SNYDERCOHN
CPAs and Trusted Advisors

Trees for the Future, Inc.

Financial Statements

For the Years Ended December 31, 2022 and 2021

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Independent Auditor's Report

To the Board of Directors
Trees for the Future, Inc.
Silver Spring, Maryland

We have audited the accompanying financial statements of Trees for the Future, Inc. (the "Organization") (a nonprofit 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 financial statements referred to above present fairly, in all material respects, the financial position of Trees for the Future, Inc. 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. 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 Trees for the Future, Inc. 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 Trees for the Future, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Trees for the Future, Inc.'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 Trees for the Future, Inc.'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.

Snyder Cohn, PC

SNYDER COHN, PC
North Bethesda, Maryland
November 16, 2023

Trees for the Future, Inc.

Statements of Financial Position

December 31	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	$ 5,658,640	$ 2,388,387
Investments	-	60
Pledges receivable, net	1,221,694	765,443
Prepaid expenses	284,231	182,897
Total current assets	7,164,565	3,336,787
Property, equipment and vehicles, net	92,321	117,826
Other assets:		
Deposits	19,517	24,695
Intangible assets, net	189,515	76,023
Total other assets	209,032	100,718
Total assets	$ 7,465,918	$ 3,555,331
Liabilities and net assets		
Current liabilities:		
Accounts payable	$ 266,711	$ 378,492
Accrued expenses	133,509	129,533
Refundable advance	1,972,768	-
Total liabilities	2,372,988	508,025
Commitments		
Net assets:		
Without donor restrictions	5,038,591	2,886,825
With donor restrictions	54,339	160,481
Total net assets	5,092,930	3,047,306
Total liabilities and net assets	$ 7,465,918	$ 3,555,331

See Accompanying Notes

Trees for the Future, Inc.

Statement of Activities

For the year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Grants and contributions	$ 9,367,403	$ 4,691,264	$ 14,058,667
Interest and dividends	47,574	-	47,574
Other	2,680	-	2,680
	9,417,657	4,691,264	14,108,921
Net assets released from purpose restrictions	4,797,406	(4,797,406)	-
Total revenues	14,215,063	(106,142)	14,108,921
Expenses:			
Program expenses:			
Tree planting	9,386,490	-	9,386,490
Supporting services:			
Management and general	1,574,288	-	1,574,288
Fundraising	1,102,519	-	1,102,519
Total supporting services	2,676,807	-	2,676,807
Total expenses	12,063,297	-	12,063,297
Change in net assets	2,151,766	(106,142)	2,045,624
Net assets - beginning	2,886,825	160,481	3,047,306
Net assets - ending	$ 5,038,591	$ 54,339	$ 5,092,930

See Accompanying Notes

Trees for the Future, Inc.

Statement of Activities

For the year ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Grants and contributions	$ 6,212,141	$ 2,162,083	$ 8,374,224
Interest and dividends	817	-	817
Realized and unrealized gains	155	-	155
Paycheck Protection Program loan forgiveness	252,538	-	252,538
Other	1,750	-	1,750
	6,467,401	2,162,083	8,629,484
Net assets released from purpose restrictions	2,055,941	(2,055,941)	-
Total revenues	8,523,342	106,142	8,629,484
Expenses:			
Program expenses:			
Tree planting	9,238,746	-	9,238,746
Supporting services:			
Management and general	1,535,898	-	1,535,898
Fundraising	892,645	-	892,645
Total supporting services	2,428,543	-	2,428,543
Total expenses	11,667,289	-	11,667,289
Change in net assets	(3,143,947)	106,142	(3,037,805)
Net assets - beginning	6,030,772	54,339	6,085,111
Net assets - ending	$ 2,886,825	$ 160,481	$ 3,047,306

See Accompanying Notes

Trees for the Future, Inc.

Statement of Functional Expenses

For the year ended December 31, 2022

	Program Services	Management and General	Fundraising	Total
Advertising	$ -	$ -	$ 84,614	$ 84,614
Bank and credit card charges	69,418	174,013	5,816	249,247
Computer expenses	18,576	2,786	1,858	23,220
Consulting	129,904	48,367	81,712	259,983
Depreciation and amortization expense	95,163	14,275	9,516	118,954
Direct project and grant expenses	1,098,878	-	-	1,098,878
Dues and subscriptions	-	-	22,287	22,287
Employee benefits	24,192	14,834	19,226	58,252
Field office expense	463,172	234,975	3,755	701,902
Insurance	119,901	97,029	92,714	309,644
Interest expense	-	3,261	-	3,261
Legal and accounting	71,311	266,166	-	337,477
Marketing and public relations	-	-	10,420	10,420
Meals and entertainment	-	-	-	-
Moving expense	-	31,468	-	31,468
Postage and delivery	-	6,282	-	6,282
Printing and copying	-	49,089	14,285	63,374
Rent	108,754	16,313	10,875	135,942
Salaries - field	3,053,989	-	-	3,053,989
Salaries - head office	873,123	535,407	693,905	2,102,435
Seeds and planting materials	1,048,732	-	-	1,048,732
Storage	-	2,487	-	2,487
Taxes:				
Other	-	41	-	41
Payroll	64,474	39,537	51,240	155,251
Telephone	2,966	445	296	3,707
Tools and equipment	529,357	-	-	529,357
Training	153,196	-	-	153,196
Travel	792,937	-	-	792,937
Utilities	18,156	-	-	18,156
Vehicle expense	540,951	-	-	540,951
Website expense	-	37,513	-	37,513
Workshop expenses	109,340	-	-	109,340
Total expenses	$ 9,386,490	$ 1,574,288	$ 1,102,519	$ 12,063,297

Trees for the Future, Inc.

Statement of Functional Expenses

For the year ended December 31, 2021

	Program Services	Management and General	Fundraising	Total
Advertising	$ -	$ -	$ 25,924	$ 25,924
Bank and credit card charges	43,439	206,098	9,062	258,599
Computer expenses	32,751	4,913	3,275	40,939
Consulting	117,205	49,362	23,107	189,674
Depreciation and amortization expense	85,481	12,822	8,548	106,851
Direct project and grant expenses	1,049,143	-	-	1,049,143
Dues and subscriptions	-	-	37,403	37,403
Employee benefits	26,937	16,446	22,237	65,620
Field office expense	108,719	443,971	4,200	556,890
Insurance	81,332	68,260	65,448	215,040
Interest expense	-	2,560	-	2,560
Legal and accounting	11,365	141,274	-	152,639
Marketing and public relations	-	-	3,292	3,292
Meals and entertainment	5,715	-	-	5,715
Moving expense	-	11,343	-	11,343
Postage and delivery	-	4,284	-	4,284
Printing and copying	-	55,382	16,995	72,377
Rent	172,296	25,844	17,230	215,370
Salaries - field	2,695,060	-	-	2,695,060
Salaries - head office	739,257	451,346	610,271	1,800,874
Seeds and planting materials	1,689,086	-	-	1,689,086
Storage	-	1,200	-	1,200
Taxes:				
Other	-	4,715	-	4,715
Payroll	51,617	31,514	42,611	125,742
Telephone	9,864	1,480	986	12,330
Tools and equipment	1,145,847	-	-	1,145,847
Training	65,819	-	-	65,819
Travel	545,996	-	-	545,996
Utilities	11,568	1,735	1,157	14,460
Vehicle expense	476,573	-	-	476,573
Website expense	8,994	1,349	899	11,242
Workshop expenses	64,682	-	-	64,682
Total expenses	$ 9,238,746	$ 1,535,898	$ 892,645	$ 11,667,289

See Accompanying Notes

Trees for the Future, Inc.

Statements of Cash Flows

For the years ended December 31	2022	2021
Cash flows from operating activities:		
Change in net assets	$ 2,045,624	$ (3,037,805)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	118,954	106,851
Realized and unrealized loss on investments	60	295
Paycheck Protection Program loan forgiveness	-	(252,538)
(Increase) decrease in:		
Pledges receivable, net	(456,251)	(4,651)
Prepaid expenses	(101,334)	1,845
Deposits	5,178	(10,040)
Increase (decrease) in:		
Accounts payable	(111,781)	303,498
Accrued expenses	3,976	306
Refundable advance	1,972,768	-
Net cash provided by (used in) operating activities	3,477,194	(2,892,239)
Cash flows from investing activities:		
Purchase of property and equipment	(60,125)	(92,601)
Payment for intangible assets	(146,816)	(55,887)
Net cash used in investing activities	(206,941)	(148,488)
Net increase (decrease) in cash and cash equivalents	3,270,253	(3,040,727)
Cash and cash equivalents - beginning	2,388,387	5,429,114
Cash and cash equivalents - ending	$ 5,658,640	$ 2,388,387
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	$ 1,328	$ 1,786

See Accompanying Notes

Note 1: Summary of significant accounting policies:

Trees for the Future, Inc. ("the Organization") was incorporated under the laws of the State of Maryland in 1989 as a tax-exempt charitable organization. The Organization's purpose is to improve the livelihoods of impoverished families by planting trees that return prosperity to degraded lands. Trees for the Future aims to end hunger and poverty for a million people using its Forest Garden Approach, a four-year training program that lifts subsistence farmers out of extreme poverty and provides opportunities, productivity and income never before imaginable.

Basis of presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein 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 - Amounts that are specifically restricted by donors or grantors for various purposes or future time periods.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, 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.

Cash and cash equivalents - Cash and cash equivalents consist of cash on deposit and highly liquid investments with an original maturity of three months or less, including money market funds.

Pledges receivable - Pledges receivable consist of unconditional promises to give and are recorded at their net realizable value at the time the promises are received. At December 31, 2022 and 2021, all pledges receivable were expected to be collected within a year. Management reviews outstanding accounts periodically. A general allowance for pledges receivable is estimated by management taking into consideration past write-offs, the current status of delinquent accounts, and general economic conditions. An allowance for uncollectible pledges receivable of $65,000 is included in pledges receivable at December 31, 2022 and 2021.

Note 1: Summary of significant accounting policies: (continued)

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Investments - Investments, which consist of donated equity securities, are reported at fair value (all level 1 inputs), which is established at readily determinable current market values. Investments are sold as soon after donation as possible. As of December 31, 2022, $-0- of investments remained unsold for which the Organization had no unrealized gain or loss. As of December 31, 2021, $60 of investments remained unsold for which the Organization had no unrealized gain or loss.

Property and equipment - Property and equipment is stated at cost and depreciated using the straight-line method over the estimated useful lives of the related assets ranging from 3 to 7 years. The Organization capitalizes all additions to property and equipment over $2,500. Depreciation expense for the years ended December 31, 2022 and 2021 was $85,630 and $91,184, respectively.

Paycheck Protection Program (PPP) loan - In April 2020, the Organization received loan proceeds under the Paycheck Protection Program. The proceeds from the PPP were classified as debt at December 31, 2021 on the statement of financial position under the FASB guidance ASC 470-10-45. In April 2021, the Organization received forgiveness in full of the PPP loan and accrued interest. Forgiveness is treated as other income on the statement of activities for the year ended December 31, 2021.

Revenue recognition - In May 2014, the FASB issued ASU 2014-09*, Revenue from Contracts with Customers (Topic 606).* ASU 2014-09 requires an organization to recognize revenues to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity is expected to be entitled in exchange for those goods or services. On January 1, 2019, the Organization adopted ASU 2014-09, using the modified retrospective approach. The Organization applied the five-step revenue model stipulated by ASC 606 to all of its significant revenue streams in order to determine when revenue is earned and recognized.

Grants and contributions are recognized as revenue in the year in which non-reciprocal payments are received and/or unconditional promises are made. The Organization evaluates whether a contribution is conditional, which affects the timing of the revenue recognized. Unconditional contributions are recognized immediately and classified as either net assets with donor restrictions or net assets without donor restrictions. Conditional contributions received are accounted for as a liability initially, until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with restrictions or net assets without restrictions.

Note 1: Summary of significant accounting policies: (continued)

Revenue recognition (continued) - All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as with donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

Advertising expense - Advertising costs are expensed as incurred. Advertising expense was $84,614 and $25,924 for the years ended December 31, 2022 and 2021, respectively.

Accounting for uncertainty in income taxes - The Organization accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax effect is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for uncertain tax positions. Interest and penalties, if any, are accrued as a component of general and administrative expenses when assessed. The Organization has identified its tax status as a tax-exempt entity under Section 501(c)(3) and its determination that it has no unrelated business income as tax positions; however, the Organization has determined that such tax positions do not result in an uncertainty requiring recognition. Income tax years ended prior to December 31, 2019 are no longer subject to audit by taxing authorities.

Fair value measurements - The FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Note 1: Summary of significant accounting policies: (continued)

Fair value measurements (continued) - If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Leases - In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which is a leasing standard for both lessees and lessors. The standard changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the statement of financial position and disclosing key information about leasing arrangements with terms longer than 12 months. Lessor accounting remains largely consistent with existing U.S. GAAP. The Organization's policy is to apply the updated leasing standards to any lease whose required minimum lease payments equal or exceed $120,000, which is the threshold that is considered significant to the financial statements as a whole. As of December 31, 2022 and 2021, the Organization was not a party to any such leases.

Refundable advance - Cash received by the Organization related to project expenses of future reporting periods is recorded as a refundable advance on the statements of financial position. Such contributions will be recognized in future reporting periods at the time the project expenses occur.

Reclassifications - Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. Net assets and changes in net assets are unchanged due to these reclassifications.

Note 2: Liquidity and availability:

The following reflects the financial assets of Trees for the Future, Inc. on December 31, 2022 and 2021, reduced by amounts that are not available for general use because of donor imposed, board or time restrictions within one year of the balance sheet date.

	2022	2021
Financial assets:		
Cash	$ 5,658,640	$ 2,388,387
Investments	-	60
Pledges receivable, net	1,221,694	765,443
	6,880,334	3,153,890
Less those unavailable for general expenditure within one year, due to:		
Refundable advance	(1,972,768)	-
Amounts designated for future purpose restrictions or endowment	(54,339)	(160,481)
Financial assets available to meet cash needs for general expenditures within one year	$ 4,853,227	$ 2,993,409

Net assets with donor restrictions consist of cash received to be used for specific country program expenditures in the coming fiscal year or as part of an endowment the Organization received. Trees for the Future, Inc. relies on individual, foundation and corporate donors to provide the resources to support the Organization’s operating activities. The Organization also has a $100,000 line of credit available. The Organization invests a portion of cash in excess of daily requirements into money market funds, which was $4,395,607 and $1,654,511 as of December 31, 2022 and 2021, respectively.

Note 3: Property and equipment:

Property and equipment consisted of the following at December 31:

	2022	2021
Furniture and equipment	$ 17,294	$ 32,553
Vehicles	330,483	276,746
Less: accumulated depreciation	(255,456)	(191,473)
Property and equipment, net	$ 92,321	$ 117,826

Note 4: Intangible assets:

During 2014, the Organization purchased the rights to their website domain name. This purchase is stated at cost and is amortized over an estimated useful life of 15 years.

During 2020, the Organization incurred development costs related to accounting software. During 2021 and 2022, the Organization incurred additional website development costs for a new website. The Organization accounts for these development costs in accordance with ASC 350-40 *(Accounting for Internal Use Software Costs)*. Under ASC 350-40, all costs related to the planning activities of software and website development costs are expensed as incurred. Costs incurred as part of the application development stage can be capitalized, and costs associated with post implementation should be expensed as incurred. These purchases are stated at cost and are amortized over an estimated useful life of 3-5 years.

Intangible assets consist of the following at December 31:

	2022	2021
Website domain	$ 18,500	$ 18,500
Website development costs	202,703	110,407
Accounting software	30,000	30,000
	251,203	158,907
Less: accumulated amortization	(61,688)	(82,884)
Intangible assets, net	$ 189,515	$ 76,023

Amortization expense for the years ended December 31, 2022 and 2021 was $33,324 and $15,667, respectively.

At December 31, 2022, estimated amortization expense is as follows:

For the years ending December 31,

2023	$ 60,075
2024	41,773
2025	41,773
2026	37,341
2027	7,626
Thereafter	927
	$ 189,515

Note 5: Paycheck Protection Program loan:

On April 17, 2020, the Organization was granted a loan (the “Loan”) from M&T Bank in the aggregate amount of $250,800, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The PPP provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. Under the current terms of the PPP, the loans and accrued interest are forgivable after 24 weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the period. On April 13, 2021 the loan was forgiven by the U.S. Small Business Administration, including all principal and accrued interest related to the loan.

Note 6: Line of credit:

In May 2020, the Organization received a line of credit with M&T Bank. The line of credit has a maximum borrowing limit of $100,000. Advances on the line of credit accrue interest at the Wall Street Journal’s prime rate plus 3.50%. The outstanding balance on the line of credit was $-0- at December 31, 2022 and 2021. Interest expense for the years ended December 31, 2022 and 2021 was $1,328 and $1,786 respectively.

Note 7: Net assets with donor restrictions:

The net assets with donor restrictions of the Organization are available for the following purposes at December 31:

	2022	2021
Endowment	$ 54,339	$ 54,339
Country specific	-	106,142
Total net assets with donor restrictions	$ 54,339	$ 160,481

Note 8: Retirement plan:

The Organization sponsors a qualified 403(b) retirement plan for the benefit of eligible participating employees. Employer contributions to the plan are discretionary and based on a percentage of employee compensation. Participants are eligible for employer contributions upon completion of one year of service according to provisions of the plan. Employer contributions for the years ended December 31, 2022 and 2021 were $51,398 and $52,792.

Note 9: Commitments:

During 2012, the Organization entered into a five-year, three-month commitment agreement for office space in Silver Spring, Maryland. The lease had an initial term expiring on July 31, 2017, with an option to renew for an additional five-year term. In January 2017, the Organization renewed this lease. The lease calls for monthly base rental payments plus additional rent for operating expenses and real estate taxes as described in the commitment agreement.

In February 2020, the Organization terminated their lease for the office space in Silver Spring, Maryland and entered into a two-year commitment agreement in the same building. The lease calls for monthly base rental payments plus additional rent for operating expenses and real estate taxes as described in the commitment agreement. The lease ended in February 2022.

In October 2021, the Organization entered into a two-year commitment agreement for office space in Bethesda, Maryland. The lease will commence in April 2022. The lease calls for monthly base rental payments plus additional rent for operating expenses and real estate taxes as described in the commitment agreement. The lease also requires a service retainer to be paid prior to move in. In June 2022, the agreement was amended to extend the term an additional two months. This agreement did not meet the standards of a lease under FASB, *Leases* (Topic 842).

In June 2022, the Organization entered into a two-year commitment agreement for office space in Washington, DC. The lease will commence in July 2022. The lease calls for monthly base rental payments plus additional rent for operating expenses and real estate taxes as described in the commitment agreement. The lease also requires a service retainer to be paid prior to move in. This agreement did not meet the standards of a lease under FASB, *Leases* (Topic 842).

Future minimum payments under these lease agreements for the years ending December 31 are as follows:

2023	$ 106,200
2024	78,700
	$ 184,900

Rent expense under the lease agreements for the year ended December 31, 2022 and 2021 was $135,942 and $215,370, respectively.

Note 10: Concentrations:

The Organization maintains its cash balances at various financial institutions. The accounts at each of these institutions are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At various times throughout the year, cash balances at these institutions exceeded the federally insured limits. The Organization has not experienced any losses with respect to its cash balances.

At December 31, 2022, no one donor made up more than 10% of total pledges receivable and one corporate donor made up 42% of the Organization's support. At December 31, 2021, two corporate donors made up 29% of the total pledges receivable and no one donor made up more than 10% of the Organization's support.

Note 11: Functional allocation of expenses:

The costs of providing various programs and other activities have been summarized in the statement of functional expenses. Accordingly, certain costs have been allocated among program and supporting services benefited using various cost allocation techniques.

Note 12: Subsequent events:

The Organization is a party to a series of related legal cases involving terminated employees in Kenya. The Organization believes it has a strong defense against these cases and is cautiously optimistic that favorable outcomes will prevail. Therefore, an accrual for legal settlements is not deemed necessary. The total potential settlements of the legal cases is approximately $300,000.

Subsequent events have been evaluated through November 16, 2023, which is the date the financial statements were available to be issued.

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