

GROUNDSWELL INTERNATIONAL, INC.

INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021



CERTIFIED PUBLIC ACCOUNTANTS

Groundswell International, Inc.

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CORLISS &
SOLOMON
PLLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Groundswell International, Inc.
Asheville, North Carolina

Opinion

We have audited the accompanying financial statements of Groundswell International, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related disclosures to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Groundswell International, Inc. as December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Groundswell International, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Groundswell International, Inc. ability to continue as a going concern within 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 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, including omissions, 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 Groundswell International, 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 Groundswell International, 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.

Report on Summarized Comparative Information

We have previously audited the 2020 financial statements of Groundswell International, Inc., and our report dated June 4, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Carliss & Solomon, PLLC

Asheville, North Carolina

June 10, 2022

Groundswell International, Inc.

Statement of Financial Position

As of December 31, 2021

(With summarized comparative totals as of December 31, 2020)

	2021	2020
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 2,101,451	\$ 1,579,212
Grants Receivable	245,000	21,933
Contributions Receivable	22,469	8,209
Prepaid Expenses	9,821	10,852
Deposits	-	1,725
Total Current Assets	<u>2,378,741</u>	<u>1,621,931</u>
<u>Long-Term Assets</u>		
Endowments	<u>29,142</u>	<u>26,885</u>
Total Long-Term Assets	<u>29,142</u>	<u>26,885</u>
Total Assets	<u>\$ 2,407,883</u>	<u>\$ 1,648,816</u>
<u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 28,954	\$ 19,110
Accrued Vacation	<u>12,021</u>	<u>7,149</u>
Partner Grants Payable	131,223	19,664
Total Current Liabilities	<u>172,198</u>	<u>45,923</u>
<u>Net Assets</u>		
Without Donor Restrictions	487,761	201,837
With Donor Restrictions	<u>1,747,924</u>	<u>1,401,056</u>
Total Net Assets	<u>2,235,685</u>	<u>1,602,893</u>
Total Liabilities and Net Assets	<u>\$ 2,407,883</u>	<u>\$ 1,648,816</u>

The accompanying disclosures are an integral part of these financial statements.

Groundswell International, Inc.

Statement of Activities

As of December 31, 2021

(With summarized comparative totals for the prior year)

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
Support				
Grants	\$ 325,000	\$ 2,453,503	\$ 2,778,503	\$ 3,063,423
Contributions	365,246	51,000	416,246	307,853
Program Service Revenue	6,550	-	6,550	13,503
Endowment Income, Net of Fees	2,196	61	2,257	2,722
Other Income	3,155	-	3,155	2,176
Net Assets Released				
From Restrictions	2,157,696	(2,157,696)	-	-
Total Support	2,859,843	346,868	3,206,711	3,389,677
Expenses				
Program Services	2,128,504	-	2,128,504	2,331,466
Management and General	155,745	-	155,745	90,723
Fundraising	289,670	-	289,670	250,140
Total Expenses	2,573,919	-	2,573,919	2,672,329
Change in Net Assets	285,924	346,868	632,792	717,348
Net Assets, Beginning of Year	201,837	1,401,056	1,602,893	885,545
Net Assets, End of Year	\$ 487,761	\$ 1,747,924	\$ 2,235,685	\$ 1,602,893

The accompanying disclosures are an integral part of these financial statements.

Groundswell International, Inc.
Statement of Functional Expenses
As of December 31, 2021

(With summarized comparative totals for the prior year)

	Program	Management and General	Fundraising	Total 2021	Total 2020
Salaries					
U.S. Staff	\$ 240,275	\$ 76,888	\$ 163,387	\$ 480,550	\$ 394,686
International Staff	145,467	-	-	145,467	177,457
Payroll Taxes	18,909	6,051	12,858	37,818	45,377
Employee Benefits	8,655	2,769	5,885	17,309	41,211
Total Personnel	<u>413,306</u>	<u>85,708</u>	<u>182,130</u>	<u>681,144</u>	<u>658,731</u>
Program Grants to Partners	1,548,142			1,548,142	1,739,803
Program Service Contracts	13,316	-	-	13,316	30,481
Total-Direct Program	<u>1,561,458</u>	<u>-</u>	<u>-</u>	<u>1,561,458</u>	<u>1,770,284</u>
Bank Charges and Fees	2,667	853	1,814	5,334	4,830
Contract Services	116,932	61,701	89,869	268,502	126,612
Equipment	12,667	4,053	8,614	25,334	28,083
Food and Lodging	332	-	-	332	12,565
Insurance	6,499	2,080	4,419	12,998	10,329
Postage and Shipping	262	84	178	523	1,099
Printing and Copying	20	6	14	40	1,168
Rent and Occupancy	1,451	464	987	2,902	27,921
Supplies	1,046	125	222	1,393	3,508
Travel	9,770	-	-	9,770	16,899
Utilities	49	16	33	98	2,857
Other Expenses	2,046	655	1,391	4,091	7,443
Total Other Expenses	<u>153,740</u>	<u>70,037</u>	<u>107,540</u>	<u>331,317</u>	<u>243,314</u>
Total Expenses	<u>\$ 2,128,504</u>	<u>\$ 155,745</u>	<u>\$ 289,670</u>	<u>\$ 2,573,919</u>	<u>\$ 2,672,329</u>

The accompanying disclosures are an integral part of these financial statements.

Groundswell International, Inc.

Statement of Cash Flows

As of December 31, 2021

(With summarized comparative totals for the prior year)

Cash Flows from Operating Activities	2021	2020
Change in Net Assets	\$ 632,792	\$ 717,348
Adjustments to reconcile change in net assets to net cash provided/(used) by operating activities:		
Endowment Income, Net of Fees	(2,257)	(2,722)
(Increase)/Decrease in Operating Activities		
Grants Receivable	(223,067)	275,530
Contributions Receivable	(14,260)	17,873
Prepaid Expenses	1,031	(1,673)
Deposits	1,725	-
Increase/(Decrease) in Operating Liabilities		
Accounts Payable	9,844	(3,969)
Partner Grants Payable	111,559	(65,991)
Accrued Vacation	4,872	(7,969)
Net Cash Provided by Operating Activities	<u>522,239</u>	<u>928,427</u>
Cash Flows from Investing Activities		
Transfer from Endowment	-	1,187
Sale of Investments	-	2,786
Net Cash Provided by Investing Activities	<u>-</u>	<u>3,973</u>
Net Change in Cash and Cash Equivalents	<u>522,239</u>	<u>932,400</u>
Cash and Cash Equivalents, Beginning of Year	<u>1,579,212</u>	<u>646,812</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,101,451</u>	<u>\$ 1,579,212</u>

The accompanying disclosures are an integral part of these financial statements.

Groundswell International, Inc.

Disclosures to the Financial Statements

Year Ended December 31, 2021

1. ***Description of the Organization, Corporate and Tax-Exempt Status***

Groundswell International, Inc. (Groundswell) strengthens communities to build healthy farming and food systems from the ground up. Groundswell's global network includes 10 non-governmental organizations and hundreds of grassroots groups organized into three Regional Programs for Action Learning and Amplification (ALAs): Latin America and the Caribbean (Ecuador, Guatemala, Haiti, Honduras, Mexico), South Asia (Nepal), and West Africa (Burkina Faso, Ghana, Mali, Senegal).

In 2021, collectively, the Groundswell network supported 155,398 smallholder farmers to strengthen their production, resilience, and wellbeing. Our work improved the lives of 716,671 people from 958 marginalized communities by addressing the root causes of food insecurity, economic vulnerability, and social marginalization with a practical, "learning by doing" approach that built participants' confidence while meeting their basic needs.

While programming in each regional ALA, as well as at the country level, is designed to respond to the local context, Groundswell programs everywhere:

- Work with farmer leaders to test and adopt agroecological methods and spread them to more people through farmer-to-farmer training, allowing these farmers to produce more healthy food and restore hundreds of thousands of acres of degraded land.
- Empower women farmers to participate in savings and credit groups, improve ecological production, gain access to productive assets, and diversify their livelihoods, which in turn improves their families' food security, incomes, and resilience.
- Strengthen local markets and increase farmers' incomes through savings and credit groups and community-based agricultural enterprises that add value to locally grown crops.
- Nourish vulnerable families by explicitly integrating gender equity and nutrition into agricultural programs. Our holistic approach links agroecological farming to family nutrition.
- Support citizens to engage with local decision-makers on enabling local policies and produce influential case studies, policy briefs, and reports to facilitate sharing across our networks and with other stakeholders to expedite the necessary transition to agroecology.

West Africa -- We continued to work with our partners Agrecol Afrique in Senegal; Association Nourrir Sans Détruire in Burkina Faso; the Center for Indigenous Knowledge and Organizational Development in Ghana; and Sahel Eco in Mali. Across these four countries, our programs engaged 139,046 smallholder farmers to improve their farming, weather the global pandemic, and improve their overall wellbeing. In 2021, the work in West Africa benefitted 608,848 people and contributed to regenerating 291,313 hectares of land.

Latin America and the Caribbean -- We worked with partners Centro de Desarrollo Integral Campesino de la Mixteca in Mexico; EkoRural in Ecuador; Partenariat pour le Développement Local in Haiti; Qachuu Aloom in Guatemala; and, Vecinos Honduras in Honduras. In these five countries, we supported 15,539 smallholder farmers to improve their farming, create sustainable rural livelihoods, and strengthen their communities' resilience to climate change. In 2021, these programs benefitted 102,825 people and helped regenerate 5,334 hectares of land.

South Asia -- We worked with our partner Boudha Bahanupati Project – Pariwar in Nepal to create or strengthen 30 savings and credit groups with 704 members; train 630 smallholder farmers in agroecological farming practices to improve production and food security; and distribute goats and milking buffalo to 473 rural women, who will pass on the animals' offspring to other women in the future to spread benefits. In 2021, this program benefitted 4,998 people. The vast majority of the direct participants are women from the "untouchable" caste, which have suffered generations of the worst discrimination.

Corporate and Tax-Exempt Status

The organization was established as a not-for-profit corporation under the laws of the District of Columbia in October 2009 and has a Certificate of Authority to conduct affairs in North Carolina. Groundswell has been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on an accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (U.S. GAAP), as applicable to not-for-profit organizations.

Financial Statement Presentation

The classification of the organization's net assets, and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of two classes of net assets – without donor restrictions and with donor restrictions – be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

The classes of net assets are defined as follows:

Net Assets Without Donor Restrictions – Includes net assets that are not subject to donor-imposed restrictions and that may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the organization's management and board of directors.

Net Assets With Donor Restrictions - Includes net assets that are subject to restrictions imposed by donors or grantors. Some donor and grantor restrictions are temporary in nature, such as those with a specified purpose or a timeframe for expenditure established by the donor or grantor. Other donor-imposed restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

For purposes of reporting on the statement of cash flows, the organization considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the organization to concentrations of credit risk consist principally of cash and cash equivalents. The organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed FDIC federally insured limits. The organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Contributions and Grants Receivable

Contributions and grants receivable, without conditions, and expected to be collected within one year are recorded at net realizable value; those expected to be collected in more than one year are recorded at the present value of their future cash flows, using a risk adjusted interest rate. Any provision for uncollectible receivables is estimated by management based on historical collection experience.

Investments

The organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income and realized and unrealized capital gains and losses, net of investment expenses.

Endowment

Consistent with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), enacted in North Carolina in 2009, the organization's policy continues to require the preservation of the original value of gifts donated to the perpetual endowment. Consistent with current U.S. GAAP, the portion of a donor-restricted endowment that is classified as restricted is not reduced by losses on the investments of the fund, and accumulated investment income is restricted until appropriated for use.

The organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the organization, and (7) the organization's investment policies.

Board Designated Endowment

Groundswell established a board designated permanent endowment at the Oklahoma City Community Foundation (the Foundation). According to the Foundation's endowment fund policy statement, the Foundation provides the following benefits and services for the Groundswell fund:

- a) A common fund to which many donors can make contributions to establish and build permanent charitable support for the organization.
- b) Management and investment policies which provide the best opportunity for enhancing long-term growth of the endowment as well as providing annual cash distributions to support the organization.
- c) An investment and distribution policy which emphasizes the preservation of capital, protection against inflation, and a continuing source of income to ensure that it will always be available to support the organization.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. Certain valuation techniques are used to measure fair value. There are three broad levels as follows:

Level 1 – (the highest level) inputs are based on quoted prices in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date. For example, securities traded in an active market are valued using Level 1 inputs.

Level 2 – inputs are observable inputs other than quoted prices, either directly or indirectly through corroboration with observable market data. If the asset or liability has a specified term, the Level 2 input must be observable for substantially the full term.

Level 3 – inputs are unobservable inputs for the asset or liability, meaning the inputs reflect the Organization's own assumptions about the assumptions market participants would use in pricing the asset or liability, including inputs related to risk, which have been developed based on the best information available in the circumstances.

Property and Equipment

Property and equipment purchases are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. The organization has adopted a capitalization threshold of \$5,000 per item. Expenses for repairs and maintenance that do not improve or extend the life of an asset are expensed as incurred.

Contributions and Grants

Contributions and grants are recognized in support: (1) when the organization receives cash, securities or other assets from a donor or grantor, (2) when a donor conveys a promise to make a donation in the future, on an unconditional basis, and (3) when a grantor awards a grant to be paid in the future, on an unconditional basis. Contributions and grants with conditions, such as performance requirements, are not recognized until the conditions on which they depend have been substantially met.

Program Service Revenue

In accordance with U.S. GAAP, the organization follows principles for recognizing revenue from contracts with customers *ASU 2014-09, Revenue from Contracts with Customers* (Topic 606). The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

Use of Estimates

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

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain categories of expenses that are attributable to more than one program or supporting function require management's allocation on a reasonable basis that is consistently applied. The primary allocation basis used by management for personnel expenses and applicable overhead expenses is estimated based on employee time and effort.

Income Taxes/Uncertain Tax Positions

The organization is exempt from federal income taxes under 501(c)(3) of the Internal Revenue Code. Under the Code, however, income from certain activities not related to the organization's tax-exempt purpose may be subject to taxation as unrelated business income. The organization had no income from unrelated business activities in 2021 and was, therefore, not required to file Federal Form 990-T (Exempt Organization Business Income Tax Return). The organization believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Summarized Comparative Data

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the organization's audited financial statements for the year ended December 31, 2020, from which the summarized information was derived. Certain amounts in the prior-year financial statements have been reclassified to conform to the current year presentation.

3. Liquidity and Availability

The organization's liquidity management plan includes the investment of cash in excess of daily requirements in a money market account. Occasionally, the Board may designate a portion of operating surplus to a reserve account.

Groundswell receives contributions and grants restricted by the contributor or grantor to particular purposes that are central to the organization's programs. These funds are available to meet cash needs for general expenditures. Financial assets available for general expenditure within one year of the statement of financial position date are comprised of the following:

<u>As of December 31:</u>	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 2,101,451	\$ 1,579,212
Grants Receivable	245,000	21,933
Contributions Receivable	22,469	8,209
Endowments	29,142	26,885
Total Financial Assets	<u>\$ 2,398,062</u>	<u>\$ 1,636,239</u>
Less amounts not available to be used in one year:		
Endowments	29,142	26,885
Total not available to be used in one year	<u>29,142</u>	<u>26,885</u>
Financial assets available to meet general expenditures over the following year	<u>\$ 2,368,920</u>	<u>\$ 1,609,354</u>

4. Cash and Cash Equivalents

Cash and cash equivalents consists of the following:

<u>As of December 31:</u>	<u>2021</u>	<u>2020</u>
Checking Accounts	\$ 1,190,542	\$ 1,018,563
Money Market Account	910,909	560,649
Total Cash and Cash Equivalents	<u>\$ 2,101,451</u>	<u>\$ 1,579,212</u>

During the year, the organization's cash balances with one financial institution usually exceed the \$250,000 FDIC coverage amount. Management monitors its cash balances and does not believe the organization is exposed to any significant credit risk on these balances.

5. Grants Receivable

Grants receivable consists of individual donations totaling \$245,000 and \$21,933 as of December 31, 2021 and 2020, respectively. All balances are expected to be collected in the subsequent year, and no allowance doubtful accounts is considered necessary.

6. Contributions Receivable

Contributions receivable consists of individual donations totaling \$22,469 and \$8,209 as of December 31, 2021 and 2020, respectively. All balances are expected to be collected in the subsequent year, and no allowance doubtful accounts is considered necessary.

7. Endowments

Groundswell established a board-designated endowment at the Oklahoma City Community Foundation called the Groundswell International, Inc. Fund with \$20,000 and is held without donor restrictions. Groundswell also established the Groundswell Endowment Fund that includes \$600 to be held in perpetuity and is included in net assets with donor restrictions. The following shows a summary of the fund activity, by net assets class, during 2021:

	Board Designated Fund	Endowment Fund	Total Endowments
Transfer from Groundswell	\$ 20,000	\$ 600	\$ 20,600
Prior Accumulated Income/Gains	6,171	114	6,285
2021 Activity:			
Investment Income	2,341	66	2,407
Community Foundation Fees	(146)	(4)	(150)
Value as of December 31, 2021	<u>\$ 28,366</u>	<u>\$ 776</u>	<u>\$ 29,142</u>

8. Net Assets Without Donor Restrictions

Net assets without donor restrictions totaled \$487,761 and \$201,837 as of December 31, 2021 and 2020, respectively. In addition to the Endowment in Disclosure 7, the Board designated \$40,000 of Net Assets for future contingencies and purposes. These Board designated funds have no donor restrictions and are held as cash reserve in the money market account. Net assets designated by the Board totaled \$68,366 and \$66,285 as of December 31, 2021 and 2020, respectively.

9. Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes:

<u>As of December 31:</u>	<u>2021</u>	<u>2020</u>
West Africa Program	\$ 550,682	\$ 334,988
Latin America and the Caribbean Program	1,054,099	995,896
South Asia Program	142,367	69,458
Endowment in Perpetuity	776	714
Total Net Assets With Donor Restrictions	<u>\$ 1,747,924</u>	<u>\$ 1,401,056</u>

10. Grants to Partners

Groundswell provides grants to partners and allied organizations engaged in work that furthers its mission. Accrued grants payable are recognized when requirements have been met by the partner organization and management approves payment. Partner grants payable totaled \$131,223 and \$19,664 as of December 31, 2021 and 2020, respectively. In 2021 and 2020, Groundswell made grants to partner organizations in the following regions:

<u>Year Ended December 31:</u>	<u>2021</u>	<u>2020</u>
Haitian Programs	\$ 390,564	\$ 381,898
Ghana Programs	206,196	450,828
Ecuador Programs	37,310	66,750
Burkina Faso Programs	280,608	298,932
Mali Programs	124,575	122,264
Senegal Programs	135,947	82,258
Honduras Programs	76,360	57,498
Nepal Programs	63,873	36,800
Mexico Programs	168,074	152,530
Guatemala Programs	64,635	90,045
Total Grants to Partners	<u>\$ 1,548,142</u>	<u>\$ 1,739,803</u>

11. Fund Benefiting Groundswell

Groundswell is the income beneficiary of an endowment fund held in perpetuity and owned by the Oklahoma City Community Foundation. The Groundswell International Milburn Legacy Fund for Africa was established in October 2015 by a private donor as an endowment to support Groundswell's work in Africa. The fund is not owned by Groundswell and is not reflected in the organization's assets. Groundswell received distributions of \$55,078 and \$54,015 from the fund in 2021 and 2020, respectively.

12. Line of Credit

In 2021, Groundswell renewed a \$75,000 revolving line of credit with PNC Bank for an additional year. The instrument is unsecured and has a variable interest rate. There is no outstanding balance as of December 31, 2021.

13. Lease Agreements

Groundswell rents office space on a month-to-month basis as needed. Rent and occupancy expense for the years ended December 31, 2021 and 2020 was \$2,902 and \$27,921, respectively.

14. Fair Value Measurements

Fair values of assets measured on a recurring basis at December 31, 2021 are as follows:

<u>Financial Assets</u>	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Endowment	<u>\$ 29,142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,142</u>

Endowment fund with community foundation -- fair values provided by the Foundation are used without adjustment. The applicable unobservable estimates are developed by the Foundation.

Financial assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	<u>Endowment</u>
Balance as of January 1, 2021	\$ 26,885
Contributions	-
Change in Value, Net (Disclosure 7)	2,257
Distributions	-
Balance as of December 31, 2021	<u>\$ 29,142</u>

15. *Uncertainties*

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the effects of the global situation on the organization's financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial conditions, or liquidity for the fiscal year 2022.

16. *Subsequent Events*

Subsequent events have been evaluated through June 10, 2022, which is the date the financial statements were available to be issued.