5,434,437	0	5,434,437	60%	3,260,661
Total	100.00%	2,444,608,517	3,432,789	2,448,041,306		32,505,422

Number of loans: 173

Refinanced or renegotiated credits

	Portfolio quality	Capital	Interest earned	Total	% provision	Provision
Current portfolio	49.83%	229,029,437	3,639,255	232,668,692	0.098%	2,290,288
Overdue portfolio 1-30 days	32.14%	147,699,205	7,971,021	155,670,226	28.46%	4,309,766
Overdue portfolio 31-90 days	11.85%	54,449,089	1,850,311	56,299,400	58.03%	32,669,455
Overdue portfolio 91-180 days	6.18%	28,418,099	444,085	28,862,184	98.45%	28,418,099
Total	100.00%	459,595,830	13,904,672	473,500,502		107,687,608

Number of loans: 25

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f) Short-term investments and credit portfolio per currency

	Short-term investments(*) Note 4	%	Credits (*)	%
Year 2020				
In local currency	700,172,948	3%	141,349,769,861	100.0%
In foreign currency	22,125,953,966	97%	-	0.0%
Total resident or non-resident in the country	22,826,126,914	100%	141,349,769,861	100.0%
Year 2019				
In local currency	-	0%	147,816,958,235	99.9%
In foreign currency	6,442,330,000	100%	84,710,200	0.1%
Total resident in the country	6,442,330,000	100%	147,901,668,435	100%

(*) Only includes balances of the principal.

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NOTE 7 – OTHER ASSETS

Other assets are made up as follows:

<u>Description</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
<u>Short-term</u>		
TOMs Footware- Donation to be made	842,174,558	759,347,806
Credits receivable - agricultural schools unit	780,452,783	138,399,379
Sundry debtors	369,826,640	574,302,131
Items for sale in agricultural schools	245,345,181	440,598,060
Advance payment of income tax	-	210,484,557
Rentals paid in advance	-	220,146,898
Executed projects to recover – microfinance	185,983,709	114,092,956
Miscellaneous	-	279,028,876
Rental collateral	-	92,667,024
Kits for sale - microfinance unit	-	47,295,370
Insurance paid in advance	-	98,082,984
Advance payment for expenses	-	7,469,582
Insurance collected for claims	-	9,000,000
Advance payments to staff	0	495,247
Tax credit VAT	4,358,601	88,342,959
Credits receivable - agricultural schools unit	-	47,147,742
Sub-total	<u>2,428,141,472</u>	<u>3,126,901,571</u>
<u>Long-term</u>		
Eucalyptus plantation	-	696,600,546
Goods acquired as credit recovery	-	575,712,933
Animals - agricultural schools	-	527,487,047
Tradename registration	-	195,370,073
Materials and supplies	-	114,140,046
Sub-total	<u>2,113,736,710</u>	<u>2,109,310,645</u>
Total	<u>4,541,878,182</u>	<u>5,236,212,216</u>

NOTE 8 – FINANCIAL OBLIGATIONS

Financial obligations are made up as follows:

Financial obligations with local entities

Description	31.12.2020		31.12.2019	
	Short-term	Long-term	Short-term	Long-term
Banco GNB Paraguay S.A.	13,586,006,531	-	20,096,289,883	-
AFD	10,000,000,000	-	-	-
Banco Bilbao Vizcaya Argentaria Paraguay S.A.	6,741,666,670	-	12,533,333,337	-
Banco Continental S.A.E.C.A.	5,340,881,485	-	4,762,244,064	-
Interfisa Banco S.A.E.C.A.	5,000,000,000	-	1,522,716,691	-
Banco Sudameris	5,000,000,000	-	-	-
Solar de Ahorro y Finanzas S.A.E.C.A.	4,616,920,407	-	3,792,928,461	-
Banco Atlas S.A.	4,002,000,000	-	7,839,445,929	-
BANCOP	3,000,000,000	-	-	-
Banco Río S.A.	777,875,048	-	2,300,812,651	-
Sub-Total	58,065,350,141	-	52,847,771,016	-
Sobregiros en cuenta corriente	130,950,313	-	782,911,683	-
Total	58,196,300,454	-	53,630,682,699	-


(*) All the loans are short-term

Financial obligations with foreign entities

Description	31.12.2020		31.12.2019	
	Short-term	Long-term	Short-term	Long-term
Banco Interamericano de Desarrollo (BID)	329,174,193	435,041,572	606,601,971	423,200,241
Kiva	16,307,198,953	-	16,307,198,953	-
Locfund Limited Partnership	8,516,120,000	-	8,516,120,000	-
Oikocredit	6,305,194,000	-	12,610,388,000	-
Total	6,305,194,000	435,041,572	12,610,388,000	1,029,802,212

Description	31.12.2020			31.12.2019		
	Short-term	Long-term	Total	Short-term	Long-term	Total
INCOFIN	5,577,000,000	-	5,577,000,000	-	11,154,000,000	11,154,000,000
Beneficial Returns	241,487,481	649,764,915	891,252,396	-	-	-
Silicon Valley Community	-	6,941,650,000	6,941,650,000	-	-	-
Subtotal	37,276,174,626	8,026,456,487	45,302,631,114	39,445,292,145	11,577,200,241	51,022,492,386
Interest earned to be paid	421,298,128	-	421,298,128	621,993,744	-	621,993,744
Total obligaciones	95,893,773,208	8,026,456,487	103,920,229,696	93,697,968,588	11,577,200,241	105,275,168,829

Refer to Annexes II and III for more information on capital balances and interest rates per operation.


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NOTE 9 – COLLATERAL AND SURETIES

Information is provided below on the collateral and sureties covering the financial obligations contracted by the Entity to December 31, 2020.

Collateral provided by Fundación Paraguaya

- a. The financial obligations contracted with the bank BBVA Paraguay S.A. to 31.12.2020 are collateralized with a fixed term deposit for a total value of USD 500,000 in BBVA Paraguay S.A.

Collateral provided by third parties

No collateral granted by third parties to 31.12.2019.

NOTE 10 – RECEIVED DONATIONS FOR PROJECTS

Part of the resources with which the Entity finances its activities have been obtained from International Agencies and local contributors through donation agreements in some cases, or through subsidy programs for specific activities developed by the Entity.

Donations for projects to be received are as follows:

Description	31.12.2020	31.12.2019
Microfinance Unit (Annex IV)	-	813,984,507
Self-sufficient Agricultural Schools Unit (Annex V)	1,571,635,698	13,069,921
Entrepreneurial Education Unit (Annex VI)	698,871,439	384,576,325
Poverty Stoplight Unit (Annex VII)	7,000,960,333	384,576,325
Totals	9,271,467,470	1,211,630,753

The description of the donations to be received for projects, as well as the resources used for the operational units of microfinance, agricultural schools and entrepreneurial education during the fiscal years 2020 and 2019 are itemized in Annexes IV, V, VI and VII.

NOTE 11 – ASSETS DIRECTLY RELATED TO THE MICROFINANCE UNIT

A summary is provided below on the assets of the Entity to December 31, 2020 and 2019 directly related to the Microfinance Unit and to the services rendered by said operational unit:

Description	Dec. 31, 2020	%	Dec. 31, 2019	%
Liquid assets	3,681,630,736	2.38%	4,937,306,829	3.03%
Short-term investments	23,159,469,814	3.78%	6,699,641,012	3.59%
Credits	138,165,463,333	90.45%	145,975,773,734	88.42%
Miscellaneous credits	1,027,672,102	0.49%	982,508,839	2.01%
Property, plant & equipment	6,456,768,690	2.90%	7,351,658,240	2.95%
Total	172,491,004,675	100%	165,946,888,654	100%

NOTE 12 – COMMITMENTS & CONTINGENCIES

The main contracts signed by the Entity in effect to December 31, 2020 and 2019 are:

a) On December 20, 2002 the Entity received, as donation from the Asociación Paraguaya de Educación y Asistencia (APEA) the lands, buildings and facilities of the “San Francisco de Asís” Agricultural School located in Cerrito (Department of Villa Hayes – Paraguayan Chaco), which had been administrated and maintained by APEA until December 31, 2002 and which, as of January 1, 2003 has been administrated by the Entity. Taking on its administration entails the following obligations for the Entity:

- Taking on the property, administration and management of the School with the mission of providing technical education on agriculture and livestock to young low-income farmers and introducing academic and administrative reforms.
- Investing the sum of Gs. 2,450,000,000 in a five-year period to: i) subsidize the spread between operational income and expenses of the School; ii) build new infrastructure; iii) purchase production goods and inputs; iv) open credit lines and provide technical assistance to graduates; v) purchase the land of 14.52 hectares bordering with the School and which is valued at USD 46,464, which was already complied with at the close of 2002.
- Take on the work obligations of the School to the cutoff date (December 31, 2002), which has already been complied with at the close of 2002.
- Maintain the current system of boarding school, grants and subsidies of the School enabling the access of at least one hundred young low-income farmers.
- Develop self-help programs and technical advice for graduates.
- Ensure an ecclesial space for students to receive catechism and pastoral education inspired on the Catholic religion.

b) On July 1, 2010 the Entity received the usufruct of property of the Centro de Formación Técnica Agropecuaria SOS Hermann Gmeiner “SOS Aldea de Niños Paraguay”, located in Belén, to administrate and provide continuity to social work in the area. The term of the usufruct will be 20 years, extendable upon common agreement between the parties. Once said term has elapsed, if the extension is not agreed on, the usufruct will terminate and the ownership of the assets and the administration shall be returned to “SOS Aldea de Niños Paraguay”. Taking up the usufruct entails the following obligations for the Entity:

- Maintain the school open with the mission of education low-income youth and make academic and administrative reforms.
- Develop self-help programs and provide technical advice so that graduates may apply what they have learned in the School in their communities of origin and facilitate their access to credit for production purposes to develop viable projects.

In addition to the above, to December 31, 2020 and 2019 there are no other situations, commitments or contingencies which could generate financial obligations for the Entity, other than those disclosed in these financial statements.


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NOTE 13 – RESERVES

a) Optional reserves

As internal policy the Entity determined the annual establishment, with the deduction from the accumulated surplus of previous years, of the following reserves prior approval of the Ordinary General Assembly:

Maintenance reserve of the capital value, which is determined in terms of the annual variation of the consumer price index on the accumulated surplus of the previous fiscal year which includes the surplus of said fiscal year. The amounts of capital maintenance reserves established in 2020 and 2019 total Gs. 915,268,885 and Gs. 1,082,873,195, respectively.

b) Revaluation reserves

The balance of this line-item corresponds to the tax revaluation of fixed assets, whose compulsoriness for tax purposes was in force until December 31, 2019.

The increase in the assets produced by the revaluation will form part of a capital reserve, whose only destination may be capitalization. During 2020 the balance did not change due to the entry into force of Law 6380, which establishes that the revaluation of fixed assets may be mandatory, only once the variation of the consumer price index reaches at least 20% accumulated.

NOTE 14 – INCOME TAX

Due to the activity of the Microfinance Unit and other services, the Entity is subject to the corporate income tax (IRE), the overall rate of which is 10%.

The income tax levied on the results of the year is based on the book earnings before this item, adjusted by the line-items that the Law includes or excludes for the determination of taxable earnings to which the tax rate is applied and by the recognition of the charge or the income originated from the application of the deferred tax, if any.

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	31.12.2020		
	IRE		Total
	Taxed	Exempt	
Surplus (loss) before taxes	2,965,235,867	(997,570,392)	1,967,665,475
Tax adjustments			
(+) Non-deductible expenses	7,706,969,683	20,050,512	7,727,020,196
(-) Exempt income not reached	(12,782,437)		
Taxable income	10,659,423,113		10,659,423,113
Tax rate	10%		-
Income tax	1,065,942,311		

	31.12.2019				Total
	IRACIS		IRAGRO		
	Taxed	Exempt	Taxed	Exempt	
Surplus(loss) before taxes	4,458,191,603	193,617,845	(218,586,632)	286,879,974	4,720,102,790
Tax adjustments					
(+) Non-deductible expenses	2,623,219,832	529,533,464	512,720,791	17,204,935	3,282,679,022
Taxable income	7,081,411,436		(105,865,841)		6,975,545,595
Tax rate	10%	-	10%	-	
Income tax	708,141,144		-		

Although the NIF 20 - Deferred tax issued by the Association of Public Accountants of Paraguay requires accounting for said tax, we decided not to register it as the resulting amount is not material in relation to assets to December 31, 2020 and 2019, nor in relation to the results of the years ended on said dates.

NOTE 15 – FINANCIAL INSTRUMENTS

Exposures to credit risks and currency risk arise as a result of the company's business-as-usual.

a. Credit Risk

The Board and Management have credit policies that allow monitoring this risk continuously and expect proper credit behavior and eventual defaults are reasonably covered by the existing provisions.

b. Currency Risk

The Entity incurs in foreign currency risks on sales and purchases denominated in currencies other than the Guaraní. The currency that originates this risk is mainly the US dollar. This risk is monitored so as to maintain the exposure to it at acceptable levels.

The position of assets and liabilities in foreign currency is made up as follows:

31.12.2020			
Item	USD	Pounds	Equivalent in Gs.
Assets in foreign currency	3,418,821	-	23,562,379,393
Liabilities in foreign currency	(4,650,703)	-	(32,283,549,297)
Net position	(1,231,881)	-	(8,721,169,904)

31.12.2019			
Item	USD	Pounds	Equivalent in Gs.
Assets in foreign currency	1,532,023	10,203	8,409,444,290
Liabilities in foreign currency	(2,483,589)	-	(16,053,797,759)
Net position	(951,566)	10,203	(7,644,353,469)

Assets and liabilities in foreign currency were valued at the exchange rate in effect on the closing date of each fiscal year, as detailed below.

Currency	31.12.2020		31.12.2019	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
USD	6,891.96	6,891.96	6,442.33	6,463.95
POUNDS	9,367.55	9,367.55	8,471.01	8,500.74

To the date of these financial statements, the exchange rate for assets: of the US dollar was Gs. 6,448.40 and of pounds sterling Gs. 8,901.37. The exchange rate for liabilities of the US dollar was Gs. 6,452.52 and of pounds sterling Gs. 8,907.71.

NOTE 16 – OTHER RELEVANT EVENTS

Tax Reform

On September 25, 2019, Law No. 6380/19 "On Modernization and Streamlining of the National Tax System" was enacted, entering into effect as of January 1, 2020, enforcing the following taxation regime:

Corporate Income Tax (IRE), successor to the the Income Tax on Commercial, Industrial and Services Activities (IRACIS), Income Tax on Agricultural Activities (IRAGRO), and Income Tax for Small Taxpayers (IRPC) with the same 10% tax rate. The rates to be applied will be: 8% if the individual receiving the dividends, profits or returns is a natural person, legal entity or another type of entity residing in the country; and 15% provided that the recipient is an entity, natural person or legal entity not residing in the country, including those obtained by the parent company abroad, i.e. the parent company of the branches established in the country. Law No. 6380/19 establishes special provisions related to accumulated profits before to its coming into effect that have not been capitalized.

Income Tax for Non-Residents (INR): It taxes Paraguayan-source income obtained by natural persons or legal entities, non-residents in Paraguay, originating from the activities included in the IRE and the IRP, the provisions relating to digital services are detailed, which are taxed provided they are used and exploited in Paraguayan territory, including entertainment or gambling services. In general, the INR rate is 15% to be applied to the value established for the net income.

Regarding the Value-Added Tax, no significant changes are envisaged in respect of the operations of the Fundación Paraguaya. Regarding the rates for the products, there are no variations. The tax settlement system has not been modified and it maintains the rule of compensation of the VAT Tax Debit with VAT Tax Credit.

Valuation Standards between Parties (Transfer Pricing): As of 2021, taxpayers operating with related parties residing in the country and abroad, must obtain and maintain a Technical Study that includes the supporting documentation showing that the amount of their income and deductions were valued at prices or considerations made between independent parties. Otherwise, the Taxation Department may determine the income and deductions, by determining the price or consideration that independent parties would have used in comparable operations.

Supervision of the Superintendency of Banks

On 13/11/2019, the Central Bank of Paraguay issued Resolution No. 7, File No. 78, which includes individuals and/or legal entities that operate in the credit market with their own or third-party resources, which do not represent the raising of deposits, as subjects of Law 861/96 and its modification, and creates the "Registry of money credit grantors/credit bureaus". In response to a consultation note presented by the Fundación, the Superintendency of Banks informed the Fundación, through Note SB.SG. No. 00263/2020 dated 06/03/2020, that its activity lies within the provisions of Article 1 of Resolution No. 7, Record No. 78 dated 13/11/2019, and, therefore, determines the inclusion of the Fundación as subject of Law No. 861/96 and its modification, taking into account the habitual nature of granting loans to its beneficiaries. The Fundación has completed the appropriate registration. Once the corresponding records have been reviewed, the Superintendency of Banks will evaluate the different regulations to be applied to credit bureaus/credit grantors, based on the different factors relating to the money loan business with the institution's own resources.

Signed by Luis Fernando Sanabria, General Manager
Signed by Liliana Marroco Franco, Accounting Manager
Signed by BCA

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TABLE OF PROPERTY, PLANT & EQUIPMENT FOR THE YEAR CLOSED ON DECEMBER 31, 2020

ANNEX I

Account	Values of origin					Balance to 12.31.2020
	Initial balance	Recognitions	Derogations and adjustments	Reclassifications	Revaluation of period	
Real estate	9,939,270,389	-	-	-	-	9,939,270,389
Furniture, implements and installations	16,739,524,225	225,756,869	(1,596,113,816)	8,407,822	-	15,377,575,100
Computing equipment	3,781,992,955	46,888,123	(1,628,174,097)	(108,111,764)	-	2,092,595,217
Transport material	977,463,376	7,590,909	(72,104,813)	-	-	912,949,472
Improvements in third party property	1,234,274,365	38,227,274	(549,815,142)	-	-	722,686,497
Other assets	337,247,633	2,517,949,663	(75,000)	99,703,942	-	2,954,826,238
Sub-total 2020	33,009,772,943	2,836,412,838	(3,846,282,868)	-	-	31,999,902,913
Constructions and installations underway(*)	2,764,747,882	771,651,387	(2,545,511,108)	-	-	990,888,161
Sub-total 2020	2,764,747,882	771,651,387	(2,545,511,108)	-	-	990,888,161
Total 2020	35,774,520,825	3,608,064,225	(6,391,793,976)	-	-	32,990,791,074
Total 2019	31,872,693,888	5,525,942,335	(2,053,588,054)	(205,399,948)	634,872,604	35,774,520,825

Account	Depreciation						Years of useful life
	Initial balance	Depreciation(**)	Derogations and adjustments	Reclassifications	Revaluation of period	Accumulated	
Real estate	(3,013,116,204)	(201,578,961)	-	-	-	(3,214,695,165)	25
Furniture, implements and installations	(9,202,080,256)	(1,103,741,393)	1,502,772,751	-	-	(8,803,048,898)	10
Computing equipment	(3,303,218,199)	(79,516,409)	1,625,040,084	-	-	(1,757,694,524)	4
Transport material	(690,449,053)	(80,981,352)	72,104,813	-	-	(699,325,592)	5
Improvements in third party property	(1,020,362,856)	(58,112,058)	547,985,238	-	-	(530,489,676)	5
Other assets	(171,477,735)	(161,955,429)	75,000	-	-	(333,358,164)	5
Sub-total 2020	(17,400,704,303)	(1,685,885,602)	3,747,977,886	-	-	(15,338,612,019)	
Constructions and installations underway(*)	-	-	-	-	-	-	
Sub-total 2020	-	-	-	-	-	-	
Total 2020	(17,400,704,303)	(1,685,885,602)	3,747,977,886	-	-	(15,338,612,019)	
Total 2019	(17,057,120,641)	(2,088,394,696)	1,962,699,596	(7,652,784)	(210,235,778)	(17,400,704,303)	

(*) Underway includes: Web development for the Stoplight and Tradename Registration for Stoplight
 (**) Depreciation of the fiscal year is:

Description	31.12.2020	31.12.2019
Depreciation of the Microfinance Fiscal Year (Annex VIII)	646,771,697	890,773,606
Depreciation of the Internships Project Fiscal Year (Annex VIII)	3,154,022	7,485,731
Depreciation of the Replication Fiscal Year (Annex IX)	1,689,388	64,521,606
Depreciation of the San Francisco School Fiscal Year (Annex IX)	737,953,330	942,315,418
Depreciation of the Belén School Fiscal Year (Annex IX)	219,954,623	246,451,537
Depreciation of the Entrepreneurial Education Fiscal Year (Annex X)	52,512,390	19,461,637
Depreciation of the Own Funds Stoplight Fiscal Year (Annex XI)	23,850,152	7,385,161
Total	1,685,885,602	2,088,394,696

Signed by Luis Fernando Sanabria, General Manager
 Signed by Liliana Marroco Franco, Accounting Manager
 Signed by BCA

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ANNEX II

Financial obligations with local entities to 31.12.2020 (Note 8)

Creditor	Currency	Approval	Expiration	Rate	Original amount	Capital Balance to 31.12.2019
A F D	Guaraníes	20/08/2020	13/08/2025	0.5%	2,500,000,000	2,500,000,000
A F D	Guaraníes	21/10/2020	13/10/2022	0.5%	4,065,355,668	4,065,355,668
A F D	Guaraníes	20/11/2020	13/11/2022	0.5%	3,434,644,332	3,434,644,332
Sub-total					10,000,000,000	10,000,000,000
Banco ATLAS	Guaraníes	21/12/2020	21/12/2021	6.5%	4,002,000,000	4,002,000,000
Sub-total					4,002,000,000	4,002,000,000
Banco Continental SAECA	Guaraníes	08/10/2020	04/04/2021	7%	2,000,000,000	1,340,881,485
Banco Continental SAECA	Guaraníes	01/12/2020	05/12/2021	7%	4,000,000,000	4,000,000,000
Sub-total					6,000,000,000	5,340,881,485
Banco GNB Paraguay S.A.	Guaraníes	16/03/2020	16/03/2021	8.75%	7,000,000,000	1,808,801,110
Banco GNB Paraguay S.A.	Guaraníes	05/10/2020	05/10/2021	8.75%	4,500,000,000	3,777,205,421
Banco GNB Paraguay S.A.	Guaraníes	14/12/2020	14/12/2021	7.75%	3,000,000,000	3,000,000,000
Banco GNB Paraguay S.A.	Guaraníes	17/12/2020	17/12/2021	6.50%	2,000,000,000	2,000,000,000
Banco GNB Paraguay S.A.	Guaraníes	24/12/2020	24/12/2021	7.75%	3,000,000,000	3,000,000,000
Sub-total					19,500,000,000	13,586,006,531
Banco Río S.A.	Guaraníes	15/03/2020	15/03/2021	8.5%	3,015,164,356	777,875,048
Sub-total					3,015,164,356	777,875,048
BANCOP	Guaraníes	11/12/2020	11/12/2021	7.6%	3,000,000,000	3,000,000,000
Sub-total					3,000,000,000	3,000,000,000
Banco Bilbao Vizcaya Argentaria Paraguay S.A.	Guaraníes	28/01/2020	22/01/2021	8%	1,900,000,000	158,333,337
Banco Bilbao Vizcaya Argentaria Paraguay S.A.	Guaraníes	13/10/2020	13/04/2021	4%	3,000,000,000	2,000,000,000
Banco Bilbao Vizcaya Argentaria Paraguay S.A.	Guaraníes	11/11/2020	05/11/2021	6%	5,000,000,000	4,583,333,333
Sub-total					9,900,000,000	6,741,666,670
Financiera Solar	Guaraníes	12/11/2020	12/11/2021	7.5%	5,021,566,522	4,616,920,407
Sub-total					5,021,566,522	4,616,920,407
Interfisa Banco S.A.E.C.A.	Guaraníes	27/03/2020	22/03/2021	12%	5,000,000,000	5,000,000,000
Sub-total					5,000,000,000	5,000,000,000
Sudameris	Guaraníes	20/04/2020	15/04/2021	12%	5,000,000,000	5,000,000,000
Sub-total					5,000,000,000	5,000,000,000
Total					70,438,730,878	58,065,350,141

Financial obligations with local entities to 31.12.2019 (Note 8)

Creditor	Currency	Approval	Expiration	Rate	Original amount	Capital Balance to 31.12.2019
Banco Atlas S.A.	Guaraníes	25/04/2019	16/04/2020	9%	4,021,137,872	1,380,634,179
Banco Atlas S.A.	Guaraníes	19/07/2019	08/07/2020	9%	2,400,000,000	1,433,511,605
Banco Atlas S.A.	Guaraníes	16/12/2019	12/12/2020	8.75%	5,025,300,145	5,025,300,145
Sub-total					11,446,438,017	7,839,445,929
Banco GNB Paraguay S.A.	Guaraníes	21/05/2019	21/05/2020	9.75%	3,000,000,000	1,285,752,084
Banco GNB Paraguay S.A.	Guaraníes	11/06/2019	11/06/2020	9.5%	4,000,000,000	2,047,431,409
Banco GNB Paraguay S.A.	Guaraníes	26/06/2019	15/06/2020	9.5%	2,000,000,000	999,999,998
Banco GNB Paraguay S.A.	Guaraníes	12/07/2019	15/01/2020	8%	2,000,000,000	333,333,335
Banco GNB Paraguay S.A.	Guaraníes	24/07/2019	18/07/2020	9.5%	3,000,000,000	1,750,000,000
Banco GNB Paraguay S.A.	Guaraníes	12/11/2019	12/11/2020	9%	4,000,000,000	3,679,773,057
Banco GNB Paraguay S.A.	Guaraníes	04/12/2019	06/12/2020	9%	4,000,000,000	4,000,000,000
Banco GNB Paraguay S.A.	Guaraníes	12/12/2019	15/12/2020	9%	4,000,000,000	4,000,000,000
Banco GNB Paraguay S.A.	Guaraníes	26/12/2019	21/06/2020	7.85%	2,000,000,000	2,000,000,000
Sub-total					28,000,000,000	20,096,289,883
Banco Bilbao Vizcaya Argentaria Paraguay S.A.	Guaraníes	21/06/2019	15/06/2020	8%	2,500,000,000	1,250,000,002
Banco Bilbao Vizcaya Argentaria Paraguay S.A.	Guaraníes	29/07/2019	13/07/2020	8%	3,000,000,000	1,750,000,000
Banco Bilbao Vizcaya Argentaria Paraguay S.A.	Guaraníes	22/08/2019	17/08/2020	8%	2,500,000,000	1,666,666,668
Banco Bilbao Vizcaya Argentaria Paraguay S.A.	Guaraníes	20/11/2019	16/11/2020	8%	4,000,000,000	3,666,666,667
Banco Bilbao Vizcaya Argentaria Paraguay S.A.	Guaraníes	19/12/2019	14/12/2020	8%	4,200,000,000	4,200,000,000
Sub-total					16,200,000,000	12,533,333,337
Interfisa Banco S.A.E.C.A.	Guaraníes	13/08/2019	12/02/2020	9%	2,500,000,000	845,955,066
Interfisa Banco S.A.E.C.A.	Guaraníes	20/08/2019	19/02/2020	9%	2,000,000,000	676,761,625
Sub-total					4,500,000,000	1,522,716,691
Solar de Ahorro y Finanzas S.A.E.C.A.	Guaraníes	26/03/2019	20/03/2020	9%	3,014,718,501	777,821,594
Solar de Ahorro y Finanzas S.A.E.C.A.	Guaraníes	23/12/2019	23/12/2020	9%	3,015,106,867	3,015,106,867
Sub-total					6,029,825,368	3,792,928,461
Banco Continental SAECA	Guaraníes	25/10/2018	18/02/2020	7.5%	2,000,000,000	677,817,520
Banco Continental SAECA	Guaraníes	20/11/2018	24/09/2020	8%	2,850,000,000	2,158,495,989
Banco Continental SAECA	Guaraníes	12/12/2018	22/05/2020	8%	2,306,247,706	1,925,930,555
Sub-total					7,156,247,706	4,762,244,064
Banco Río S.A.	Guaraníes	28/08/2019	17/09/2020	9%	3,019,482,120	2,300,812,651
Sub-total					3,019,482,120	2,300,812,651
Total					76,351,993,211	52,847,771,016

Signed by Luis Fernando Sanabria, General Manager

Signed by Liliana Marroco Franco, Accounting Manager

Signed by BCA

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ANNEX III

Financial obligations with entities abroad (Note 8)	To December 31, 2020			To December 31, 2019		
	Short-term	Long-term	Total	Short-term	Long-term	Total
	Inter-American Development Bank (IADB)					
a) Financing agreement - Revolving Fund SP/SD-87-08-PR executed between the IAB and FPCD for a total of Sw. Fr. 780,750 (Part A) for the execution of a credit and training program targeting microentrepreneurs. The maturities of principal and interest are semi-annual, between 06/01/98 and 06/07/2027. In addition, a 1% annual commission is payable as of the date of the last disbursement (September 1990).	21,173,450	127,040,700	148,214,151	182,165,768	-	182,165,768
b) Financing and technical cooperation agreement No. SP/SF-02-12-PR, signed between the IADB and FPCD for a total of USD 600,000 (reimbursable financing) and USD 250,000 for technical assistance (non-reimbursable). The objective of the project is to contribute to the improvement of the standard of living of small rural producers associated in rural organizations. Payment will be made in 40 equal consecutive semi-annual installments with a 5-year grace period for the principal. The interest rate is 2.5% per year, payable semi-annually as of the signing of the contract. The credit will be reimbursed in US dollars. The expiry date of the operation is 21/11/2022.	308,000,316	308,000,872	616,001,188	424,436,203	423,200,241	847,636,444
Loftund Limited Partnership						
Loans in Guaranties equivalent to USD 2,000,000. Variable rate resulting from the sum of the 4% rate plus 180-day Savings Deposit Certificate (CDA). One year of grace period, and subsequent payment of the principal in quarterly installments. Expiration 03/04/2021.	8,516,120,000	-	8,516,120,000	12,774,180,000	-	12,774,180,000
Okecredit						
Fixed-term loan obtained from said entity on December 14, 2015 for Gs. 15,825,970,000, at an interest rate of 9.3% for the first six months. For the rest of the period, the interest rate will be updated semi-annually and will be the one that arises from the weighted average in national currency of the 180-day savings certificates for banks of the Paraguayan financial system posted on the website of the Bank's Superintendency of Banks of the Central of Paraguay. The loan is for a 5-year term. The final expiry date of this operation is June 14, 2021.	6,305,194,000	-	6,305,194,000	12,610,388,000	-	12,610,388,000

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ANNEX III (cont.)

	To December 31, 2020			To December 31, 2019		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Financial obligations with entities abroad (Note 8)						
KIVA						
Kiva is an organization based in the United States that allows lending money to small businesses or entrepreneurs in developing countries through the internet. It is a non-profit organization that does not charge interest on the loans it channels. Through Kiva, anyone can safely lend money (starting at USD 25) to entrepreneurs who have presented their business idea to the Kiva partner entity in the country where the micro-entrepreneur lives. The terms are variable according to the term requested by the micro-entrepreneur. The Kiva organization charges a commission to the Fundación, set at 1.5% on the monthly collection of credits.	16,307,198,953	-	16,307,198,952	13,454,122,174	-	13,454,122,174
INCOFIN						
Loans in Guarantías equivalent to USD 2,000,000 at the initial moment. Variable rate resulting from the sum of the 6.38% rate plus 180-day Savings Deposit Certificate (CDA). One year of grace period, and subsequent payment of the principal in quarterly installments. Expiration 15/11/2021.	5,577,000,000	-	5,577,000,000	-	11,154,000,000	11,154,000,000
Beneficial Returns						
Loan in dollars worth USD 150,000 and with an annual rate of 8.5%. Payment of the loan in 48 fixed installments. Final maturity 31/12/2023.	241,487,481	649,764,915	891,252,813	-	-	-
Silicon Valley Community						
Loan in dollars worth USD 1,000,000. The expiry date of this operation is 01/06/2022, with a return of 1% on the capital.	-	6,941,650,000	6,941,650,000	-	-	-
Total financial obligations with entities abroad	37,276,174,199	8,026,456,487	45,302,631,114	39,445,292,145	11,577,200,241	51,022,492,386

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ANNEX IV

Resources of the microfinance unit

Donor and/or project	Description of the agreement or donation	Resources of agreements utilized to		Expenses of agreements utilized to		Net		Received donations for projects	
		31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Internships Project	Fundación Paraguaya promotes the entry of undergraduate and graduate students from universities, mainly from the US and Europe, to support its programs and gain field experience in Latin America. The expenses involved in the program are transferred to the students.	290,864	386,088,871	(93,481,881)	(93,481,881)	(93,191,017)	292,606,990	-	-
	Total Microfinance unit	290,864	386,088,871	(93,481,881)	(93,481,881)	(93,191,017)	292,606,990	-	-

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Resources of the self-sufficient agricultural schools

Donor and/or project	Description of the agreement or donation	Program resources to		Program expenses to		Net		Received donations for projects	
		31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
San Francisco de Asís Agricultural School - Cerrio	On January 1, 2003, under the donation contract with charges signed on December 20, 2002 between the Fundación and the Paraguayan Association of Education & Assistance (APPA), the latter donated to the Fundación the land, buildings and facilities of the "San Francisco de Asís" Agricultural School located in the town of Cerrio (Department of Presidente Hayes - Paraguayan Chaco). These assets received as a donation with stipulations were activated by the Fundación to December 31, 2002 under the heading "Property, plant and equipment" and are subject to the obligations and commitments mentioned in note 12. Agreements signed with Global Giving, Karen Ansara and the Disney Foundation allow us to reinforce the improvements of the Schools' infrastructure, such as the laundry area, and the facilities in the organic garden (Healthy Living Program). In 2016 the Fundación Paraguaya and UNEVOC-UNEVOC signed an agreement in the context of improving agricultural education and teacher training through the development of video material in Spanish on exemplary agricultural practices, including agriculture and gardening, beekeeping and fishing, and training of national and regional teachers on the use of Open Educational Resources in agriculture. The Fundación Paraguaya and the Embassy of the Czech Republic signed an agreement to develop business units to support the education of rural youth. At the San Francisco de Asís School, by building a germination area.	3,148,630,547	4,957,786,155	(4,744,683,603)	(5,837,469,470)	(1,596,053,056)	(879,683,315)	568,192,386	13,069,921
Belén Agricultural School	Aidea SOS has granted the Belén School usufruct for a 20-year term and donated the existing moveables and farm animals to the aforementioned school. This school replicates the self-sufficient agricultural school model. Like the San Francisco de Asís "Cerrio" school, the Belén School received support of the Resources Foundation for the program Healthy Living with Organic Vegetables. In addition, in 2011 the Peery Foundation and Marriot committed to grant funds to finance the operating costs of the Belén School for a total amount of USD 200,000, with 4 years duration. In March 2015 the Czech Republic signed an agreement for the "Development of business units to support the education of students of the Belén Agricultural School" with the construction of the broiler chickens unit at said School.	1,384,809,963	990,300,793	(2,021,123,384)	(1,840,172,997)	(636,313,421)	(849,872,204)	1,003,443,312	-
San Pedro Agricultural School	On February 16, 2011, the Fundación received the usufruct of the real estate of Granja San Fernando, located in San Pedro, to administrate it and give continuity to social work in the area. The term of the usufruct will be 20 years, extendable. This school replicates the self-sufficient agricultural school model.	-	-	-	(35,899,690)	-	(35,899,690)	-	-

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ANNEX V (cont.)

Donor and/or project	Description of the agreement or donation	Program resources to		Program expenses to		Net		Received donations for projects	
		31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Replications	Funds received for the dissemination and replication of the self-sustaining school model of the Fundación Paraguaya.	51,242,744	66,833,211	(616,705,425)	(859,013,606)	(565,462,681)	(792,160,395)		
	Total self-sufficient agricultural schools unit	4,594,683,254	6,014,940,159	(7,382,512,412)	(8,572,555,763)	(2,797,829,158)	(2,557,615,604)	1,571,633,698	13,069,971

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ANNEX VI

Resources and expenses of the entrepreneurial education unit

Donor and/or project	Description of the agreement or donation	Program resources to		Program expenses to		Net		Donations (in cash) received and unspent to	
		31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Various entities	Since 1994, the Fundación has received funds from local sources and abroad to finance expenses for the Entrepreneurial Education program, whose objective is economic education of school-aged children and youth.	996,622,022	1,374,141,477	(1,051,874,574)	(1,654,937,246)	(55,252,552)	(280,795,769)	698,871,439	
MIF-YEP	On November 9, 2015, Fundación Paraguaya and the IADB signed a non-reimbursable technical cooperation agreement called "Program for the scaling of youth enterprises in Paraguay" whose objective is to increase the number of successful enterprises of low-income youth at the national level. The project ends on March 31, 2019.	389,074,199	1,957,071,124	(330,699,799)	(1,957,071,124)	58,374,400	-	-	384,576,325
	Total Entrepreneurial Education unit	1,385,696,221	3,331,212,601	(1,382,574,373)	(3,612,008,370)	3,121,848	(280,795,769)	698,871,439	384,576,325

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Resources of the Poverty Stoplight

Donor and/or project	Description of the agreement or donation	Resources of agreements utilized to		Expenses of agreements utilized to		Net		Received donations for projects	
		31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Education Poverty Stoplight	Project focused on Education to promote the Poverty Stoplight of the Fundación Paraguaya.	-	-	(48,962,530)	(85,345,107)	(48,962,530)	(85,345,107)	-	-
Poverty Stoplight Own Funds	The Project seeks to provide innovative solutions to poverty, while identifying practical solutions that are normally within the reach of families, but that they cannot envision without the advice of a person acting as mentor. Poverty is measured with a software designed by Hewlett Packard for information gathering.	1,999,717,515	1,895,642,681	(2,226,211,665)	(3,219,994,526)	(226,494,150)	(1,324,351,845)	-	-
Peery Foundation	Agreement for the development of the pilot program "Committee of Entrepreneurial Rural Women". Grant Fund and Dissemination of institutional model of the agreement for the "Poverty Eradication" program.	-	149,720,062	-	(149,720,062)	-	-	-	-
Toms Shoes and LDS	Agreement with TOMS Shoes Inc. whereby the Fundación Paraguaya provides espadrilles donated by the company Toms Shoes Inc. to the children of the clients and beneficiaries of its programs, as per an agreement signed in February 2012. Agreement made with the Wheelchair Foundation for the donation of 270 wheelchairs through the Fundación Paraguaya. Agreement signed in October 2013.	832,725,117	188,739,746	(832,725,117)	(188,739,746)	-	-	842,174,558	759,347,806

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Resources of the Poverty Spotlight

Donor and/or project	Description of the agreement or donation	Resources of agreements utilized to		Expenses of agreements utilized to		Net		Received donations for projects	
		31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Poverty Spotlight - Cerro Seeded Initiative	Promote the creation and development of sustainable companies that contribute to the creation of economic, social, civic and environmental value for our community. Fund designated to finance the project "Better nourished we take care of our planet" (seeds and courses for Agricultural Schools)	88,708,108	1,192,880	(88,708,108)	(478,561,549)	-	(477,368,669)	157,312,158	-
IDRC Convention	Agreement signed to carry out research for international development. Research on the impact of the scaling up the Poverty Spotlight of the Fundación Paraguaya worldwide (Imago, Itrada)	102,578,324	288,846,305	(102,578,324)	(288,846,305)	-	-	-	54,636,701
LEMONAID Project	The project seeks the financial inclusion of people with visual disabilities through access to our microfinance programs, the possibility of accessing loans to strengthen their ventures, access to microfranchise products, training workshops and mentoring in financial literacy and entrepreneurship, accompanied by the Poverty Spotlight, a tool that motivates families to escape poverty by self-assessing their quality of life and self-managing the solutions to different poverty indicators.	-	298,152,332	-	(237,861,148)	-	60,291,184	-	-
WWF Agreement	Convention dealing with environmental protection and nature conservation. It promotes a new work strategy in relation to 6 global objectives called practices: climate and energy, oceans, wildlife, forests, water and food. Recognition to leaders of sustainable development in Paraguay (Award Event)	-	141,422,600	-	(141,422,600)	-	-	-	-
RISING TIDE - USA Office	The proposed project will create a Poverty Spotlight office in Oakland, California. The office will lay the groundwork for	999,753,177	-	(999,753,177)	-	-	-	160,084,445	-
USAID Agreement	Project for entrepreneurship and resilience of women.	-	-	-	-	-	-	1,388,330,000	-
ITAPIU Grants	Support to the Selection Process of Grantees of Itaipú Binacional	399,092,283	-	(342,581,283)	-	56,511,000	-	908,907,717	-
	Total Poverty Spotlight Unit	6,654,490,831	6,374,748,318	(6,440,928,399)	(6,825,525,790)	213,502,432	(450,777,472)	7,000,960,333	813,984,507

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ANNEX VII (cont.)

Donor and/or project	Description of the agreement or donation	Resources of agreements utilized to		Expenses of agreements utilized to		Net		Received donations for projects	
		31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
SKOLL Agreement	This time, Skoll is once again committing to another social innovation of the Fundación Paraguaya, the Poverty Stoplight, to continue its development and test it in the work with governments and in other countries (Tanzania). Activities to alleviate the effects of the COVID-19 pandemic, facilitate the refining of payments to microentrepreneurs whose incomes have declined, give continuity to the programs and the use of the Poverty Stoplight tool	-	115,985,839	-	(99,133,339)	-	16,852,500	3,506,540,171	-
Poverty Stoplight - SKOLL - BENETECH	The Skoll Foundation fosters large-scale change by investing in connecting, and celebrating the social entrepreneurs and innovators who help solve the world's most pressing problems. Adaptation of the software of the Poverty Stoplight Platform	-	60,954,855	-	(3,278,539)	-	57,676,316	-	-
Poverty Stoplight - Peery Foundation	Project focused on strengthening families to build a decent life and attain self-sufficiency. Promote the Poverty Stoplight of the Fundación Paraguaya targeting multidimensional poverty	2,186,600,974	2,307,518,855	(1,754,152,862)	(1,259,078,042)	432,448,112	1,048,440,813	37,611,294	-
Latin American Development Bank	On June 14, 2016 CAF approved a non-reimbursable technical cooperation, in favor of Fundación Paraguaya, to support the project "My toilet, my kitchen, my pride", whose purpose is to educate and raise awareness among the low-income population on the existence of the multiple dimensions of poverty, including the issue of health and sanitation. On December 7, 2016 CAF approved a non-reimbursable technical cooperation, in favor of Fundación Paraguaya to promote the dissemination of the Poverty Stoplight tool among companies and municipalities of Paraguay to identify and generate more efficient solutions to poverty.	45,255,333	926,577,163	(45,255,333)	(673,544,827)	-	253,027,336	-	-

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STATEMENT OF RESOURCES AND EXPENSES - MICROFINANCE UNIT

Presented comparatively with fiscal year ended December 31, 2019

(expressed in Guaraníes)

	31.12.2020	31.12.2019
Financial income	47,546,890,417	55,147,575,823
Products - current portfolio	32,845,069,795	40,880,540,681
Products - overdue portfolio	1,656,930,295	785,206,739
Portfolio commission and contingencies	12,550,394,724	13,220,445,132
Products - money supply and short-term investments	494,495,603	261,383,271
Financial expenses	(7,422,238,626)	(7,684,114,668)
<u>Gross financial margin</u>	40,124,651,791	47,463,461,155
Recovery of financial assets	2,296,947,270	2,957,186,917
Charges for NPLs (note 5)	(6,102,602,027)	(5,780,413,089)
<u>Financial margin after NPLs</u>	36,318,997,034	44,640,234,983
Other operating income	5,218,830,273	5,431,090,114
Effect of the foreign exchange spread	(209,782,562)	(276,948,736)
<u>Gross operating margin</u>	41,328,044,745	49,794,376,361
Administration expenses	(38,803,278,775)	(42,958,914,232)
Personnel expenses	(27,003,775,273)	(27,600,165,240)
Professional fees	(1,371,151,748)	(1,886,747,167)
Services hired	(1,526,602,135)	(1,955,296,647)
Insurance, custody and surveillance	(1,613,546,809)	(1,965,217,595)
Mobility and per diems - Representation expenses	(1,047,532,120)	(2,515,679,255)
Taxes, duties and patents	(276,974,952)	(155,538,955)
Maintenance and repairs	(868,687,506)	(1,191,139,947)
Depreciation and devaluation of fixed assets	(646,771,697)	(800,773,606)
Rentals paid	(1,785,973,964)	(1,937,700,707)
Communication and promotion	(864,982,501)	(648,614,566)
Organizational Development Expenses	(220,080,040)	(331,331,574)
Other administration expenses	(1,577,200,030)	(1,970,708,973)
Donations MF	2,117,295,400	1,262,815,357
Sub-total	4,642,061,370	8,098,277,486
Income Taxes	(1,065,942,311)	(708,141,144)
Total	3,576,119,059	7,390,136,342
Agreements related to Microfinance	31/12/2020	31.12.2019
<u>Internship Project</u>		
Project resources	290,864	386,088,871
(-) Project expenses	(93,481,881)	(475,074,725)
Sub-total	(93,191,017)	224,332,666
Total	(93,191,017)	(539,763,326)
Net surplus of the microfinance unit	4,548,870,353	8,821,329,517

Signed by Luis Fernando Sanabria, General Manager

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Signed by BCA

STATEMENT OF RESOURCES AND EXPENSES OF THE SELF-SUFFICIENT AGRICULTURAL SCHOOLS
Presented comparatively with fiscal year ended December 31, 2019
 (Expressed in Guaraníes)

	<u>31.12.2020</u>	<u>31.12.2019</u>
<u>Resources of the "San Francisco de Asis" Agricultural School</u>		
Livestock products	796,526,400	822,969,674
Agricultural products	77,243,192	143,614,868
Hotel	570,896,002	2,151,853,185
Academic	300,973,078	380,587,366
Income from finished products	255,735,816	531,633,037
Dairy industry	419,067,433	512,134,506
Ice-cream Shop	2,593,637	18,003,634
Microfranchises	32,676,482	29,955,045
Agromarket	248,115,308	-
Bakery	105,189,234	104,322,655
Other income	82,125,715	161,262,727
Sub-total	<u>2,891,142,297</u>	<u>4,856,336,697</u>
<u>Expenses of the "San Francisco de Asis" Agricultural School</u>		
Remunerations and social charges	(1,243,647,210)	(1,261,140,533)
Travel and per diems of staff	(13,391,747)	(24,860,753)
Office expenses	(264,761,504)	(278,575,215)
Maintenance and repair of fixed assets	(52,874,638)	(66,836,761)
Professional fees	(193,502,814)	(214,755,108)
Insurance on sundry risks	(29,110,199)	(24,345,465)
Other expenses	(2,023,172,838)	(2,976,869,309)
Sub-total	<u>(3,820,460,950)</u>	<u>(4,847,383,144)</u>
<u>Operating margin</u>	<u>(929,318,653)</u>	<u>8,953,553</u>
Technical assistance	-	772,727
Donations received	138,701,400	1,696,731
Interest Earned/(Paid)	(61,146,104)	-
Inventory adjustment	(8,200,006)	-
Depreciation and amortization	(737,953,330)	(942,315,418)
Result of execution of projects	<u>1,863,637</u>	<u>51,209,092</u>
Total	<u>(1,596,053,056)</u>	<u>(879,683,315)</u>
<u>Resources of the "Belén" Agricultural School</u>		
Own resources of the School	1,384,809,963	990,300,793
Project resources	72,227,280	-
(-) Own expenses of the School	(2,021,123,384)	(1,840,172,997)
(-) Project expenses	(72,227,280)	-
Total	<u>(636,313,421)</u>	<u>(849,872,204)</u>
<u>Resources of the "San Pedro" Agricultural School</u>		
(-) Own expenses of the School	-	(35,899,690)
Total	<u>-</u>	<u>(35,899,690)</u>
<u>Agreements related to self-sufficient agricultural schools: Replications</u>		
<u>Replication program</u>		
Project resources	51,242,744	66,853,211
Project expenses	(616,705,425)	(859,013,606)
Sub-total	<u>(565,462,681)</u>	<u>(792,160,395)</u>
Total	<u>(565,462,681)</u>	<u>(792,160,395)</u>
Sub-total	<u>(1,201,776,102)</u>	<u>(1,677,932,289)</u>
Net surplus-deficit of the agricultural school unit	<u>(2,797,829,158)</u>	<u>(2,557,615,604)</u>

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Signed by BCA

STATEMENT OF RESOURCES AND EXPENSES - ENTREPRENEURIAL EDUCATION UNIT

ANNEX X

Presented comparatively with fiscal year ended December 31, 2019

(expressed in Guaraníes)

	31.12.2020	31.12.2019
Resources of the entrepreneurial education unit		
Donations received for administrative expenses	-	551,842,373
Income-international forum	-	-
Income - entrepreneurs' forum	14,545,455	113,227,275
Other income	950,976,638	791,604,357
Sub-total	965,522,093	1,456,674,005
Expenses of the entrepreneurial education unit		
Remunerations and social charges - EE	(375,550,636)	(973,491,697)
Mobility expenses - EE	(11,783,872)	(100,788,391)
Office expenses (water, electricity, telephone, internet) - EE	(24,002,270)	(129,620,190)
Repairs and maintenance of the premises and equipment-EE	(3,305,015)	(7,447,212)
Rentals paid - EE	(254,545)	-
Depreciation of fixed assets - EE	(52,512,390)	(15,913,556)
Risk insurance - EE	(4,087,327)	(4,885,936)
Cleaning Supplies and Service - EE	(3,353,760)	(9,688,074)
Professional fees - EE	(14,201,356)	-
FEP outlays	(6,652,406)	(149,562,557)
Miscellaneous expenses - EE	(63,297,593)	(28,558,692)
Contest and special events	-	(162,732,331)
Sub-total	(559,001,170)	(1,582,688,636)
Expenses - JUNIOR ACHIEVEMENT		
Remunerations and social charges - JA	(42,710,846)	-
Mobility expenses - JA	-	-
Office supplies - JA	(72,728)	-
Sub-total	(42,783,574)	-
Resources - Youth Ambassadors		
Program Income - YA	31,099,929	-
Sub-total	31,099,929	-
Expenses - Youth Ambassadors		
Remunerations and social charges - YA	(52,180,494)	-
Office supplies - YA	(46,364)	-
Graduation expenses - YA	(9,645,455)	-
Sub-total	(61,872,313)	-
Expenses - Women Entrepreneurs		
Remunerations and social charges - WE	(101,549,505)	-
Sub-total	(101,549,505)	-
Expenses - Emprende Paraguay		
Remunerations and social charges - EP	(66,179,883)	-
Sub-total	(66,179,883)	-
Expenses - Stoplight Olympics		
Remunerations and social charges - SO	(52,701,604)	-
Sub-total	(52,701,604)	-
Expenses - School Enterprise Challenge		
Remunerations and social charges - SEC	(159,386,525)	-
Awards - School Enterprise Challenge - SEC	(2,490,909)	-
Mobility expenses - SEC	(5,909,091)	-
Sub-total	(167,786,525)	-
Total	(55,252,552)	(126,014,631)
Agreements related to entrepreneurial education		
Project - MIF/YEP		
Project resources	389,074,199	1,872,047,411
Project expenses	(330,699,799)	(1,810,645,930)
Sub-total	58,374,400	61,401,481
Total	58,374,400	61,401,481
Net surplus-deficit of the entrepreneurial education unit	3,121,848	(64,613,150)

Signed by Luis Fernando Sanabria, General Manager
Signed by Liliana Marroco Franco, Accounting Manager
Signed by BCA

FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO – POVERTY STOPLIGHT UNIT

ANNEX XI

Presented comparatively with fiscal year ended December 31, 2019

(expressed in Guaraníes)

	31.12.2020	31.12.2019
<u>Poverty-free Enterprises</u>		
Membership Income - PFE	105,957,266	-
Remunerations and social charges - PFE	(102,745,755)	(206,255,977)
Administrative costs (rent, water, electricity, telephone) - PFE	(5,968,126)	-
Sub-total	(2,756,615)	(206,255,977)
<u>Special Projects Paraguay</u>		
Program Income - Oper	685,820,364	1,895,642,681
Remunerations and social charges - Oper	(568,128,466)	(1,191,652,564)
Fees Oper	(183,141,564)	(106,334,337)
Development Expenses (codium-penguin-socialsuite)	(25,984,962)	(246,374,159)
Training, Workshops and Mentoring	(12,268,946)	-
Mobility expenses	(14,883,676)	(9,725,927)
Expenses - Representation and Travels Abroad	(36,032,682)	(90,845,165)
Subscription Platforms and Social Networks - Oper	(500,000)	-
Other expenses	(314,762,983)	(502,506,739)
Publication and Sale of Books	(60,067,568)	(58,908,405)
Fixed Assets Depreciation	(63,673,000)	(43,767,394)
Administrative costs (rent, water, electricity, telephone)	(479,677)	-
Sub-total	(594,103,160)	(354,472,009)
<u>MICROFINANCE STOPLIGHT</u>		
Program Income - MFS	3,956,140	22
Remunerations and social charges - MFS	(97,457,160)	(290,283,618)
Consultant Fees - MFS	-	(10,009,995)
Mobility expenses (field visits) - MFS	(583,039)	(9,186,595)
General expenses - MFS	(12,937,319)	(114,845,276)
Sub-total	(107,021,378)	(424,325,462)
<u>Stoplight Cerrito</u>		
Program Income - SCerrito	3,000,000	1,192,880
Remunerations and social charges - SCerrito	(325,449,665)	(462,034,787)
General expenses - Scerrito	(26,352,637)	(16,526,762)
Nutrition Seedbed - Scerrito	(164,766,131)	-
Sub-total	(513,568,433)	(477,368,669)
<u>International Replications</u>		
Program Income - Replications	1,200,983,745	-
Remunerations and social charges - Replications	(89,525,138)	(339,298,375)
Consultant Fees (Juan Fernando) - Replications	(39,414,574)	-
Mobility expenses (tickets, lodging and food) - Replications	(64,389,974)	-
Administrative costs (rent, water, electricity, telephone) - Replications	(16,698,623)	-
Sub-total	990,955,436	(339,298,375)
<u>Education Stoplight</u>		
Remunerations and social charges - EducationS	(46,628,635)	(79,764,336)
Mobility expenses (field visits) - EducationS	(1,552,714)	-
General expenses - EducationS	(781,181)	(5,580,771)
Sub-total	(48,962,530)	(85,345,107)
Total	(275,456,680)	(1,887,065,599)

Signed by Luis Fernando Sanabria, General Manager

Signed by Liliana Marroco Franco, Accounting Manager

Signed by BCA

VICTORIA V. BROWN
OFFICIAL TRANSLATOR
Prof. Reg. 462
JUDICIARY - Paraguay

ANNEX XI (cont.)

Donor Programs

	<u>31.12.2020</u>	<u>31.12.2019</u>
<u>Poverty Stoplight - Peery Foundation</u>		
Project resources	2,186,600,974	2,307,518,855
(-) Project expenses	(1,754,152,862)	(1,259,078,042)
<u>IDRC - POVERTY ELIMINATION</u>		
Project resources	102,578,324	288,846,305
(-) Project expenses	(102,578,324)	(288,846,305)
<u>Poverty Stoplight - Cerrito Initiative</u>		
Project resources	88,708,108	1,192,880
(-) Project expenses	(88,708,108)	(478,561,549)
<u>RISING TIDE - USA Office</u>		
Project resources	999,753,177	-
(-) Project expenses	(999,753,177)	-
<u>ITAIPU Grants</u>		
Project resources	399,092,283	-
(-) Project expenses	(342,581,283)	-
<u>CAF project</u>		
Project resources	45,255,333	926,572,163
(-) Project expenses	(45,255,333)	(673,544,827)
<u>Grant program</u>		
Project resources	-	149,720,062
(-) Project expenses	-	(149,720,062)
<u>Poverty Stoplight - SKOLL</u>		
Project resources	-	115,985,839
(-) Project expenses	-	(99,133,339)
<u>Poverty Stoplight - SKOLL - BENETECH</u>		
Project resources	-	60,954,855
(-) Project expenses	-	(3,278,539)
<u>TOMs & LDS Agreement</u>		
Project resources	832,725,117	188,739,746
(-) Project expenses	(832,725,117)	(188,739,746)
<u>LEMONAID Project</u>		
Project resources	-	298,152,332
(-) Project expenses	-	(237,861,148)
<u>WWF Agreement</u>		
Project resources	-	141,422,600
(-) Project expenses	-	(141,422,600)
Sub-total	488,959,112	958,919,480
Total	213,502,432	(928,146,119)
Surplus/(Deficit) Poverty Stoplight	213,502,432	(928,146,119)

Signed by Luis Fernando Sanabria, General Manager
Signed by Liliana Marroco Franco, Accounting Manager
Signed by BCA

Translator's Note: This is a true translation of Financial Statements with Notes and Annexes in Spanish that I had before me (Victoria Brown – Prof. Reg. 462) in May 2021 in Asunción, Paraguay.