



## **NURU INTERNATIONAL**

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### **FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**

**For the Years Ended December 31, 2022 and 2021**



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**NURU INTERNATIONAL**  
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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
NURU International  
Washington D.C.

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of NURU International (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, cash flows, and functional expenses 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 NURU International 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 NURU International 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 NURU International'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 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 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 NURU International'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 NURU International'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.

*Sikich LLP*

Brookfield, Wisconsin  
June 5, 2023

## **FINANCIAL STATEMENTS**

**NURU INTERNATIONAL**  
**STATEMENTS OF FINANCIAL POSITION**

As of December 31, 2022 and 2021

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 15,932	\$ 382,293
Investments	14	99,619
Contributions receivable, current portion	427,363	1,067,912
Prepaid expenses	21,979	84,775
Total current assets	465,288	1,634,599
Contributions receivable, less current portion, net	381,841	679,655
Property and equipment	27,610	22,463
Less accumulated depreciation	(16,655)	(10,740)
Total fixed assets	10,955	11,723
<b>TOTAL ASSETS</b>	<b>\$ 858,084</b>	<b>\$ 2,325,977</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 143,106	\$ 143,551
Accrued liabilities	97,558	73,495
Notes payable - current portion	227,421	254,956
Total current liabilities	468,085	472,002
<b>LONG TERM LIABILITIES</b>		
Notes payable - long term portion	486,559	495,044
Total liabilities	954,644	967,046
<b>NET ASSETS (DEFICIT)</b>		
Without donor restrictions	(923,923)	(400,162)
With donor restrictions	827,363	1,759,093
Total net assets	(96,560)	1,358,931
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 858,084</b>	<b>\$ 2,325,977</b>

See accompanying notes to the financial statements.

**NURU INTERNATIONAL**

**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2022

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES AND PUBLIC SUPPORT</b>			
Contributions	\$ 1,365,150	\$ 245,344	\$ 1,610,494
In-kind donations	147,020	-	147,020
Net investment return	(1,897)	-	(1,897)
Miscellaneous income	10,102	-	10,102
Net assets released from restriction	1,177,074	(1,177,074)	-
Total revenues and other support	2,697,449	(931,730)	1,765,719
<b>EXPENSES</b>			
Program services			
International development	2,247,969	-	2,247,969
International awareness	101,734	-	101,734
Management and general	425,460	-	425,460
Fundraising	446,047	-	446,047
Total expenses	3,221,210	-	3,221,210
CHANGE IN NET ASSETS	(523,761)	(931,730)	(1,455,491)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	(400,162)	1,759,093	1,358,931
NET ASSETS (DEFICIT), END OF YEAR	\$ (923,923)	\$ 827,363	\$ (96,560)

See accompanying notes to the financial statements.

**NURU INTERNATIONAL**

**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2021

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES AND PUBLIC SUPPORT</b>			
Contributions	\$ 1,529,191	\$ 2,561,246	\$ 4,090,437
In-kind donations	355,364	-	355,364
Net investment return	(289)	-	(289)
Grant income - Paycheck			
Protection Program	549,247	-	549,247
Miscellaneous income	655	-	655
Net assets released from restriction	1,871,950	(1,871,950)	-
Total revenues and other support	4,306,118	689,296	4,995,414
<b>EXPENSES</b>			
Program services			
International development	3,564,878	-	3,564,878
International awareness	100,413	-	100,413
Management and general	354,803	-	354,803
Fundraising	338,622	-	338,622
Total expenses	4,358,716	-	4,358,716
CHANGE IN NET ASSETS	(52,598)	689,296	636,698
NET ASSETS (DEFICIT), BEGINNING OF YEAR	(347,564)	1,069,797	722,233
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	<b>\$ (400,162)</b>	<b>\$ 1,759,093</b>	<b>\$ 1,358,931</b>

See accompanying notes to the financial statements.



**NURU INTERNATIONAL**

**STATEMENTS OF CASH FLOWS**

For the Years Ended December 31, 2022 and 2021

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (1,455,491)	\$ 636,698
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	7,795	6,439
Noncash contributions	(143,308)	(351,880)
Unrealized loss on investments	1,899	345
Loss on sale of property and equipment	280	-
(Increase) decrease in:		
Prepaid expenses	62,796	(21,540)
Contributions receivable	938,363	(686,251)
Increase (decrease) in:		
Accounts payable	(445)	89,073
Accrued liabilities	24,063	6,035
Refundable grant advance	-	(296,152)
Net cash from operating activities	(564,048)	(617,233)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(7,307)	(3,877)
Purchases of investments	(99,990)	-
Proceeds from sales of investments	341,004	251,916
Net cash from investing activities	233,707	248,039
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from note payable	215,000	350,000
Payments on note payable	(251,020)	(250,000)
Net cash from financing activities	(36,020)	100,000
NET CHANGE IN CASH AND CASH EQUIVALENTS	(366,361)	(269,194)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	382,293	651,487
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 15,932</b>	<b>\$ 382,293</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 2,724	\$ 7,653
Proceeds from Paycheck Protection Program	\$ -	\$ 253,095
Noncash forgiveness of Paycheck Protection Program	\$ -	\$ 549,247

See accompanying notes to the financial statements.

**NURU INTERNATIONAL**

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2022

	<u>Program Services</u>			<u>Supporting Services</u>		
	<u>International Development</u>	<u>International Awareness</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Accounting	\$ -	\$ -	\$ -	\$ 15,824	\$ -	\$ 15,824
Books, subscriptions, and references	12,360	139	12,499	998	4,984	18,481
Contractual services	350,175	431	350,606	40,598	145,713	536,917
Depreciation	4,385	-	4,385	1,218	2,192	7,795
Equipment rental and maintenance	1,346	-	1,346	636	-	1,982
Information technology	7,844	437	8,281	6,244	9,051	23,576
Insurance	13,569	-	13,569	5,955	6,784	26,308
Interest	-	-	-	10,200	-	10,200
Legal	-	-	-	4,148	-	4,148
Licenses and fees	1,080	30	1,110	2,900	316	4,326
Grants made	931,917	-	931,917	-	-	931,917
Miscellaneous	431	-	431	-	431	862
Payroll taxes	57,849	7,438	65,287	22,148	16,610	104,045
Postage	2,635	302	2,937	1,254	1,298	5,489
Printing and copying	21	-	21	-	348	369
Rent	458	-	458	200	-	658
Salaries	613,650	78,897	692,547	234,936	176,199	1,103,682
Staff benefits	116,669	12,940	129,609	51,125	35,055	215,789
Supplies	1,374	11	1,385	332	523	2,240
Telecommunications	746	-	746	70	-	816
Training and development	7,470	-	7,470	7,322	2,933	17,725
Travel and meeting	123,990	1,109	125,099	19,352	43,610	188,061
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>\$ 2,247,969</u>	<u>\$ 101,734</u>	<u>\$ 2,349,703</u>	<u>\$ 425,460</u>	<u>\$ 446,047</u>	<u>\$ 3,221,210</u>

See accompanying notes to the financial statements.

## NURU INTERNATIONAL

### STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

	Program Services			Supporting Services		
	International Development	International Awareness	Total Program Services	Management and General	Fundraising	Total
Accounting	\$ -	\$ -	\$ -	\$ 9,785	\$ -	\$ 9,785
Books, subscriptions, and references	15,816	187	16,003	1,113	4,146	21,262
Contractual services	470,908	10,000	480,908	28,285	79,939	589,132
Depreciation	3,622	-	3,622	1,006	1,811	6,439
Equipment rental and maintenance	421	-	421	-	125	546
Information technology	4,332	215	4,547	5,823	8,712	19,082
Insurance	12,869	-	12,869	5,594	6,435	24,898
Interest	-	-	-	14,073	-	14,073
Legal	-	-	-	9,761	-	9,761
Licenses and fees	2,411	28	2,439	983	891	4,313
Grants made	2,256,534	-	2,256,534	-	-	2,256,534
Miscellaneous	421	-	421	-	420	841
Payroll taxes	39,911	5,131	45,042	15,279	11,460	71,781
Postage	2,486	258	2,744	842	3,042	6,628
Printing and copying	83	-	83	-	1,500	1,583
Rent	20	-	20	2,851	811	3,682
Salaries	559,425	71,926	631,351	214,465	160,630	1,006,446
Staff benefits	111,524	12,591	124,115	42,658	40,778	207,551
Supplies	1,478	6	1,484	391	501	2,376
Telecommunications	523	-	523	150	-	673
Training and development	1,774	-	1,774	1,092	5,219	8,085
Travel and meeting	80,320	71	80,391	652	12,202	93,245
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 3,564,878</b>	<b>\$ 100,413</b>	<b>\$ 3,665,291</b>	<b>\$ 354,803</b>	<b>\$ 338,622</b>	<b>\$ 4,358,716</b>

See accompanying notes to the financial statements.

# NURU INTERNATIONAL

## NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2022 and 2021

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### 1. NATURE OF ORGANIZATION

Nuru International (the Organization) is a Washington D.C. not-for-profit organization that was incorporated in October 2007. Nuru's vision is to cultivate lasting meaningful choices in the most vulnerable and marginalized communities in the world. The Organization is committed to building resilience in fragile rural areas through the cultivation of capable farmers, profitable agribusiness, and connected communities. The following is a summary of the Organization's program services:

*International Development* - Unites communities around shared economic goals, using sustainable agriculture programs to help farmers adapt to changing climates, markets, and political landscapes. The Organization offers development programs in Kenya, Ethiopia, Nigeria and Burkina Faso.

*International Awareness* - Provides events and presentations throughout the country and publishes videos and educational information through social media. This program educates audiences on the value of locally-led development, climate-resilient agriculture, and resilience building as solutions for extreme poverty, climate change, and state fragility, and inspires action to improve the lives of our global neighbors.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Method of Accounting

The accompanying financial statements have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (USGAAP). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed stipulations. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

#### Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions.

#### Net Assets With Donor Restrictions

Net assets subject to donor-imposed restrictions that either expire by passage of time, can be fulfilled and removed by actions of the Organization pursuant to those restrictions, or are maintained in perpetuity by the Organization. Generally, the donors of the assets permit the Organization to use all or a part of the income earned on any related investments for general or specific purposes. The Organization does not have any restricted assets required to be held in perpetuity as of December 31, 2022 or 2021.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Use of Estimates

The preparation of financial statements in conformity with USGAAP 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 reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments and money market accounts with original maturities of three months or less.

The Organization maintains its cash balance in financial institutions, which at times may exceed federally insured limits. At December 31, 2022 and 2021, the Organization's cash accounts did not exceed FDIC limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Investments

Investments in marketable securities with readily determinable fair value and all investments in debt securities are reported at their fair values. Fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Contributions Receivable

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized and is reported as contribution revenue. The Organization believes that all contributions receivable at December 31, 2022 and 2021 will be fully collected. Accordingly, no allowance for doubtful accounts is necessary.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional. There were no conditional gifts as of as of December 31, 2022 and 2021.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fixed Assets

Property and equipment purchases in excess of \$1,000 are recorded at cost. Donated assets are recorded at their estimated fair value at the date they are received. Depreciation for electronics is recorded on a straight-line basis over an estimated useful life of three years.

Depreciation expense for the years ended December 31, 2022 and 2021 is \$7,795 and \$6,439, respectively.

Revenue Recognition

*Contribution and In-Kind Income*

The Organization recognizes contributions when an unconditional promise to give cash, securities, other assets, services, or space is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

*Donated Services and Assets*

Donated services are recorded in the financial statements at their estimated fair value on the date the services are rendered if such services create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would need to be purchased if not donated. Donated assets are recorded in the financial statements as assets and revenue at their estimated fair value on the date the assets are contributed. The Organization receives services from volunteers who give significant amounts of their time to the Organization's programs. No amounts have been reflected in the financial statements for these services because they do not meet the criteria for financial statement recognition.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The majority of expenses are directly allocated to the relevant department. Salaries are allocated to the programs and supporting services based on estimated time spent. Overhead costs such as insurance, books, subscriptions and references, information technology, postage, supplies and training and development are allocated based on headcount.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Income Taxes

The Organization is a not-for profit organization which is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code as other than a private foundation.

Recently Adopted Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, *Leases (Topic 842)*, to increase the transparency and comparability about leases among organizations by requiring the recognition of right-of-use (ROU) assets and liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Organization adopted this standard effective January 1, 2022; however the organization had no material leases as of and for the year ended December 31, 2022.

In September 2020, the Financial Accounting Standards Board (FASB) issued ASU No. 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to increase the transparency of contributed nonfinancial assets for non-for-profit entities through enhancements to presentation and disclosure. The new guidance requires contributed nonfinancial assets be presented as a separate line item in the statements of activities, a disclosure with the disaggregation of the amount of contributed nonfinancial assets by category as well as certain qualitative information. The Organization adopted this new standard during 2022 with no material impact to the financial statements.

**NURU INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**3. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 15,932	\$ 382,293
Investments	14	99,619
Current contributions receivable	<u>427,363</u>	<u>1,067,912</u>
Total financial assets and liquid resources	443,309	1,549,824
Less donor imposed restrictions:		
Purpose restrictions	<u>(2,363)</u>	<u>(86,981)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 440,946</u>	<u>\$ 1,462,843</u>

The Organization manages its liquidity guided by the goal of operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs. To maintain adequate cash for operations, the entity forecasts its future cash flows and monitors its liquidity and reserves regularly.

**4. CONTRIBUTIONS RECEIVABLE**

Contributions receivable at December 31, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Due within one year	\$ 427,363	\$ 1,067,912
Due in one to five years	<u>400,000</u>	<u>725,000</u>
Subtotal	827,363	1,792,912
Less present value discount	<u>(18,159)</u>	<u>(45,345)</u>
<b>TOTAL CONTRIBUTIONS RECEIVABLE</b>	<u>\$ 809,204</u>	<u>\$ 1,747,567</u>

Contributions receivable are discounted using a risk adjusted rate of 4%.



**5. IN-KIND DONATIONS**

During 2022 and 2021, the Organization received the following amounts for donated assets and services:

	<u>2022</u>	<u>2021</u>
Donated assets - investments	\$ 143,308	\$ 351,880
Donated services - legal	3,712	3,484
<b>TOTAL</b>	<u>\$ 147,020</u>	<u>\$ 355,364</u>

The Organization receives contributions of donated investments without donor restrictions. The donated investments consist of donated stock transfers and are valued at the fair market value of the stocks on the date the stocks were transferred. Fair market value at the time of the transfer is determined utilizing the published trade price on the exchange. The donated investments were recorded as revenue and an increase to investments. Those investments sold are monetized.

The Organization also receives contributed donated services without restrictions for legal services. These services are used for various operational matters including reviewing notices, assistance with trade-mark work and visas. Fair value is provided by the donor based on billing rates and hours spent. The contributed professional services were utilized in the Organization's programs and are included in legal fees and contractual services on the statement of functional expenses.

**6. FAIR VALUE MEASUREMENTS**

USGAAP establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. USGAAP requires the Organization to maximize the use of observable inputs when measuring fair value. The hierarchy describes three levels of inputs, which are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; or inputs that are derived principally from or corroborate by observable market data by correlation or other means.

Level 3: Significant unobservable inputs.

In many cases, a valuation technique used to measure fair value includes inputs from more than one level of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The categorization of an investment within the hierarchy reflects the relative ability to observe the fair value measure and does not necessarily correspond to the perceived risk of that investment.

**6. FAIR VALUE MEASUREMENTS (Continued)**

If an investment that is measured using net asset value (NAV) has a readily determinable fair value (that is, it can be traded at the measurement date at its published NAV), it is included in Level 1 of the hierarchy. Otherwise, investments measured using NAVs are not included in Level 1, 2, or 3, but are separately reported.

The Organization recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels in the years ended December 31, 2022 and 2021.

Valuation Techniques

The following is a description of the valuation techniques used for assets measured at fair value on a recurring basis. There have been no changes to the techniques used during the years ended December 31, 2022 and 2021.

*Common stock:* Valued at the closing quoted price in an active market.

Recurring Measurements

Assets measured at fair value on a recurring basis as of December 31, 2022 and 2021 are as follows:

	<b>December 31, 2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Common stock	\$ 14	\$ -	\$ -	\$ 14

	<b>December 31, 2021</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Mutual funds	\$ 99,619	\$ -	\$ -	\$ 99,619

**7. NET ASSETS WITH DONOR RESTRICTIONS**

At December 31, 2022 and 2021, there were net assets with donor restrictions of \$827,363 and \$1,759,093, respectively. \$825,000 and \$1,672,112 were restricted for time as of December 31, 2022 and 2021, respectively. The remaining \$2,363 of donor restricted funds at December 31, 2022 consists of restricted for USAID projects. The remaining \$86,981 of donor restricted funds at December 31, 2021 consists of \$75,133 restricted for USAID projects and the remaining \$11,848 for mental health and wellbeing initiatives.

**8. NOTES PAYABLE**

The Organization has an agreement for borrowings of \$750,000 with a bank dated September 3, 2019. The agreement calls for annual principal payments of \$250,000, plus interest at the bank's prime rate (7.5% and 3.25% as of December 31, 2022 and 2021, respectively), and was due on September 3, 2022. The agreement is secured by an unconditional guaranty of payment from an anonymous donor. Amounts outstanding as of December 31, 2021 were \$250,000. The loan was paid in full as of December 31, 2022.

The Organization has an agreement for borrowings of \$150,000 with the SBA dated June 5, 2020. The agreement called for annual principal payments of \$641 beginning twelve months from the date of the note, plus interest at the 2.75%, and was due on May 5, 2050. The loan was modified on September 2, 2021 to increase the borrowings to \$500,000. The updated agreement calls for monthly payments of \$2,208 beginning twelve months from the date of the note, plus interest at 2.75% and is due on May 5, 2050. The note is unsecured. The amount outstanding as of December 31, 2022 and 2021 was \$498,980 and \$500,000, respectively.

The Organization has an agreement for borrowings of \$200,000 with the Organization's CEO. The agreement calls for the entire balance to be paid by December 31, 2022. The loan was modified on December 28, 2022 to increase the borrowings to \$215,000 with an updated due date of June 30, 2023. The amount outstanding as of December 31, 2022 was \$215,000. The loan is unsecured and was paid in full subsequent to year end.

The minimum principal maturities of the note payable are as follows:

2023	\$ 227,421
2024	12,767
2025	13,123
2026	13,488
2027	13,864
Thereafter	<u>433,317</u>
<b>TOTAL</b>	<u><u>\$ 713,980</u></u>

**9. RELATED PARTIES**

In October 2008, Nuru Kenya was established as a separate not-for-profit organization registered in the Republic of Kenya, which conducts agricultural, health care, educational, and economic development projects in rural areas of that country. In August of 2012, an additional organization, Nuru Ethiopia, was put into operation in Ethiopia. In 2017, Nuru Nigeria was launched. In 2021, Nuru International began initial launch activity for Nuru Burkina Faso, which launched in 2022. These locally-led nonprofits, along with Nuru International, form a collective of organizations with distinct, localized missions united by a common vision.

**NURU INTERNATIONAL**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. RELATED PARTIES (Continued)**

For the years ended December 31, 2022 and 2021, the Organization contributed directly, or incurred expenses on behalf of these organizations as follows:

	<u>2022</u>	<u>2021</u>
Nuru Kenya	\$ 160,270	\$ 845,595
Nuru Ethiopia	320,785	923,809
Nuru Nigeria	326,187	484,130
Nuru Burkina Faso	119,175	1,500
TOTAL	<u>\$ 926,417</u>	<u>\$ 2,255,034</u>

Additionally, on July 25, 2022, the Organization received a related party loan from the Organization's CEO, see Note 8.

**10. EMPLOYEE BENEFIT PLAN**

The Organization maintains a defined contribution 401(k) plan for all eligible employees. Employer matching contributions for the years ended December 31, 2022 and 2021 were \$34,775 and \$31,474, respectively.

**11. SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after year end but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at year end, including estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at year end but arose after that date (that is, nonrecognized subsequent events).

The Organization has evaluated subsequent events through June 5, 2023 which was the date that these financial statements were available to be issued. Based upon this evaluation, the Organization has determined there are no subsequent events that have occurred which require adjustment to or disclosure in the financial statements other than those disclosed in Note 8.