

GROUNDSWELL INTERNATIONAL, INC.

INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023



CERTIFIED PUBLIC ACCOUNTANTS

Groundswell International, Inc.

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CORLISS &
SOLOMON
PLLC

INDEPENDENT AUDITORS' 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, 2023, 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 of December 31, 2023, 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 Auditors' 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.

Auditors' 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 auditors' 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 2022 financial statements of Groundswell International, Inc., and our report dated May 22, 2023, 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, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Carliss & Solomon, PLLC

Asheville, North Carolina
June 3, 2024

Groundswell International, Inc.

Statement of Financial Position

As of December 31, 2023

(With summarized comparative totals as of December 31, 2022)

	2023	2022
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 2,284,634	\$ 1,608,173
Grants Receivable	480,000	447,000
Contributions Receivable	37,744	12,909
Prepaid Expenses	8,063	8,071
Total Current Assets	<u>2,810,441</u>	<u>2,076,153</u>
<u>Long-Term Assets</u>		
Grants Receivable - Long Term	-	250,000
Endowments	25,378	23,190
Total Long-Term Assets	<u>25,378</u>	<u>273,190</u>
Total Assets	<u>\$ 2,835,819</u>	<u>\$ 2,349,343</u>
<u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 25,884	\$ 7,754
Accrued Vacation	12,708	12,439
Accrued Grants Payable	20,349	82,255
Total Current Liabilities	<u>58,941</u>	<u>102,448</u>
<u>Net Assets</u>		
Without Donor Restrictions	1,321,609	920,218
With Donor Restrictions	1,455,269	1,326,677
Total Net Assets	<u>2,776,878</u>	<u>2,246,895</u>
Total Liabilities and Net Assets	<u>\$ 2,835,819</u>	<u>\$ 2,349,343</u>

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

Groundswell International, Inc.

Statement of Activities

As of December 31, 2023

(With summarized comparative totals for the prior year)

	Without Donor Restrictions	With Donor Restrictions	Total 2023	Total 2022
<u>Support</u>				
Grants	\$ 857,900	\$ 1,449,387	\$ 2,307,287	\$ 2,155,211
Contributions	429,720	15,530	445,250	423,392
Program Service Revenue	8,530	-	8,530	15,000
Endowment Gains/(Losses), Net	3,375	93	3,468	(4,662)
Other Income	4,098	-	4,098	292
Net Assets Released From Restrictions	1,336,418	(1,336,418)	-	-
Total Support	2,640,041	128,592	2,768,633	2,589,233
<u>Expenses</u>				
Program Services	1,792,006	-	1,792,006	2,112,943
Management and General	204,124	-	204,124	162,273
Fundraising	242,520	-	242,520	302,806
Total Expenses	2,238,650	-	2,238,650	2,578,022
Change in Net Assets	401,391	128,592	529,983	11,211
Net Assets, Beginning of Year	920,218	1,326,677	2,246,895	2,235,685
Net Assets, End of Year	\$ 1,321,609	\$ 1,455,269	\$ 2,776,878	\$ 2,246,896

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

Groundswell International, Inc.
Statement of Functional Expenses

As of December 31, 2023

(With summarized comparative totals for the prior year)

	Program	Management and General	Fundraising	Total 2023	Total 2022
<u>Personnel</u>					
Salaries	\$ 260,281	\$ 83,290	\$ 176,990	\$ 520,561	\$ 516,736
Payroll Taxes	21,558	6,899	14,659	43,116	42,640
Employee Benefits	1,457	466	990	2,913	3,118
Total Personnel	<u>283,296</u>	<u>90,655</u>	<u>192,639</u>	<u>566,590</u>	<u>562,494</u>
Grants to Partners	1,048,612	-	-	1,048,612	1,402,753
Contract Services	323,488	104,843	31,550	459,881	431,942
Travel and Meetings	87,006	-	-	87,006	113,744
Equipment	19,936	3,982	8,462	32,380	31,633
Insurance	9,717	3,109	6,607	19,433	16,924
Food and Lodging	13,251	-	-	13,251	4,177
Postage and Shipping	1,533	490	1,042	3,065	1,773
Miscellaneous Expenses	1,192	381	810	2,383	5,190
Bank Charges and Fees	1,086	348	738	2,172	2,213
Supplies	1,899	-	-	1,899	532
Rent and Occupancy	889	284	604	1,777	2,542
Printing and Copying	101	32	68	201	1,881
Utilities	-	-	-	-	225
Subtotal Expenses	<u>1,508,710</u>	<u>113,469</u>	<u>49,881</u>	<u>1,672,060</u>	<u>2,015,529</u>
Total Expenses	<u>\$ 1,792,006</u>	<u>\$ 204,124</u>	<u>\$ 242,520</u>	<u>\$ 2,238,650</u>	<u>\$ 2,578,023</u>

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

Groundswell International, Inc.

Statement of Cash Flows

As of December 31, 2023

(With summarized comparative totals for the prior year)

<u>Cash Flows from Operating Activities</u>	<u>2023</u>	<u>2022</u>
Change in Net Assets	\$ 529,983	\$ 11,210
Adjustments to reconcile change in net assets to net cash provided/(used) by operating activities:		
Endowment (Gains)/Losses, Net of Fees	(3,468)	4,662
(Increase)/Decrease in Operating Activities		
Grants Receivable	217,000	(452,000)
Contributions Receivable	(24,835)	9,560
Prepaid Expenses	8	1,750
Increase/(Decrease) in Operating Liabilities		
Accounts Payable	18,130	(21,200)
Accrued Grants Payable	(61,906)	(48,968)
Accrued Vacation	269	418
Net Cash Provided/(Used) by Operating Activities	<u>675,181</u>	<u>(494,568)</u>
<u>Cash Flows from Investing Activities</u>		
Withdrawal from Endowments	<u>1,280</u>	<u>1,290</u>
Net Cash Provided by Investing Activities	<u>1,280</u>	<u>1,290</u>
Net Change in Cash and Cash Equivalents	<u>676,461</u>	<u>(493,278)</u>
Cash and Cash Equivalents, Beginning of Year	<u>1,608,173</u>	<u>2,101,451</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,284,634</u>	<u>\$ 1,608,173</u>

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

Groundswell International, Inc.

Disclosures to the Financial Statements

Year Ended December 31, 2023

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 14 non-governmental organizations supporting 1,446 community-based organizations groups organized into three Regional Programs for action-learning and amplification: Latin America and the Caribbean (Ecuador, Guatemala, Haiti, Honduras, Mexico), South Asia (India, Nepal), and West Africa (Burkina Faso, Ghana, Mali, Senegal).

In 2023, the Groundswell network collectively supported 223,166 smallholder farmers to strengthen their production, resilience, and well-being. Our work improved the lives of 1,562,222 people from 1,225 marginalized communities by addressing the root causes of environmental degradation, food insecurity, poverty, climate vulnerability, and social marginalization. We support a practical approach that builds participants' capacities to experiment with ecological farming strategies, spread effective solutions, develop complementary strategies to meet their basic needs, and lead ongoing processes to improve human and social wellbeing and environmental regeneration.

While programming in each region, 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 hectares 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 impact reports based on learning across our network, to share 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* (ANSO) in Burkina Faso; the *Center for Indigenous Knowledge and Organizational Development* (CIKOD) in Ghana; and *Sahel Eco* in Mali. Our West Africa program focuses on supporting dryland farming households to transition from conventional agriculture to agroecological and regenerative farming and food systems that allow them to mitigate and adapt to climate change; strengthen local management of biodiversity; and generate nature-based solutions to increase food security and incomes. In 2023, across these four Sahelian countries, Groundswell-supported programs that engaged 101,152 smallholder farmers through cascading, farmer-to-farmer training; contributed to regenerating 157,266 hectares of land; and programs benefitted 1,464,257 people.

Latin America and the Caribbean -- In 2023, we worked with partners *EkoRural* in Ecuador; *Partenariat pour le Développement Local (PDL)* in Haiti; *Qachuu Aloom* and *Asociación Comunitaria Flor del Café aldea El Durazno* in Guatemala; and *Asociación de Comités Ecológicos del Sur del Honduras (ACESH)* and *Vecinos Honduras*. In these five countries, in 2023, we supported 13,248 smallholder farmers to improve their farming, create sustainable rural livelihoods, and strengthen their communities' resilience. Groundswell programs with partners in the region benefitted 93,726 people (about the seating capacity of the Los Angeles Memorial Coliseum) and helped regenerate 5,012 hectares of land. In 2023, we also began a new partnership with *Centeotl* in Mexico, to expand our initiative in support of communities in Mesoamerica's critically affected dry corridor.

South Asia -- We worked with our partner *Boudha Bahanupati Project (BBP) - Pariwar* and the *Rural Women's Upliftment Association (RWUA)* in Nepal to create or strengthen 64 savings and credit groups with 1,415 members; train 1,499 smallholder farmers in agroecological farming practices to improve production and food security; and distribute goats and milking buffalos to 112 rural women, who will pass on the animals' offspring to other women in the future to spread benefits. In India, the *Preservation and Proliferation of Rural Resources and Nature (PRAN)* in Bihar, India, trained 213 smallholder farmers in agroecological farming practices and organized women into nine new community groups. Collectively, Groundswell-support programs in the South Asia region benefitted 4,239 people, regenerated 132 hectares of land across 64 communities, and the saving and credit groups accumulated \$59,411.94 USD in assets.

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 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 2023 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, 2022, 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>	2023	2022
Cash and Cash Equivalents	\$ 2,284,634	\$ 1,608,173
Grants Receivable	480,000	697,000
Contributions Receivable	37,744	12,909
Endowments	25,378	23,190
Total Financial Assets	<u>2,827,756</u>	<u>2,341,272</u>
Less amounts not available to be used in one year:		
Grants Receivable- Long Term	-	250,000
Endowments	25,378	23,190
Total not available to be used in one year	<u>25,378</u>	<u>273,190</u>
Financial assets available to meet general expenditures over the following year	<u>\$ 2,802,378</u>	<u>\$ 2,068,082</u>

4. Cash and Cash Equivalents

Cash and cash equivalents consists of the following:

As of December 31:	2023	2022
Checking Account	\$ 1,122,870	\$ 946,971
Money Market Account	1,161,764	661,202
Total Cash and Cash Equivalents	<u>\$ 2,284,634</u>	<u>\$ 1,608,173</u>

During the year, the organization's cash balances with one financial institution usually exceed the \$250,000 FDIC coverage amount. As of December 31, 2023, the organization had exceeded the federally insured limit in cash accounts by \$2,034,611. 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 from five foundations totaled \$480,000 and \$697,000 as of December 31, 2023 and 2022, respectively. All balances are expected to be collected in the subsequent year and no allowance of doubtful accounts is considered necessary.

6. Contributions Receivable

Contributions receivable consists of individual donations totaling \$37,744 and \$12,909 as of December 31, 2023 and 2022, respectively. All balances are expected to be collected in the subsequent year, and no allowance for doubtful accounts is considered necessary.

7. Endowments

Groundswell maintains a board-designated endowment at the Oklahoma City Community Foundation called the Groundswell International, Inc. Fund with \$20,000 that 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 2023:

	Board Designated Fund	Endowment Fund	Total Endowments
Transfer from Groundswell	\$ 20,000	\$ 600	\$ 20,600
Prior Accumulated Income/Gains	2,573	17	2,590
2023 Activity:			
Investment Gains/(Losses)	3,667	101	3,768
Community Foundation Fees	(292)	(8)	(300)
Release to Groundswell Operating	(1,246)	(34)	(1,280)
Value as of December 31, 2023	<u>\$ 24,702</u>	<u>\$ 676</u>	<u>\$ 25,378</u>

8. Net Assets Without Donor Restrictions

Net assets without donor restrictions totaled \$1,321,609 and \$920,218 as of December 31, 2023 and 2022, 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 reserves in the money market account. Net assets designated by the Board totaled \$64,702 and \$122,573 as of December 31, 2023 and 2022, respectively.

9. Net Assets With Donor Restrictions

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

<u>As of December 31:</u>	2023	2022
West Africa Programs	\$ 256,426	\$ 429,784
Latin America and the Caribbean Programs	1,198,167	731,254
South Asia Programs	-	165,022
Endowment (See Disclosure 7)	676	617
Total Net Assets With Donor Restrictions	<u>\$ 1,455,269</u>	<u>\$ 1,326,677</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. Accrued grants payable totaled \$20,349 and \$82,255 as of December 31, 2023, and 2022, respectively. In 2023 and 2022, Groundswell made grants to partner organizations in the following regions:

<u>Year Ended December 31:</u>	2023	2022
<u>West Africa Programs</u>		
Burkina Faso Programs	\$ 177,544	\$ 196,454
Ghana Programs	212,810	197,000
Mali Programs	46,394	45,000
Senegal Programs	65,126	199,210
<u>Latin America and the Caribbean Programs</u>		
Ecuador Programs	42,000	47,800
Guatemala Programs	104,617	67,000
Haitian Programs	148,991	362,289
Honduras Programs	119,296	174,500
Mexico Programs	8,000	38,500
<u>South Asia Programs</u>		
India Programs	10,000	-
Nepal Programs	113,834	75,000
Total Grants to Partners	<u>\$ 1,048,612</u>	<u>\$ 1,402,753</u>

11. Fair Value Measurements

Fair values of assets measured on a recurring basis at December 31, 2023 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	\$ 25,378	\$ -	\$ -	\$ 25,378

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

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

	<u>Endowment</u>
Balance as of December 31, 2022	\$ 23,190
Change in Value, Net (Disclosure 7)	3,468
Distributions	<u>(1,280)</u>
Balance as of December 31, 2023	<u>\$ 25,378</u>

12. Subsequent Events

Subsequent events have been evaluated through June 3, 2024, which is the date the financial statements were available to be issued.