



Financial Statements

For the Years Ended December 31, 2024 and 2023

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## Independent Auditor's Report

**To the Board of Directors  
Relief International, Inc.  
Washington, D.C.**

### Opinion

We have audited the financial statements of Relief International, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2024 and 2023, 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, 2024 and 2023, 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.

### 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.

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.



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## **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

August 20, 2025

RELIEF INTERNATIONAL, INC.

Statements of Financial Position  
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 9,683,382	\$ 8,235,362
Grants receivable	3,242,310	2,700,697
Prepaid expenses and other assets	2,021,396	3,357,563
Voluntary emissions reduction asset	2,125,233	1,234,396
Microfinance loans receivable, net	3,304,864	3,405,608
Security deposits	102,363	146,195
Operating lease right-of-use asset	207,912	322,709
Property and equipment, net	131,542	70,062
<b>Total Assets</b>	<b><u>\$ 20,819,002</u></b>	<b><u>\$ 19,472,592</u></b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 9,958,965	\$ 10,629,552
Refundable advances	1,102,442	938,064
Due to affiliates	8,605,490	6,221,632
Operating lease liability	212,420	325,588
<b>Total Liabilities</b>	<b>19,879,317</b>	<b>18,114,836</b>
<b>Net Assets:</b>		
Net assets without donor restrictions	827,022	1,138,497
Net assets with donor restrictions	112,663	219,259
<b>Total Net Assets</b>	<b><u>939,685</u></b>	<b><u>1,357,756</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 20,819,002</u></b>	<b><u>\$ 19,472,592</u></b>

See accompanying notes.

**RELIEF INTERNATIONAL, INC.**

**Statement of Activities  
For the Year Ended December 31, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues and Support:</b>			
Grants and contributions	\$ 63,790,998	\$ -	\$ 63,790,998
Private donations	546,091	126,902	672,993
Contributed goods and services	221,181		221,181
Microfinance loan interest	1,092,146		1,092,146
Voluntary emissions reduction sales	3,003		3,003
Other	347,588		347,588
Net assets released from restrictions	<u>233,498</u>	<u>(233,498)</u>	
<b>Total Revenues and Support</b>	<b>66,234,505</b>	<b>(106,596)</b>	<b>66,127,909</b>
<b>Expenses:</b>			
Program services-			
Economic opportunity	1,288,956		1,288,956
Education	2,864,989		2,864,989
Health	16,379,240		16,379,240
Multi-sectoral	35,415,071		35,415,071
Other	145,602		145,602
WASH	<u>16,231</u>		<u>16,231</u>
Total program services	56,110,089		56,110,089
Supporting services-			
General and administrative	9,974,658		9,974,658
Fundraising	<u>461,233</u>		<u>461,233</u>
Total supporting services	<u>10,435,891</u>		<u>10,435,891</u>
<b>Total Expenses</b>	<b>66,545,980</b>		<b>66,545,980</b>
<b>Change in Net Assets</b>	<b>(311,475)</b>	<b>(106,596)</b>	<b>(418,071)</b>
Net assets, beginning of year	<u>1,138,497</u>	<u>219,259</u>	<u>1,357,756</u>
<b>Net Assets, End of Year</b>	<b><u>\$ 827,022</u></b>	<b><u>\$ 112,663</u></b>	<b><u>\$ 939,685</u></b>

See accompanying notes.

**RELIEF INTERNATIONAL, INC.**

**Statement of Activities  
For the Year Ended December 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and Support:</b>			
Grants and contributions	\$ 69,938,856	\$ -	\$ 69,938,856
Private donations	486,641	296,537	783,178
Contributed goods and services	43,651		43,651
Microfinance loan interest	1,098,785		1,098,785
Voluntary emissions reduction sales	560,177		560,177
Other	66,441		66,441
Net assets released from restrictions	145,834	(145,834)	
<b>Total Revenues and Support</b>	<b>72,340,385</b>	<b>150,703</b>	<b>72,491,088</b>
<b>Expenses:</b>			
Program services-			
Economic opportunity	2,408,153		2,408,153
Education	2,965,028		2,965,028
Health	6,393,562		6,393,562
Multi-sectoral	50,267,736		50,267,736
Other	368,303		368,303
Total program services	62,402,782		62,402,782
Supporting services-			
General and administrative	10,633,663		10,633,663
Fundraising	427,019		427,019
Total supporting services	11,060,682		11,060,682
<b>Total Expenses</b>	<b>73,463,464</b>		<b>73,463,464</b>
<b>Change in Net Assets</b>	<b>(1,123,079)</b>	<b>150,703</b>	<b>(972,376)</b>
Net assets, beginning of year	2,261,576	68,556	2,330,132
<b>Net Assets, End of Year</b>	<b>\$ 1,138,497</b>	<b>\$ 219,259</b>	<b>\$ 1,357,756</b>

See accompanying notes.

**RELIEF INTERNATIONAL, INC.**

**Statement of Functional Expenses  
For the Year Ended December 31, 2024**

	Program Services						Total Program Services	Support Services			Total
	Economic Opportunity	Education	Health	Multi-Sectorial	Other	WASH		General and Administrative	Fundraising	Total Support Services	
Salaries and wages	\$ 710,688	\$ 1,441,952	\$ 5,510,151	\$ 13,542,904	\$ 23,725	\$ 9,022	\$ 21,238,442	\$ 5,069,865	\$ 258,936	\$ 5,328,801	\$ 26,567,243
Benefits and payroll taxes	223,541	292,036	991,557	3,330,598	2,389	4,559	4,844,680	2,042,311	79,535	2,121,846	6,966,526
Cash and vouchers distributed to beneficiaries		579,699	55,446	578,454	177		1,213,776				1,213,776
Medical, construction, and other supplies	211	96,117	827,321	4,395,696	111,224		5,430,569				5,430,569
Consultant fees	26,394	27,502	78,217	343,884	(22)	26	476,001	1,446,876	64,651	1,511,527	1,987,528
Office running costs and services	86,345	248,403	569,021	2,738,341	(428)	944	3,642,626	273,175	6,958	280,133	3,922,759
Project operating costs	1,330	13,361	76,253	372,688	847	366	464,845				464,845
Travel	54,364	66,920	169,642	1,085,738	3,459	55	1,380,178	267,010	11,567	278,577	1,658,755
Equipment and logistics	33,645	58,650	238,110	1,532,436	2,621		1,865,462	517,785	21,447	539,232	2,404,694
Bad debt and provision	147,560						147,560	313,693		313,693	461,253
Staff training, awareness raising, and other		40,349	23,336	276,503	1,610	1,259	343,057	16,963		16,963	360,020
Depreciation	4,878						4,878	26,980	18,139	45,119	49,997
Subgrants to partners			7,840,186	7,217,829			15,058,015				15,058,015
<b>Total Expenses</b>	<b>\$ 1,288,956</b>	<b>\$ 2,864,989</b>	<b>\$ 16,379,240</b>	<b>\$ 35,415,071</b>	<b>\$ 145,602</b>	<b>\$ 16,231</b>	<b>\$ 56,110,089</b>	<b>\$ 9,974,658</b>	<b>\$ 461,233</b>	<b>\$ 10,435,891</b>	<b>\$ 66,545,980</b>

See accompanying notes.

RELIEF INTERNATIONAL, INC.

Statement of Functional Expenses  
For the Year Ended December 31, 2023

	Program Services					Total Program Services	Support Services			Total
	Economic Opportunity	Education	Health	Multi-Sectorial	Other		General and Administrative	Fundraising	Total Support Services	
Salaries and wages	\$ 916,428	\$ 1,470,111	\$ 2,003,703	\$ 15,812,251	\$ 79,142	\$ 20,281,635	\$ 4,835,980	\$ 249,505	\$ 5,085,485	\$ 25,367,120
Benefits and payroll taxes	315,160	322,962	461,219	3,232,739	54,896	4,386,976	1,932,237	95,998	2,028,235	6,415,211
Cash and vouchers distributed to beneficiaries		547,568	375,928	2,394,776		3,318,272				3,318,272
Medical, construction, and other supplies	17,073	59,888	161,440	3,732,467	23,786	3,994,654				3,994,654
Consultant fees	23,820	15,188	109,541	892,569	5,208	1,046,326	1,284,739	61,478	1,346,217	2,392,543
Office running costs and services	148,612	408,734	507,410	4,451,475	41,681	5,557,912	1,227,845	5,931	1,233,776	6,791,688
Project operating costs	232	2,809	4,248	1,188,325		1,195,614				1,195,614
Travel	44,772	30,876	93,251	915,148	7,473	1,091,520	702,220	4,681	706,901	1,798,421
Equipment and logistics	13,690	37,733	126,200	1,951,607		2,129,230	411,758	76	411,834	2,541,064
Bad debt and provision	81,761			33	1,681	83,475	13,476		13,476	96,951
Staff training, awareness raising, and other	19,652	69,159	16,124	457,888	91	562,914	188,314	9,350	197,664	760,578
Interest expense							2,645		2,645	2,645
Depreciation	7,453					7,453	27,309		27,309	34,762
Subgrants to partners	819,500		2,534,498	15,238,458	154,345	18,746,801	7,140		7,140	18,753,941
<b>Total Expenses</b>	<b>\$ 2,408,153</b>	<b>\$ 2,965,028</b>	<b>\$ 6,393,562</b>	<b>\$ 50,267,736</b>	<b>\$ 368,303</b>	<b>\$ 62,402,782</b>	<b>\$ 10,633,663</b>	<b>\$ 427,019</b>	<b>\$ 11,060,682</b>	<b>\$ 73,463,464</b>

See accompanying notes.

RELIEF INTERNATIONAL, INC.

Statements of Cash Flows  
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Cash From Operating Activities:</b>		
Change in net assets	\$ (418,071)	\$ (972,376)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities-		
Depreciation	61,988	46,882
Change in provision for microloan losses	147,560	81,761
Changes in operating assets and liabilities:		
Grants receivable	(541,613)	795,990
Prepaid expenses and other assets	1,336,167	(2,161,407)
Due from affiliates		2,231,241
Voluntary emissions reduction asset	(890,837)	(158,007)
Security deposits	43,832	(26,485)
Accounts payable and accrued expenses	(668,958)	(102,992)
Refundable advances	164,378	777,727
Due to affiliates	2,383,858	(691,764)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>1,618,304</b>	<b>(179,430)</b>
<b>Cash Flows From Investing Activities:</b>		
Purchases of property and equipment	(123,468)	
Net advances for microfinance loans	(46,816)	(65,021)
<b>Net Cash Used in Investing Activities</b>	<b>(170,284)</b>	<b>(65,021)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>1,448,020</b>	<b>(244,451)</b>
Cash and cash equivalents, beginning of year	8,235,362	8,479,813
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 9,683,382</b>	<b>\$ 8,235,362</b>

See accompanying notes.

## RELIEF INTERNATIONAL, INC.

### Notes to Financial Statements For the Years Ended December 31, 2024 and 2023

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#### 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 Non-Governmental 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 that 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.

## RELIEF INTERNATIONAL, INC.

### Notes to Financial Statements For the Years Ended December 31, 2024 and 2023

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#### 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 are recorded.

Outstanding conditional grants and contributions totaled approximately \$46.2 million and \$39.5 million as of December 31, 2024 and 2023, 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. See Note 9 for information about events occurring subsequent to December 31, 2024 that are affecting funding from the United States government.

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, 2024 and 2023. All grants receivable are expected to be collected within one year.

**Prepaid Expenses and Other Assets** - Prepaid expenses totaled \$1,376,398 and \$1,430,825 as of December 31, 2024 and 2023, respectively. Other assets consist of field office, staff, and subcontractor advances. Management considers the advances fully recoverable. Other assets totaled \$644,998 and 1,926,739 as of December 31, 2024 and 2023, respectively.

**Microfinance Loans Receivable** - Microfinance loans receivable consist 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.

**Voluntary Emissions Reduction Asset** - 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 for costs incurred to obtain the VERs and prepare them for sale and expenses the costs pro rata as the related VERs are sold. The ability to recover funds spent for the asset is dependent on the Organization's ability to generate VER sales in the future.

## RELIEF INTERNATIONAL, INC.

### Notes to Financial Statements For the Years Ended December 31, 2024 and 2023

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#### 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** - 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 are not recognized for leases with an initial term of 12 months or less.

**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.

## RELIEF INTERNATIONAL, INC.

### Notes to Financial Statements For the Years Ended December 31, 2024 and 2023

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#### Note 1 - Continued

**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 \$8.68 million and \$7.35 million in cash and cash equivalents held at financial institutions and on hand in foreign countries as of December 31, 2024 and 2023, respectively, of which approximately \$3.1 million and \$4.24 million were held in foreign currencies, respectively. The majority of the funds invested in foreign countries are 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 17% of the Organization's total assets as of December 31, 2024 and 2023.

For the years ended December 31, 2024 and 2023, 96% 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, 2024 and 2023, 100% of grants receivable are from the U.S. Government and pass-through entities. See Note 9 for information about events occurring subsequent to December 31, 2024 that are affecting funding from the United States government.

**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 August 20, 2025, the date on which the financial statements were available to be issued (Note 9).

## RELIEF INTERNATIONAL, INC.

### Notes to Financial Statements For the Years Ended December 31, 2024 and 2023

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#### 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, current 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.

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 as of December 31, 2024 and 2023 consisted of loans made in Iraq. 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, 2024, and 2023, gross microfinance loans receivable balances on the statements of financial position totaled \$3,870,004 and \$3,823,188, respectively, and the allowance for loan losses totaled \$565,140 and \$417,580, respectively.

**RELIEF INTERNATIONAL, INC.**

**Notes to Financial Statements  
For the Years Ended December 31, 2024 and 2023**

**Note 2 - Continued**

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

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 417,580	\$ 335,819
Provision for loan losses	<u>147,560</u>	<u>81,761</u>
<b>Balance, End of Year</b>	<b><u><u>\$ 565,140</u></u></b>	<b><u><u>\$ 417,580</u></u></b>

The Organization considers all loans that are past due over 180 days to be impaired. As of December 31, 2024 and 2023, the Organization had \$69,461 and \$83,802, respectively, in loans that were considered impaired.

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

<u>31 - 60 Days Past Due</u>	<u>61 - 90 Days Past Due</u>	<u>Greater Than 90 Days Past Due</u>	<u>Total Past Due</u>	<u>Loans Not Past Due</u>	<u>2024 Total</u>
\$ 36,015	\$ 14,589	\$ 133,029	\$ 183,633	\$ 3,686,371	\$ 3,870,004
<u>31 - 60 Days Past Due</u>	<u>61 - 90 Days Past Due</u>	<u>Greater Than 90 Days Past Due</u>	<u>Total Past Due</u>	<u>Loans Not Past Due</u>	<u>2023 Total</u>
\$ 18,138	\$ 18,493	\$ 121,601	\$ 158,232	\$ 3,664,956	\$ 3,823,188

On December 31, 2024, the Organization entered into an agreement to localize the microfinance loan program with a nonprofit organization in Iraq. Terms of the agreement call for the Organization to transfer the loan portfolio to the local nonprofit organization over a five-year period beginning in 2025. Additionally, the Organization will provide an annual grant to the local nonprofit organization. The amount of the grant for 2025 is to be up to a total of \$754,852, and will be funded from revenue generated by the microfinance loan portfolio. The local nonprofit organization must comply with various terms and conditions stipulated in the agreement.

## RELIEF INTERNATIONAL, INC.

### Notes to Financial Statements For the Years Ended December 31, 2024 and 2023

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#### 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.

Relief International France (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 2024 or 2023, and was dissolved in 2024.

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 was as follows as of December 31:

	<u>2024</u>	<u>2023</u>
Due from the Organization to RI-U.K.	\$ 8,605,490	\$ 5,846,196
Due from the Organization to RI-France	\$ -	\$ 375,436

The amounts due from the Organization consist primarily of cash held by the Organization to pay for expenses allocated to the affiliated entities. These amounts are included in cash and cash equivalents and due to affiliates 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:

	<u>2024</u>	<u>2023</u>
RI-U.K.	\$ 2,352,490	\$ 2,670,155
RI-France	1,373,336	1,630,728
<b>Total Costs Allocated</b>	<b><u>\$ 3,725,826</u></b>	<b><u>\$ 4,300,883</u></b>

## RELIEF INTERNATIONAL, INC.

### Notes to Financial Statements For the Years Ended December 31, 2024 and 2023

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#### 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 November 9, 2023, covered the period of September 1, 2020 through June 16, 2022, and certified 1,224,974 VERs with vintages for the same period.

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

	<u>2024</u>	<u>2023</u>
VERs units certified, beginning of year	1,144,880	61,723
VERs units certified		1,224,974
VERs units sold and delivered	<u>(462)</u>	<u>(141,817)</u>
<b>VERs Units Certified, End of Year</b>	<b><u>1,144,418</u></b>	<b><u>1,144,880</u></b>

#### Note 5 - Net Assets With Donor Restrictions

Net assets with donor restrictions totaling \$112,663 and \$219,259 at December 31, 2024 and 2023, respectively, were available for various specific donor-restricted purposes.

#### Note 6 - 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 96% of total revenues for 2024, 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-France (Note 3), a portion of the Organization's expenses are allocated to and reimbursed by RI-U.K. and RI-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.

RELIEF INTERNATIONAL, INC.

Notes to Financial Statements  
For the Years Ended December 31, 2024 and 2023

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**Note 6 - Continued**

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 9,683,382	\$ 8,235,362
Grants receivable	3,242,310	2,700,697
Microfinance loans receivable, net	<u>3,304,864</u>	<u>3,405,608</u>
Total financial assets	16,230,556	14,341,667
Less funds held for affiliate	(8,605,490)	(6,221,632)
Less microfinance loans receivable, net	<u>(3,304,864)</u>	<u>(3,405,608)</u>
<b>Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year</b>	<b><u>\$ 4,320,202</u></b>	<b><u>\$ 4,714,427</u></b>

**Note 7 - Commitments and Contingencies**

**Operating Lease** - The Organization leases office space in Washington, DC, under a long-term operating rental agreement which expires on September 30, 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 were as follows:

	<u>2024</u>	<u>2023</u>
Operating lease cost for Washington DC lease	\$ 121,595	\$ 114,976
Short-term and other lease costs	<u>2,029,119</u>	<u>1,953,912</u>
<b>Total Leasing Expense</b>	<b><u>\$ 2,150,714</u></b>	<b><u>\$ 2,068,888</u></b>

**RELIEF INTERNATIONAL, INC.**

**Notes to Financial Statements  
For the Years Ended December 31, 2024 and 2023**

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**Note 7 - Continued**

Future minimum payments required under operating leases were as follows at December 31, 2024:

For the Year Ending December 31,

2025	\$	122,965
2026		<u>94,336</u>
Total undiscounted cash flows		217,300
Less present value discount		<u>(4,880)</u>
<b>Total Lease Liabilities</b>	<b>\$</b>	<b><u>212,420</u></b>

Supplemental cash flow information related to leases as of December 31 was as follows:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 119,965	\$ 176,960
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ -	\$ 407,851
Weighted-average remaining lease term	1.8 years	3 years
Weighted-average discount rate	2.5%	2.5%

**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.

**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, 2024 and 2023, 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 the current and prior years. The provision is recorded for the years 2019 through 2024 where the Organization is subject to a provisional NICRA rate. The NICRA provision totaled \$1.5 million and \$1.3 million as of December 31, 2024 and 2023, respectively, and is included in the statements of financial position in accounts payable and accrued expenses.

## RELIEF INTERNATIONAL, INC.

### Notes to Financial Statements For the Years Ended December 31, 2024 and 2023

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#### Note 7 - Continued

**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 \$6.8 million and \$10.3 million as of December 31, 2024 and 2023, respectively. The conditional grants are generally expected to be recognized within one year. See Note 9 for information about events occurring subsequent to December 31, 2024 that are affecting funding from the United States government, and resulting in impacts to grants awarded to other organizations.

**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, 2024 and 2023, the Organization had assets in Afghanistan, Bangladesh, Ghana, Iraq, Jordan, Kenya, Lebanon, Myanmar, Pakistan, Philippines, Somalia, South Sudan, Sudan, Turkey, and Yemen. These assets consisted primarily of cash held in bank accounts (Note 1) and microfinance loans (Note 2).

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

**Contingent Liability** - 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 was then operating under an Administrative Agreement which included 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. In December 2023, the U.S. Federal government ended the Administrative Agreement ahead of schedule. 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 8 - 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, 2024 and 2023, the retirement plan expense totaled \$1,139,583 and \$789,131 respectively.

**RELIEF INTERNATIONAL, INC.**

**Notes to Financial Statements  
For the Years Ended December 31, 2024 and 2023**

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**Note 9 - Subsequent Events - United States Government Funding**

In January 2025, the United States government announced a pause (freeze) of the disbursement of foreign aid funds and a review of all foreign assistance programs.

The extent of the potential impact on future operations of the Organization is uncertain and will depend on future events. As of the date these financial statements were available to be issued on August 20, 2025, the Organization has received notices from United States government agencies or related pass-through funders that certain awards have been either terminated or suspended. As described in Note 1, the Organization had awards from agencies of the United States government for active projects with unearned revenue totaling \$46.2 million at December 31, 2024. As of August 20, 2025, awards with unearned revenue of \$11.2 million have been terminated. As a result, conditional grants and contracts to other organizations (Note 7) associated with the terminated awards have also been terminated.

In response to the award terminations and suspensions, management is adjusting the cost structure of the Organization to align with the known terminations and uncertainty as to future funding from the United States government.