RELIEF INTERNATIONAL

Financial Statements

For the Years Ended December 31, 2022 and 2021

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Independent Auditor's Report

To the Board of Directors
Relief International, Inc.
Wilmington, Delaware

Opinion

We have audited the financial statements of Relief International, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, and related ASUs, for the year ended December 31, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Clark Nuber P.S.

Certified Public Accountants
September 26, 2023

RELIEF INTERNATIONAL, INC.

Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	$ 8,479,813	$ 7,268,805
Grants receivable	3,496,687	3,578,280
Due from affiliate	2,231,241	1,979,347
Prepaid expenses and other assets	1,196,156	1,737,946
Voluntary emmissions reduction asset		75,000
Microfinance loans receivable, net	3,422,348	3,226,089
Security deposits	119,710	142,023
Operating lease right-of-use asset	88,277	
Property and equipment, net	116,944	85,655
Total Assets	**$ 19,151,176**	**$ 18,093,145**
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 10,735,423	$ 11,059,095
Refundable advances	160,337	398,548
Due to affiliate	6,913,396	6,221,180
Voluntary emmissions reduction obligation		75,000
Operating lease liability	88,277	
Total Liabilities	**17,897,433**	**17,753,823**
Net Assets:		
Net assets without donor restrictions	1,185,187	219,823
Net assets with donor restrictions	68,556	119,499
Total Net Assets	**1,253,743**	**339,322**
Total Liabilities and Net Assets	**$ 19,151,176**	**$ 18,093,145**

See accompanying notes.

RELIEF INTERNATIONAL, INC.

Statement of Activities
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support:			
Grants and contributions	$ 57,357,529	$ -	$ 57,357,529
Private donations	334,517	319,749	654,266
Contributed goods and services	21,092		21,092
Microfinance loan interest	1,157,240		1,157,240
Voluntary emmissions reduction sales	3,104,277		3,104,277
Other	70,681		70,681
Net assets released from restrictions	370,692	(370,692)	
Total Revenues and Support	**62,416,028**	**(50,943)**	**62,365,085**
Expenses:			
Program services-			
Economic opportunity	2,516,904		2,516,904
Education	5,927,977		5,927,977
Health	22,474,537		22,474,537
Multi-sectoral	20,061,216		20,061,216
WASH	36,155		36,155
Other	652,157		652,157
Total program services	51,668,946		51,668,946
Supporting services-			
General and administrative	9,485,513		9,485,513
Fundraising	296,205		296,205
Total supporting services	9,781,718		9,781,718
Total Expenses	**61,450,664**		**61,450,664**
Change in Net Assets	**965,364**	**(50,943)**	**914,421**
Net assets, beginning of year	219,823	119,499	339,322
Net Assets, End of Year	**$ 1,185,187**	**$ 68,556**	**$ 1,253,743**

See accompanying notes.

RELIEF INTERNATIONAL, INC.

Statement of Activities
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support:			
Grants and contributions	$ 67,002,090	$ -	$ 67,002,090
Private donations	486,890	138,436	625,326
Contributed goods and services	72,770		72,770
Microfinance loan interest	999,553		999,553
Voluntary emmissions reduction sales	1,405,947		1,405,947
Other	34,765		34,765
Net assets released from restrictions	479,341	(479,341)	
Total Revenues and Support	**70,481,356**	**(340,905)**	**70,140,451**
Expenses:			
Program services-			
Economic opportunity	3,243,362		3,243,362
Education	5,774,981		5,774,981
Health	33,947,507		33,947,507
Multi-sectoral	17,563,487		17,563,487
WASH	368,200		368,200
Other	485,465		485,465
Total program services	61,383,002		61,383,002
Supporting services-			
General and administrative	9,414,259		9,414,259
Fundraising	191,070		191,070
Total supporting services	9,605,329		9,605,329
Total Expenses	**70,988,331**		**70,988,331**
Change in Net Assets	**(506,975)**	**(340,905)**	**(847,880)**
Net assets, beginning of year	726,798	460,404	1,187,202
Net Assets, End of Year	**$ 219,823**	**$ 119,499**	**$ 339,322**

See accompanying notes.

RELIEF INTERNATIONAL, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program Services							Support Services			
	Economic Opportunity	Education	Health	Multi-Sectorial	WASH	Other	Total Program Services	General and Administrative	Fundraising	Total Support Services	Total
Salaries and wages	$ 784,649	$ 2,641,189	$ 8,405,852	$ 7,393,943	$ -	$ 298,174	$ 19,523,807	$ 3,943,088	$ 106,002	$ 4,049,090	$ 23,572,897
Benefits and payroll taxes	137,630	612,142	1,907,692	2,317,111		62,190	5,036,765	1,657,849	70,684	1,728,533	6,765,298
Cash and vouchers distributed to beneficiaries	211,355	1,515,262	673,678	918,892		42,955	3,362,142				3,362,142
Medical, construction and other supplies	41	311,451	486,705	1,818,969	36,155	27,419	2,680,740				2,680,740
Consultant fees	124,905	54,331	157,760	162,216		8,451	507,663	1,613,092	109,672	1,722,764	2,230,427
Office running costs and services	201,097	347,705	1,638,693	1,859,139		88,375	4,135,009	1,079,538		1,079,538	5,214,547
Project operating costs	672	386	33,837	226,711		6,125	267,731				267,731
Travel	38,682	62,660	425,611	502,936		18,171	1,048,060	487,107	389	487,496	1,535,556
Equipment and logistics	13,250	180,206	468,191	752,979		3,226	1,417,852	48,156		48,156	1,466,008
Bad debt and provision	20,805			(362)			20,443	(63,357)		(63,357)	(42,914)
Staff training, awareness raising and other	13,509	202,645	111,097	369,163		5,899	702,313	620,890	9,458	630,348	1,332,661
Interest expense								77,197		77,197	77,197
Depreciation	13,409		420				13,829	21,953		21,953	35,782
Subgrants to partners	956,900		8,165,001	3,739,519		91,172	12,952,592				12,952,592
Total Expenses	**$ 2,516,904**	**$ 5,927,977**	**$ 22,474,537**	**$ 20,061,216**	**$ 36,155**	**$ 652,157**	**$ 51,668,946**	**$ 9,485,513**	**$ 296,205**	**$ 9,781,718**	**$ 61,450,664**

See accompanying notes.

RELIEF INTERNATIONAL, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program Services							Support Services			
	Economic Opportunity	Education	Health	Multi-Sectorial	WASH	Other	Total Program Services	General and Administrative	Fundraising	Total Support Services	Total
Salaries and wages	$ 1,291,137	$ 3,202,464	$ 12,132,256	$ 6,918,438	$ 232,303	$ 287,340	$ 24,063,938	$ 3,662,584	$ 122,739	$ 3,785,323	$ 27,849,261
Benefits and payroll taxes	340,314	721,290	1,855,312	2,443,048	89,540	42,452	5,491,956	1,546,002	39,918	1,585,920	7,077,876
Cash and vouchers distributed to beneficiaries	82,884	391,231	178,196				652,311				652,311
Medical, construction and other supplies	353,786	312,982	2,584,507	970,865		55,570	4,277,710				4,277,710
Consultant fees	79,325	88,238	135,982	112,289	1,197	10,569	427,600	2,157,387	20,086	2,177,473	2,605,073
Office running costs and services	365,983	517,887	1,731,847	1,498,892	33,565	47,836	4,196,010	1,071,494	1,357	1,072,851	5,268,861
Project operating costs	73,095	831	114,817	1,604,787	670	19,584	1,813,784				1,813,784
Travel	185,161	63,079	629,926	525,910	4,227	3,791	1,412,094	76,778		76,778	1,488,872
Equipment and logistics	53,881	326,722	1,037,886	558,557	7,676	8,118	1,992,840	30,355		30,355	2,023,195
Bad debt and provision	8,778		8	6,533			15,319	624,006		624,006	639,325
Staff training, awareness raising and other	24,943	150,257	100,524	291,640	(978)	10,205	576,591	196,029	6,970	202,999	779,590
Interest expense								34,604		34,604	34,604
Depreciation	12,075						12,075	15,020		15,020	27,095
Subgrants to partners	372,000		13,446,246	2,632,528			16,450,774				16,450,774
Total Expenses	**$ 3,243,362**	**$ 5,774,981**	**$ 33,947,507**	**$ 17,563,487**	**$ 368,200**	**$ 485,465**	**$ 61,383,002**	**$ 9,414,259**	**$ 191,070**	**$ 9,605,329**	**$ 70,988,331**

See accompanying notes.

RELIEF INTERNATIONAL, INC.

Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash From Operating Activities:		
Change in net assets	$ 914,421	$ (847,880)
Adjustments to reconcile change in net assets		
to net cash provided by (used in) operating activities-		
Paycheck Protection Program loan forgiveness revenue		(24,201)
Depreciation	45,925	34,024
Change in provision for microloan losses	20,918	97,071
Changes in operating assets and liabilities:		
Grants receivable	81,593	1,747,056
Prepaid expenses, other receivables and other	541,790	1,486,120
Due from affilate	(251,894)	(1,979,347)
Voluntary emmissions reduction asset	75,000	150,000
Security deposits	22,313	12,270
Accounts payable and accrued expenses	(323,672)	(51,197)
Refundable advances	(238,211)	(1,527,122)
Due to affiliate	692,216	573,591
Voluntary emmissions reduction obligation	(75,000)	(150,000)
Net Cash Provided by (Used in) Operating Activities	**1,505,399**	**(479,615)**
Cash Flows From Investing Activities:		
Purchases of property and equipment	(77,214)	(9,485)
Net advances for microfinance loans	(217,177)	(1,043,330)
Net Cash Used in Investing Activities	**(294,391)**	**(1,052,815)**
Cash Flows From Financing Activities:		
Repayment of Paycheck Protection Program loan		(116,561)
Net Cash Used in Financing Activities		**(116,561)**
Net Change in Cash and Cash Equivalents	**1,211,008**	**(1,648,991)**
Cash and cash equivalents, beginning of year	7,268,805	8,917,796
Cash and Cash Equivalents, End of Year	**$ 8,479,813**	**$ 7,268,805**

See accompanying notes.

Note 1 - Organization and Summary of Accounting Policies

Relief International, Inc. (the Organization) is a leading humanitarian nonprofit agency committed to achieving relief from poverty, building resilience, and promoting dignity and well-being of the world's most vulnerable populations. By partnering with people in the communities where we work, we bridge the gap between immediate relief and long-term community development. The Organization is nonsectarian and nonpolitical in its mission. The Organization’s programs focus on four sectors: health; education; water, sanitation and hygiene (WASH); and economic opportunity. We design every program to follow "The RI Way", which includes global participation, integration across sectors, partnerships, and civic skills development. Past and current programs have included assistance to refugees, displaced, and other vulnerable communities in Afghanistan, Bangladesh, Ghana, Iraq, Jordan, Kenya, Lebanon, Myanmar, Pakistan, Philippines, Somalia, South Sudan, Sudan, Turkey, and Yemen.

Relief International receives awards, grants and contributions from the United States Agency for International Development (USAID), the United States Department of State (DOS), various foundations, and other international organizations.

Relief International was originally founded in June 1990 and is a Delaware nonprofit, nonstock corporation. Relief International-Kenya is registered in Kenya as an International Nongovernmental Organization under Section 10 of the NGOs Co-ordination Act of 1990, certification of registration N.218/015/2007/0183/4781 dated September 27, 2007. Relief International-Kenya operates as a country office and does not have programs or operations other than those of Relief International Alliance projects. All activities of Relief International-Kenya are included in these financial statements. Enterprise Works, LLC is a dormant entity registered in Delaware.

Basis of Presentation - The financial statements of the Organization have been prepared on the accrual basis of accounting under accounting principles generally accepted in the United States of America (U.S. GAAP). The Organization has presented unclassified statements of financial position which sequence assets according to their nearness of conversion to cash and sequence liabilities according to the nearness of their maturity and resulting use of cash.

For the purposes of financial reporting, the Organization classifies resources into two net asset categories pursuant to donor-imposed restrictions. Accordingly, the net assets of the Organization are classified and reported as follows:

> Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.
>
> Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Revenue and support are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Donor restrictions expire when the donor-stipulated purpose has been fulfilled and/or the donor-stipulated time period has elapsed. Expirations of donor restrictions result in the reclassification of net assets with donor restrictions to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. Conditional grants and contributions for which conditions have been satisfied are reported as revenues without donor restrictions.

Note 1 - Continued

Revenue Recognition - Unconditional grants and contributions are recognized as revenue in the period committed or received. Conditional promises to give are recognized as revenue in the period in which the conditions upon which they depend have been satisfied.

Grants and contracts that are awarded to the Organization from U.S. Government, foreign government agencies and pass-through agencies are accounted for as conditional grants, and revenue without donor restrictions is recognized when qualifying expenditures related to specified programs are incurred and other conditions have been satisfied. When funds are received in advance of conditions being satisfied, the unspent funds are recorded in the statements of financial position as refundable advances. When conditions have been satisfied prior to receiving funds from the U.S. Government and foreign government agencies, including pass-through agencies, grants receivable is recorded.

Outstanding conditional grants and contributions totaled approximately $41.1 million and $39.2 million as of December 31, 2022 and 2021, respectively. The conditions contained in the grants and contributions are expected to be satisfied and the related revenue is expected to be recognized generally within one year from the date of the statements of financial position.

Revenue from the sale of VERs (Note 4) is recognized in the period the VERs are delivered and the point in time Organization's performance obligation has been completed.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Organization considers cash on hand and deposits in U.S. and foreign banks with maturities of three months or less to be cash equivalents.

Grants Receivable - Grants receivable are stated at the amount management expects to collect from outstanding balances. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to grants receivable. Management considers all amounts to be fully collectible as of December 31, 2022 and 2021. All grants receivable are expected to be collected within one year.

Prepaid Expenses and Other Assets - Prepaid expenses totaled $911,793 and $936,748 as of December 31, 2022 and 2021, respectively. Other assets consist of field office, staff, and subcontractor advances. Management considers the advances fully recoverable. Other assets totaled $284,363 and $801,197 as of December 31, 2022 and 2021, respectively.

Voluntary Emissions Reduction Asset and Obligation - The Organization is the beneficiary under a program, "Gyapa Improved Stoves in Ghana," related to the sale of voluntary emissions reductions (VERs) earned from its production of fuel-efficient stoves in Ghana (Note 4). The Organization records an asset and a liability when VERs have been certified and there is a contract for sale in place and has incurred an obligation to perform by delivering the VERs. The VERs are valued at the price stated in the contract.

Microfinance Loans Receivable - Microfinance loans receivable consists of loans made under the Organization's microfinance programs (Note 2). Loans that management has the intent and ability to hold for the foreseeable future, until maturity or until payoff, are reported at the principal balance outstanding, net of an allowance for loan losses.

Note 1 - Continued

Property and Equipment - The Organization capitalizes property and equipment with a cost or donated value of $5,000 or greater. The cost of property and equipment is depreciated over the estimated useful life of the asset and is computed using the straight-line method over three to five years. Maintenance and repairs are charged to expense as incurred.

The Organization purchases equipment for its various programs with funding received from the U.S. Government and other donors. Under the terms of these agreements, title to equipment remains with the Organization; however, the donor generally retains control of the equipment until disposition at the end of the award period. In most cases, under the direction of the donor, the Organization donates this equipment to local relief and humanitarian organizations at the end of the award period. The majority of the awards are for terms of less than two years; therefore, equipment purchased under these programs is expensed when purchased, and such assets are not reflected as capital assets in the statements of financial position.

Operating Leases - Effective January 1, 2022, the Organization adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases (Topic 842)* (ASC Topic 842) using the modified retrospective approach with comparative accounting periods continuing to be presented under previous lease guidance (ASC Topic 840). The Organization has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Organization accounted for its existing leases under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the leases would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. Additionally, the Organization elected the practical expedient to use hindsight in determining the lease term (that is, when considering lessee options to extend or terminate the lease and to purchase the underlying asset) and in assessing impairment of the entity's right-of-use (ROU) assets. As a result of the adoption of the new lease accounting guidance, the Organization recognized on January 1, 2022 (a) a lease liability of $1.67 million, (b) a right-of-use asset of $1.37 million, and (c) removal of deferred rent liabilities of $301,949.

The Organization determines if an arrangement contains a lease at inception. Operating leases are included in ROU assets and lease liabilities in the statement of financial position. ROU assets represent a right to use an underlying asset for the lease term and operating lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization's leases do not provide an implicit rate of return; thus, the Organization uses the risk-free discount rate, determined using a period comparable with that of the lease term from the later of the lease commencement date or implementation date. When applicable, the ROU asset also includes prepaid lease payments and unamortized initial direct costs and excludes lease incentives. The Organization has lease agreements with lease and non-lease components which are accounted for as a single lease component. The lease terms include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. A ROU asset and operating lease liability is not recognized for leases with an initial term of 12 months or less.

Note 1 - Continued

Contributed Goods and Services - Contributed goods and services consist of donated food, services, supplies and other relief commodities. These contributions are recorded at their fair value on the date the goods and services are provided based on observable pricing in the market of highest and best use. The goods are used by or distributed under the Organization's programs. The Organization also receives contributed goods and services for which an estimate of the fair value is not determinable; therefore, these contributed goods and services are not reflected in the statements of activities.

Functional Expenses - The costs of providing the various programs and other activities has been summarized on a functional basis in the statements of activities. Wherever appropriate, costs are charged directly to programs by functional area, and costs benefiting multiple functions are allocated based upon a variety of cost drivers that measure relative effort, shared space, or another appropriate basis upon which to allocate costs.

Tax Exempt Status - The Organization is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC) and is not classified as a private foundation under Section 501(a) of the IRC. Accordingly, the Organization has not made any provision for income tax expense in the accompanying financial statements.

Foreign Currency Translation - Substantially all assets and liabilities of the Organization that are held in foreign currencies are translated at year end exchange rates. Revenues, gains, other support, and expenses are translated at the average monthly exchange rates during the year. Gains and losses from foreign currency translation were not material to the financial statements taken as a whole and are not reflected separately in the financial statements.

Vulnerability From Certain Concentrations and Risks - Financial instruments that potentially subject the Organization to concentrations of credit and market risk consist primarily of cash and cash equivalents and microfinance loans receivable (Note 2). The Organization had approximately $7.29 million and $6.02 million in cash and cash equivalents held at financial institutions and on hand in foreign countries as of December 31, 2022 and 2021, respectively, of which approximately $3.94 million and $4.84 million was held in foreign currencies, respectively. The majority of the funds invested in foreign countries is uninsured. Cash and cash equivalents held by financial institutions in the U.S. at times exceed Federal Deposit Insurance Corporation insured limits. Management believes the risk in these situations to be minimal.

The Organization's credit risk arises primarily from its lending activity through its microfinance programs (Note 2) and results when a borrower or counterparty to a financial instrument fails to meet its contractual obligations. Allowances for impairment are accounted for when there is objective evidence that the loans and advances to borrowers are impaired. Significant changes in the economy, depreciation of local currencies against the currencies of the indexed portfolios, or in the health of a particular industry segment could result in evidence that the expected future cash flows are different from those provided for at the end of the reporting period. Management has implemented processes to monitor and manage its exposure to credit risk. Microfinancing loans receivable, net, account for 16% and 18% of the Organization's total assets as of December 31, 2022 and 2021, respectively.

Note 1 - Continued

For the years ended December 31, 2022 and 2021, 91% and 93%, respectively, of the Organization's total revenues and support consisted of awards from agencies of the U.S. Government and pass-through entities. As of December 31, 2022 and 2021, 100% of grants receivable are from the U.S. Government and pass-through entities. Management has no reason to believe that relationships with these entities will be discontinued in the foreseeable future. However, any interruption of these relationships, i.e., the failure to renew agreements or withholding of funds, would adversely affect the Organization's ability to finance ongoing operations.

Use of Estimates - The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events - The Organization has evaluated subsequent events through September 26, 2023, the date on which the financial statements were available to be issued.

Note 2 - Microfinance Loans Receivable

Loans issued under the Organization's microfinance programs have been evaluated as a pool of homogeneous loans and are the only segment and class of lending by the Organization. Loans are considered impaired at 180 days and are generally completely reserved. Past-due status is based on the contractual terms of the loan. In all cases, loans are placed on nonaccrual status or charged-off at an earlier date if collection of principal or interest is considered doubtful. Nonaccrual loans generally consist of smaller balance homogeneous loans that are collectively evaluated for impairment.

The allowance for loan losses has been established for probable incurred credit losses. Loan losses are charged against the allowance when management believes the uncollectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. Management estimates the allowance balance using past loan loss experience, the nature and volume of the portfolio, economic conditions, and other factors. The allowance does not contain specifically identified reserves, as the microfinance loans are evaluated for exposure as a pool of loans.

Factors considered by management in determining impairment include payment status and the probability of collecting scheduled payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays based on the aging of the microfinance loans in the pool. Loans are not restructured, and no troubled debt restructurings are included in the portfolio.

Large groups of smaller balance homogeneous loans are collectively evaluated for impairment, and accordingly, they are not included in the separately identified impairment disclosures. The historical loss experience is determined by portfolio segment and is based on the actual loss history experienced by the Organization. This actual loss experience is supplemented with other economic factors based on the risks present for the geographic region.

Note 2 - Continued

These economic factors include consideration of the following: levels of and trends in delinquencies and impaired loans; levels of and trends in charge-offs and recoveries; migration of loans in the past due categories; trends in volume and terms of loans; economic trends and conditions; industry conditions; and effects of changes in credit concentration.

The Organization’s entire microfinance loan portfolio consisted of loans made in Iraq as of December 31, 2022 and 2021. All loans were provided to individuals in accordance with the terms of the Organization’s local programmatic activities. The majority of loans are due within one year and bear interest of 5.0% to 35.0%. As of December 31, 2022, and 2021, gross microfinance loans receivable balances on the statements of financial position totaled $3,762,105 and $3,540,990, respectively, and the allowance for loan losses totaled $335,819 and $314,901, respectively.

Activity in the allowance for microfinance loans losses was as follows for the years ended December 31:

	2022	2021
Balance, beginning of year	$ 314,901	$ 217,830
Provision for loan losses	20,918	97,071
Balance, End of Year	**$ 335,819**	**$ 314,901**

As of December 31, 2022, the Organization had $83,001 in loans that were considered impaired with an allowance of $335,819 allocated to all loans over 180 days. As of December 31, 2021, the Organization had $165,239 in loans that were considered impaired with an allowance of $314,901 allocated to all loans over 180 days.

The aging of the recorded investment in past-due microfinance loans, was as follows as of December 31:

31 - 60 Days Past Due	61 - 90 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Loans Not Past Due	2022 Total
$ 24,171	$ 15,966	$ 120,189	$ 160,326	$ 3,601,779	$ 3,762,105

31 - 60 Days Past Due	61 - 90 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Loans Not Past Due	2021 Total
$ 26,738	$ 24,098	$ 209,083	$ 259,919	$ 3,281,071	$ 3,540,990

Note 3 - Affiliates

The Organization works with several independent affiliates as part of the global family of Relief International agencies through which international programmatic activities are coordinated.

Relief International UK (RI-U.K.) is a charitable company limited by guarantee incorporated under the laws of England and Wales and is registered as a charitable organization with the Charity Commission.

MRCA/Relief International France (MRCA/RI-France) is a nonprofit association established under the laws of France.

Relief International Europe (RI-Europe) is a nonprofit association incorporated in accordance with Belgian law and governed by the provisions of the Law and Nonprofit Associations. RI-Europe had no activities during 2022 or 2021.

As registered charities in the U.S., U.K., France, and Belgium, respectively, each organization remains a separate legal entity and complies with applicable charities laws and regulations in its respective jurisdiction of incorporation. The entities have common boards and members and collaborate closely by sharing the use of staff and systems. However, none of the entities has a residual interest in the net assets of the other, nor are any of the entities responsible for the obligations or debts of the others.

The aggregate amounts due to and due from the Organization on behalf of the affiliates is as follows as of December 31:

	2022	2021
Due from the Organization to RI-U.K.	$ 6,913,396	$ 6,221,180
Due to the Organization from MRCA/RI-France	$ 2,231,241	$ 1,979,347

The amounts due from the Organization consist primarily of cash held by the Organization, net of expenses incurred by the affiliated entity, to be paid to or by the Organization. These amounts are included in cash and cash equivalents and funds held for affiliates, net on the statements of financial position. Support costs are paid by the Organization, and a portion of those costs are allocated to the affiliates based on management's detailed analysis of level of effort spent, headcount, or revenues, depending on the basis most applicable to specific costs.

Costs allocated to the affiliates for support staff and systems were as follows for the years ended December 31:

	2022	2021
RI-U.K.	$ 2,412,989	$ 1,844,893
MRCA/RI-France	1,510,708	1,464,486
Total Costs Allocated	**$ 3,923,697**	**$ 3,309,379**

Note 4 - Voluntary Emissions Reductions

The Organization is the beneficiary under a program, “Gyapa Improved Stoves in Ghana,” related to the sale of VERs earned from its production of fuel-efficient stoves in Ghana. The Organization contracts with Carbon Check (India) Private Ltd. (the Company) to verify the greenhouse gas emission reductions reported for the program activity and to certify VERs earned in accordance with Gold Standard Verification, and with Gold Standard for Global Goals to monitor the activity. The most recent monitoring report from the Company was dated August 4, 2021, covered the period of February 1, 2019 through August 31, 2020, and certified 1,123,589 VERS with vintages for the same period.

Further credits have been earned in the period from September 1, 2020 to June 14, 2022. The monitoring report for this period is currently being finalized and management expects that between 1.25 and 1.5 million VERs will be verified by Gold Standard. Management expects these credits will be available for sale either late in 2023 or early in 2024.

The Organization records a VER asset (contract asset) and offsetting VER obligation (contract liability) on the statements of financial position in the period in which a contract or forward contract is signed and the Organization has an obligation to perform by delivering VERs to a customer. The VER asset and VER obligation are recorded at the stated contract price less an allowance to reflect a present value discount and market fluctuations and consisted of 0 and 75,000 VERs as of December 31, 2022 and 2021, respectively. The Organization recognizes revenue on the statements of activities in the period in which the VERs are delivered and the point in time the Organization’s performance obligation has been completed.

VERs activity, by unit, was as follows for the years ended December 31:

	2022	2021
VERs units certified, beginning of year	919,052	1,519,472
VERs units certified		
VERs units sold and delivered	(857,229)	(600,420)
VERs Units Certified, End of Year	**61,823**	**919,052**

Note 5 - Net Assets With Donor Restrictions

Net assets with donor restrictions totaling $68,556 and $119,499 at December 31, 2022 and 2021, respectively, were available for various specific donor-restricted purposes.

Note 6 - Paycheck Protection Program Loan

In response to the COVID-19 pandemic, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act). Included in the CARES Act was the Paycheck Protection Program (PPP) to provide loans to qualifying small businesses and not-for-profit organizations to cover certain eligible expenses. On April 21, 2020, the Organization obtained a loan under the PPP with a principal balance of $764,515 and an annual interest rate of 1%. All or a portion of the PPP loan may be forgiven if certain terms and conditions of the program are met. To complete the loan forgiveness process management must submit a loan forgiveness application to the lender and then the lender and the Small Business Administration (SBA) must review and approve the application. The Organization submitted its loan forgiveness application to the lender, and on August 10, 2021, $647,954 of the PPP loan was forgiven. The remaining balance of $116,561 was repaid by the Organization to the lender in August 2021.

Note 7 - Liquidity and Availability of Financial Assets

In general, the vast majority of the Organization’s funding is fully available for use when received or within one year of receipt primarily because of the duration of its grants and the nature of its private donations. Accordingly, the Organization holds its funds in interest bearing cash and cash equivalent accounts to ensure maximum liquidity.

The majority of the Organization’s funding is from the U.S. Government with additional amounts raised from private and philanthropic donors and its micro-finance and carbon credits programs. The U.S. Government funding, which represents over 91% of revenues for 2022, is available for drawdown in advance of spending; thus, working capital requirements are minimal.

Because the Organization has agreements with and provides technical and other support for its affiliates, RI-U.K. and RI-MRCA/France (Note 3), a portion of the Organization’s expenses are allocated to and reimbursed by RI-U.K. and RI/MRCA-France based on actual expenses incurred and an allocation of staff time. The amount of the receivable and payable between the entities fluctuates over time.

Note 7 - Continued

The Organization's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

	2022	2021
Cash and cash equivalents	$ 8,479,813	$ 7,268,805
Grants receivable	3,496,687	3,578,280
Advances to country offices and partners		2,306,703
Due from affiliate	2,231,241	1,979,347
Microfinance loans receivable, net	3,422,348	3,226,089
Total financial assets	17,630,089	18,359,224
Less funds held for affiliate	(6,913,396)	(6,221,180)
Less microfinance loans receivable, net	(3,422,348)	(3,226,089)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	**$ 7,294,345**	**$ 8,911,955**

Note 8 - Commitments and Contingencies

Operating Lease - The Organization leases office space in Washington, DC, under a long-term operating rental agreement which expires on July 31, 2026. The agreement provides for escalating rent payments over the term of the lease. Additionally, the lease includes payments for common area maintenance, utilities, taxes and insurance that are considered variable lease payments and are excluded from determining the lease liability.

The Organization also leases offices and guest houses in several foreign countries under short-term lease agreements.

The components of lease expense for the year ended December 31, 2022 are as follows:

Operating lease cost for Washington DC lease	$ 304,187
Short-term and other lease costs	1,890,623
Total Leasing Expense	**$ 2,194,810**

Note 8 - Continued

Future minimum payments required under operating leases were as follows at December 31, 2022:

For the Year Ending December 31,		
2023	$	88,641
Total undiscounted cash flows		88,641
Less present value discount		(364)
Total Lease Liabilities	**$**	**88,277**

Future minimum payments required under noncancelable lease agreements were as follows at December 31, 2021:

For the Year Ending December 31,		
2022	$	349,553
2023		358,287
2024		367,273
2025		376,448
2026		320,627
	$	**1,772,188**

Supplemental cash flow information related to leases as of December 31, 2022 is as follows:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$	349,553
Right-of-use assets obtained in exchange for new operating lease liabilities		
Weighted-average remaining lease term		0.25 years
Weighted-average discount rate		2.5%

Subsequent to December 31, 2022, the Organization signed an amendment to the lease agreement for the office space in Washington DC. The amendment terminates the lease of the existing space and established a lease for new space in the same building. The lease of the new space commences April 1, 2023 and expires September 30, 2026. Base month rent for the new space ranges from $9,813 to $10,567 during the new lease term.

Legal Proceedings - In the normal course of business, the Organization has various claims in process, matters in litigation, and other contingencies. In management's opinion, the outcome from these matters will not materially impact the Organization's financial position or results of activities.

Note 8 - Continued

Potential Disallowed Costs - Expenses incurred under certain programs are subject to audit by the awarding agencies, including programs funded by the U.S. Government, and include costs charged directly to those programs as well as costs incurred in the Organization's indirect pool that is subject to a negotiated indirect cost rate agreement (NICRA). If, as a result of such an audit, certain expenses incurred are determined to be nonreimbursable, the Organization may be liable for repayment of disallowed expenses previously claimed or received.

During the years ended December 31, 2022 and 2021, the Organization recognized additional provisions for NICRA rate fluctuations and a provision related to the difference between the provisional NICRA and the calculated rate based on actual expenditures for 2022 and 2021. The NICRA provision totaled $1,394,629 and $1,925,516 as of December 31, 2022 and 2021, respectively, and is included in accounts payable and accrued expenses on the statements of financial position.

Conditional Grants Awarded to Other Organizations - The Organization makes pass-through grants to other organizations as part of operating its programs. The pass-through grants are conditional upon the grantee satisfying certain terms and incurring qualifying expenditures. Grant expense is recognized in the period the grantee has satisfied the conditions contained in the grant agreements. The amount of pass-through grants awarded and outstanding, but not yet recorded as expense, totaled approximately $9.3 million and $8.2 million as of December 31, 2022 and 2021, respectively. The conditional grants are generally expected to be recognized within one year.

Overseas Operations - The Organization administers its various programs in numerous developing countries through its field offices in each of those countries. The Organization also maintains cash accounts as well as loan portfolios in several of those countries. The future results of those programs could be adversely affected by a number of potential factors, such as currency devaluations or changes in the political climate.

As of December 31, 2022 and 2021, the Organization had assets in Afghanistan, Bangladesh, Ghana, Iraq, Jordan, Kenya, Lebanon, Myanmar, Pakistan, Philippines, Somalia, South Sudan, Sudan, Turkey, and Yemen. These assets totaled approximately $11.7 million and $9.3 million, which represents 56% and 52% of the Organization's total assets as of December 31, 2022 and 2021, respectively.

Guarantee - In May 2022, the Organization issued a guarantee on behalf of MRCA/RI-France to one of MRCA/RI-France's main funders. The Organization has agreed to guarantee certain obligations of MRCA/RI-France with respect to funding from the funder.

Administrative Agreement - In late 2020, the Organization identified and self-reported to the U.S. Federal government a prohibited parties incident that occurred within one of its Alliance partners. In February 2021 the U.S. Federal government placed the Organization on suspension for new awards pending further investigation. The U.S. Federal government removed the suspension in May 2021, and the Organization is operating under an Administrative Agreement which includes monitoring by an external monitor to ensure compliance with the agreement and the Organization's continued strengthening of processes and internal controls. Subsequent to the lifting of suspension, new awards have been granted by U.S. Federal government aid agencies at similar volumes to prior years.

Note 8 - Continued

As a result of the incident, management anticipates it is possible that the U.S. Federal government will seek a payment to settle any outstanding issues associated with this matter. As of the date these financial statements were available to be issued, negotiations on this matter were ongoing, and the amount of the settlement payment, if any, is not estimable at this time.

Note 9 - Retirement Plans

The Organization maintains a retirement plan under Section 403(b)(7) of the IRC, and employees are eligible to participate in the plan after one year of service. Employee contributions are limited to current Internal Revenue Services (IRS) limitations. The Organization contributes to the plan on the employee's behalf, initially at 4% with increases based on years of service. The Organization's contributions are vested at 20% after two years of service, rising to 100% after five years of service. During the years ended December 31, 2022 and 2021, the retirement plan expense totaled $890,229 and $1,024,881 respectively.