NONPROFIT ENTERPRISE AND SELF-SUSTAINABILITY TEAM, INC. AND SUBSIDIARY

(A Nonprofit Corporation)

CONSOLIDATED FINANCIAL REPORT

DECEMBER 31, 2022

CONTENTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Nonprofit Enterprise and Self-sustainability Team, Inc. and Subsidiary
(A Nonprofit Corporation)

Opinion

We have audited the accompanying consolidated financial statements of **Nonprofit Enterprise and Self-sustainability Team, Inc. and Subsidiary (A Nonprofit Corporation)**, which comprise of the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nonprofit Enterprise and Self-sustainability Team, Inc. and Subsidiary as of December 31, 2022, 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 Nonprofit Enterprise and Self-sustainability Team, Inc. and Subsidiary 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Nonprofit Enterprise and Self-sustainability Team, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 consolidated financial statements.

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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 consolidated 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 consolidated 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 Nonprofit Enterprise and Self-sustainability Team, Inc. and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Nonprofit Enterprise and Self-sustainability Team, Inc. and Subsidiary'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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information on pages 18 and 19 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated April 25, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent in all material aspects, with the audited consolidated financial statements from which it has been derived.

Bowman & Company, L.L.P.

Bowman & Company, LLP
Stockton, California
April 25, 2023

NONPROFIT ENTERPRISE AND SELF-SUSTAINABILITY TEAM, INC.
AND SUBSIDIARY
(A Nonprofit Corporation)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2022
(With Comparative Totals for 2021)

ASSETS	2022	2021
Cash and cash equivalents	$ 4,703,806	$ 3,116,728
Accounts receivable, less allowance of $0	8,150	300
Grants receivable, less allowance of $0	182,297	663,879
Interest receivable	25,488	21,636
Loans receivable, less allowance of $23,813	2,428,190	1,893,891
Furniture and equipment, less accumulated depreciation of $17,947	27,930	19,896
Donated artwork	31,500	31,500
Prepaid expenses	19,973	8,182
Deposits	1,857	3,845
Total assets	$ 7,429,191	$ 5,759,857
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 52	$ 10,851
Accrued salaries and benefits	115,562	98,820
Interest payable	4,875	3,771
Grants payable	6,859	23,000
Forgivable loan	277,448	- -
Loans payable	2,500,411	1,723,876
Total liabilities	2,905,207	1,860,318
NET ASSETS		
Without donor restrictions		
Without donor restrictions	1,120,675	832,732
Board designated first loss guarantee reserve	107,000	107,000
Total net assets without donor restrictions	1,227,675	939,732
With donor restrictions		
Program restricted	3,137,531	2,801,029
First loss guarantee reserve	158,778	158,778
Total net assets with donor restrictions	3,296,309	2,959,807
Total net assets	4,523,984	3,899,539
Total liabilities and net assets	$ 7,429,191	$ 5,759,857

See Notes to Consolidated Financial Statements.

NONPROFIT ENTERPRISE AND SELF-SUSTAINABILITY TEAM, INC. AND SUBSIDIARY
(A Nonprofit Corporation)

CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended December 31, 2022
(With Comparative Totals for 2021)

	2022			
	Without Donor Restrictions	With Donor Restrictions	Total	2021 Total
OPERATING REVENUE				
Earned revenue				
Contracts	$ 28,610	$ - -	$ 28,610	$ 17,123
Financial revenue (expense)				
Investment returns	178,049	- -	178,049	85,812
Interest expense	(31,308)	- -	(31,308)	(16,375)
Net financial revenue (expense)	146,741	- -	146,741	69,437
Net earned and financial revenue	175,351	- -	175,351	86,560
Private contributions and grants	706,162	2,218,058	2,924,220	3,112,496
Government grants	369,464	21,433	390,897	427,900
In-kind contributions	41,003	- -	41,003	28,899
Foreign currency loss	(25,511)	- -	(25,511)	(67,444)
Net assets released from restrictions:				
Private contributions and grants	1,902,989	(1,902,989)	- -	- -
Total operating revenue	3,169,458	336,502	3,505,960	3,588,411
EXPENSES				
Program services	2,386,365	- -	2,386,365	1,951,059
General and administrative	267,802	- -	267,802	195,738
Fundraising	227,348	- -	227,348	141,239
Total expenses	2,881,515	- -	2,881,515	2,288,036
Increase in net assets	287,943	336,502	624,445	1,300,375
Net assets, beginning of year	939,732	2,959,807	3,899,539	2,599,164
Net assets, end of year	$ 1,227,675	$ 3,296,309	$ 4,523,984	$ 3,899,539

See Notes to Consolidated Financial Statements.

NONPROFIT ENTERPRISE AND SELF-SUSTAINABILITY TEAM, INC. AND SUBSIDIARY
(A Nonprofit Corporation)

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022
(With Comparative Totals for 2021)

	2022				
	Program Expenses	General and Administrative	Fundraising	Total	2021
Salaries and payroll taxes	$ 1,388,421	$ 202,131	$ 218,218	$ 1,808,770	$ 1,437,282
Grants and allocations	473,175	- -	- -	473,175	419,108
Travel	75,800	36	1,855	77,691	21,331
Professional fees	61,664	13,499	958	76,121	73,276
Communication	64,924	7,369	- -	72,293	36,509
Provision for loan loss reserve	69,426	- -	- -	69,426	15,459
Contractors	66,062	- -	- -	66,062	72,664
Accounting fees	29,097	33,230	3,051	65,378	56,963
In-kind expenses	41,003	- -	- -	41,003	28,899
Occupancy	29,222	2,914	- -	32,136	32,951
Event expenses	30,734	1,000	166	31,900	32,148
Legal fees	21,087	2,185	828	24,100	20,613
Conferences and conventions	9,656	18	1,785	11,459	9,372
Bank fees	10,245	1,515	25	11,785	8,196
Miscellaneous expenses	6,449	3,709	462	10,620	14,209
Supplies and small equipment purchases	1,862	196	- -	2,058	3,547
Total expenses before depreciation	2,378,827	267,802	227,348	2,873,977	2,282,527
Depreciation	7,538	- -	- -	7,538	5,509
Total expenses	$ 2,386,365	$ 267,802	$ 227,348	$ 2,881,515	$ 2,288,036

NONPROFIT ENTERPRISE AND SELF-SUSTAINABILITY TEAM, INC. AND SUBSIDIARY
(A Nonprofit Corporation)

CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2022
(With Comparative Totals for 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 624,445	$ 1,300,375
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,538	5,509
Change in allowance for foreign exchange rate loss	- -	(17,683)
Change in loans receivable loss reserve	4,427	(33,103)
Bad debt expense	63,049	- -
Recoverable grants expensed	124,229	- -
Loan payable forgiven	- -	10,000
Changes in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	(7,850)	1,279
Grants receivable	481,582	(656,713)
Interest receivable	(3,852)	(15,271)
Loans receivable	(751,784)	(1,080,804)
Prepaid expenses	(11,791)	(1,328)
Deposits	1,988	- -
(Decrease) increase in:		
Accounts payable	(10,799)	2,664
Accrued salaries and benefits	16,742	13,760
Interest payable	1,104	(1,187)
Grants payable	(16,141)	23,000
Forgivable loan	277,448	- -
Loans payable	802,315	467,320
Net cash provided by operating activities	1,602,650	17,818
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment	(15,572)	(12,227)
Net cash used in investing activities	(15,572)	(12,227)
Increase in cash and cash equivalents	1,587,078	5,591
Cash and cash equivalents, beginning of year	3,116,728	3,111,137
Cash and cash equivalents, end of year	$ 4,703,806	$ 3,116,728
SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION		
Cash payments for interest	$ 30,204	$ 17,562

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Operations and Significant Accounting Policies

Founded in 1997, Nonprofit Enterprise and Self-sustainability Team, Inc. ("NESsT"), is a 501(c)(3) Maryland nonprofit corporation investing in social enterprises that provide dignified jobs in emerging markets. In 2017, NESsT incorporated NESsT SELF LLC, a Delaware limited liability company, (together, the "Organization"). NESsT SELF LLC is a wholly-owned subsidiary of NESsT.

The Organization operates investment programs in Latin America and Central Europe, and fosters social entrepreneurship and impact investing around the world.

The Organization operates the following programs:

Loan Fund: NESsT SELF LLC provides loans to social enterprises in Latin America. Loans range from \$50,000 to \$500,000 to address the missing middle in social enterprise financing. Investors in the Loan Fund ("Fund") are accredited private investors, development banks, and foundations who purchased notes payable from the Fund.

Incubation: Since 1997, the incubation program has been accelerating early-stage social enterprises. The program provides business assistance alongside flexible financing, mostly in the form of grants and recoverable grants, to assist social enterprises to become profitable. NESsT has operated incubation programs in more than 50 countries and for 1,400 social enterprises. Prior to the incorporation of NESsT SELF LLC, the incubation program provided a limited number of loans to social enterprises. The incubation program primarily used philanthropic capital to make loans, in addition to having a partnership with Kiva, for raising low-cost loans on its platform and re-lending them to social enterprises. In 2019, NESsT centralized all of its primary (or secured) lending through the Fund, but still makes small grant and recoverable grant funded loans in the incubation program focusing on business assistance.

A summary of significant accounting policies is as follows:

Basis of Presentation

The accompanying consolidated financial statements are presented on the accrual basis of accounting and represent the consolidated activity of the Organization. All intercompany transactions have been eliminated.

The Organization is required to report information regarding their consolidated financial position and activities according to two classes of net assets. The asset categories are as follows:

Net Assets without Donor Restrictions:

Net assets without donor restrictions are those net assets presently available for use by the Organization at the discretion of the Board of Directors.

Note 1. Summary of Operations and Significant Accounting Policies (Cont.)

Basis of Presentation (Cont.)

Net Assets with Donor Restrictions:

Donor restricted net assets are subject to stipulations imposed by donors, grants, and contracts that can be fulfilled by actions of the Organization or that expire by the passage of time.

New Accounting Pronouncement

In September 2020, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update ("ASU") 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This guidance increases the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The Organization adopted the standard on January 1, 2022. The timing of revenue recognition from contributed nonfinancial assets was not affected by the new standard.

Cash and Cash Equivalents

For purposes of the Consolidated Statement of Cash Flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Cash is on deposit in Brazil, Chile, Peru, Romania, Poland, and the United States. The Organization periodically maintains cash on deposit at banks in excess of insurance limits with their respective governments. The Organization has not experienced any losses in such accounts.

Furniture and Equipment

Furniture and equipment are stated at cost. Expenditures for furniture and equipment costing over $1,000 are capitalized. All expenditures for computers are capitalized. Depreciation is calculated over five years using the straight-line method.

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the property may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying value amount exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. For the year ended December 31, 2022, there were no impairment losses recognized.

Note 1. Summary of Operations and Significant Accounting Policies (Cont.)

Donated Artwork

Donated artwork was recorded at the fair market value.

Accounts and Grants Receivable

Accounts and grants receivable are stated at unpaid balances less an allowance for doubtful accounts. Management provides for probable uncollectible amounts through an allowance for doubtful accounts based on its assessment of the current status of individual accounts and prior experience. Specific uncollectible receivables are charged to operations in the period in which the determination is made.

Loans Receivable

Loans receivable are carried at unpaid principal balances less an allowance for loan losses. Management's periodic evaluation of the adequacy of the allowance is based on the Organization's past loan loss experience, specific impaired loans, adverse situations that may affect the borrower's ability to repay, and current economic conditions. Past due status is determined based on contractual terms. Loans are considered impaired if full principal or interest payments are not anticipated in accordance with the contractual terms. The Organization's practice is to charge off any loan or portion of a loan when the loan is determined by management to be uncollectible due to the borrower's failure to meet repayment terms, the borrower's deteriorating or deteriorated financial condition, or for other reasons.

Loans are placed on nonaccrual when management believes, after considering economic conditions, business conditions, and collection efforts, that the loans are impaired or collection of interest is doubtful. Uncollected interest previously accrued is charged off or an allowance is established by a charge to interest income. Interest income on nonaccrual loans is recognized only to the extent cash payments are received.

Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding.

Grants Payable

Grants authorized but unpaid at year-end are reported as liabilities. All grants payable are due within one year of the Consolidated Statement of Financial Position.

Fair Value of Financial Instruments

The carrying amount of financial instruments, including cash, accounts receivable, grants receivable, interest receivable, accounts payable, accrued salaries and benefits, interest payable, and grants payable approximate their value due to the short-term maturities of these instruments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Operations and Significant Accounting Policies (Cont.)

Revenue Recognition

A substantial portion of program revenues is derived from private contributions and grants, governmental grants, and contracts. In accordance with contract provisions, revenues are primarily recognized as expenses are incurred by the programs or certain benchmarks are achieved.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities as net assets released from donor restrictions.

During 2022, the Organization received restricted grants totaling $3,534,688 that contained donor restrictions (primarily meeting reporting and spending requirements). Since these grants represent conditional promises to give, they are not recognized until the conditions are substantially met. Any assets contributed before the related conditions have been substantially met are accounted for as a liability on the Consolidated Statement of Financial Position.

Income Taxes

The Organization has been granted tax-exempt status by the Internal Revenue Service under IRC Section 501(c)3 and the California Franchise Tax Board under Section 23701(d). The Organization is classified by the Internal Revenue Service as an other-than-private foundation. Accordingly, no provision for federal or state income taxes is made in the accompanying consolidated financial statements. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally for three years after they were filed.

Allocation of Expenses

The Organization allocates its expenses on a functional basis among its various program and support services. Expenses which can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on estimates made by the Organizations' management. The expenses that are allocated include rent expense, which is allocated on a square-footage basis, and salaries and employee benefits, which are allocated on the basis of estimates of time and effort. Other expenses are allocated on the ratio of each program's expense to total expenses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Operations and Significant Accounting Policies (Cont.)

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through April 25, 2023, the date on which the consolidated financial statements were available to be issued.

Note 2. Availability and Liquidity

The Organization's goal is to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization does not anticipate the general expenditures to exceed cash on hand.

The following represents the Organization's financial assets available for general expenditures within one year of the Consolidated Statement of Financial Position at December 31, 2022:

Cash and cash equivalents	$ 4,703,806
Accounts receivable	8,150
Grants receivable	182,297
Interest receivable	25,488
Loans receivable – current portion	663,223
Total financial assets	5,582,964
Less amounts not available to be used within one year:	
Board designated net assets without donor restrictions	(107,000)
Net assets with donor restrictions	(3,296,309)
	(3,403,309)
Total financial assets available to meet general expenditures within one year	$ 2,179,655

Note 3. Loans Receivable

At December 31, 2022, the Organization had 10 loans outstanding in its Fund and 39 loans outstanding in its incubation program. These loans mature at various times.

Loan Fund

The Fund, through NESsT SELF LLC, makes secured loans with collateral consisting of equipment, machinery, land, or inventories. Loans made by the Fund were in U.S. Dollars and had an outstanding amount of $1,652,542 at December 31, 2022.

Loans are subject to loan agreements with covenants regarding the financial performance of the borrower or borrowing base formulas that must be met before the Organization funds the commitment. Borrowers must maintain certain covenants during the life of the loan to not breach a loan covenant.

The allowance for loan losses is set at 1.5% of a loan's principal value. Management may modify this allowance for specific loans based on their regular review of the loan portfolio. Factors that may affect a loan's allowance include borrower's credit-worthiness, business performance, and current economic conditions. The allowance for loan losses was $23,813 at December 31, 2022.

During the year ended December 31, 2022, the Fund's portfolio wrote off $63,053 in outstanding loans.

Scheduled repayments for loans receivable for the Fund consist of the following at December 31:

2023	$	663,223
2024		468,118
2025		285,314
2026		222,814
2027		13,073
		1,652,542
Less allowance for loan losses		23,813
	$	1,628,729

Note 3. Loans Receivable (Cont.)

Incubation Program

The incubation program makes unsecured loans repaid in either U.S. Dollars or the local currency of the country where the social enterprise is located. Loans receivable denominated in a foreign currency are translated into U.S. Dollars on the Consolidated Statement of Financial Position. For the year ended December 31, 2022, unrealized foreign currency translation losses was $0.

Scheduled repayments for loans receivable for the incubation program consist of the following at December 31:

2023	$	490,319
2024		256,284
2025		51,358
2026		1,500
	$	799,461

Note 4. Loans Payable

Investors in the Organization purchased secured and unsecured notes and provided loans for the purpose of providing the resources for making loans to qualified social enterprises in Latin America.

Long-term debt consists of the following at December 31, 2022:

NESsT Incubation Program Loans Unsecured $400,000 line of credit from a nonprofit corporation, interest rate of 0%. Monthly payments due as payments are collected from borrowers. The consolidated financial statements do not reflect an adjustment to discount this note.	$	27,777
NESsT SELF LLC Loans A financial institution unsecured loan in the maximum amount of $1,000,000, dated June 12, 2019, interest rate of 1.5% per year for the first five years and 2% for the next three years, semi-annual interest payments are due until maturity on June 12, 2027.		1,000,000

Note 4. Loans Payable (Cont.)

NESsT SELF LLC Loans (Cont.)

A nonprofit corporation unsecured loan in the maximum amount of $1,000,000, dated July 1, 2022, interest rate of 3%, semi-annual interest-only payments are due until maturity on July 1, 2026.	336,000
A nonprofit corporation unsecured loan, dated December 10, 2018, interest rate of 2%, semi-annual interest-only payments are due until maturity on December 10, 2024.	250,000
A nonprofit corporation unsecured loan, dated May 1, 2019, interest rate of 1.5%, semi-annual interest-only payments are due until maturity on February 1, 2023.	250,000
Unsecured $400,000 line of credit from a nonprofit corporation, combined with NESsT line of credit above, interest rate of 0%. Monthly payments due as payments are collected from borrowers. The consolidated financial statements do not reflect an adjustment to discount this note.	181,634
A nonprofit corporation unsecured loan in the maximum amount of $500,000, dated September 8, 2021, interest rate of 5%, semi-annual interest-only payments are due until maturity on September 8, 2027.	168,000
A nonprofit corporation unsecured loan in the maximum amount of $400,000, dated December 27, 2021, interest rate of 5%, semi-annual interest-only payments are due until maturity on December 27, 2028.	135,000
A nonprofit corporation unsecured loan in the maximum amount of $350,000, dated January 7, 2022, interest rate of 3%, semi-annual interest-only payments are due until maturity on January 7, 2026.	118,000
A limited liability company unsecured loan in the maximum amount of $100,000, dated June 6, 2022, interest rate of 3%, semi-annual interest-only payments are due until maturity on June 6, 2026.	34,000
	$ 2,500,411

Note 4. Loans Payable (Cont.)

Estimated long-term debt maturities consist of the following at December 31:

2023	$	404,053
2024		48,538
2025		256,820
2026		488,000
2027		1,303,000
	$	2,500,411

Note 5. Forgivable Loan

On July 7, 2022, the Organization entered into a loan agreement with a limited liability company in the maximum amount of EUR 1,000,000 with no interest and due December 31, 2028. The loan will be forgiven based on the conditions set in the loan agreement. As of December 31, 2022, the outstanding balance of the forgivable loan was $277,448. The financial statements do not reflect an adjustment to discount this note.

Note 6. Net Assets

At December 31, 2022, the Board of Directors designated $107,000 of the net assets without donor restriction in the event of potential non-payment of loans receivable.

The Organization receives grants designated for specific program functions. The net assets available for these purposes are held as net assets with donor restrictions.

Note 6. Net Assets (Cont.)

Net assets with donor restrictions were follows as of December 31, 2022:

Restricted by country/region		
Central Europe	$	851,424
Poland		640,952
Latin America		570,892
Brazil		546,451
United States		146,191
Peru		134,668
Restricted for loan fund		246,953
Restricted for first loss guarantee reserve		158,778
	$	3,296,309

Net assets released from net assets with donor restrictions during the year ended December 31, 2022 were as follows:

Latin America	$	828,058
Central Europe		440,362
Loan fund		183,524
Poland		173,976
Brazil		126,204
United States		106,415
Peru		44,450
Satisfaction of program restrictions	$	1,902,989

Note 7. Lease Commitments

NESsT is obligated under short term operating leases for office space. Aggregate rental expense under these leases for the year ended December 31, 2022 was $16,743.

Total future minimum lease payments of $18,465 under these non-cancelable leases are due in 2023.

Note 8. In-Kind Donations

The Organization received in-kind donations of legal services which are valued at fair market wage for the particular service. The in-kind donated services of $41,003 are recorded as revenue and expenses in the Consolidated Statement of Activities in accordance with accounting principles generally accepted in the United States of America. All in-kind contributions received by the organization for the year ended December 31, 2022, were considered without donor restrictions and were able to be used by the organization as determined by the Board of Directors and management.

Note 9. Contingencies

NESsT has employees in Brazil, Chile, Peru, Poland, and Romania. Under these countries' labor laws, if NESsT terminates their employees they must pay the terminated employee a severance package based on that employee's length of employment. NESsT has not reflected a liability on the Consolidated Statement of Financial Position because management had no plans at December 31, 2022 to terminate any employees within those countries.

The Organization's grant activities are subject to inspection and audit by the appropriate funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these audits cannot be reasonably estimated and, accordingly, the Organization has no provision for the possible disallowance of program costs.

Note 10. Related Party Transactions

During the year ended December 31, 2022, the Organization received contributions of $28,040 from members of the Board of Directors.

SUPPLEMENTARY INFORMATION

NONPROFIT ENTERPRISE AND SELF-SUSTAINABILITY TEAM, INC.
AND SUBSIDIARY
(A Nonprofit Corporation)

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2022

	NESsT, Inc.	NESsT SELF LLC	Eliminations	Consolidated Total
ASSETS				
Cash and cash equivalents	$ 3,523,854	$ 1,179,952	$ - -	$ 4,703,806
Accounts receivable, net	23,500	- -	(15,350)	8,150
Grants receivable, net	182,297	- -	- -	182,297
Interest receivable	- -	25,488	- -	25,488
Loans receivable, net	799,461	1,628,729	- -	2,428,190
Investment in LLC	265,778	- -	(265,778)	- -
Furniture and equipment, net	27,930	- -	- -	27,930
Donated artwork	31,500	- -	- -	31,500
Prepaid expenses	19,973	- -	- -	19,973
Deposits	1,857	- -	- -	1,857
Total assets	$ 4,876,150	$ 2,834,169	$ (281,128)	$ 7,429,191
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	$ 52	$ 15,350	$ (15,350)	$ 52
Accrued salaries and benefits	115,562	- -	- -	115,562
Interest payable	- -	4,875	- -	4,875
Grants payable	6,859	- -	- -	6,859
Forgivable loan	277,448	- -	- -	277,448
Loans payable	27,777	2,472,634	- -	2,500,411
Total liabilities	427,698	2,492,859	(15,350)	2,905,207
NET ASSETS				
Without donor restrictions				
Without donor restrictions	1,310,921	75,532	(265,778)	1,120,675
Board designated first loss guarantee reserve	- -	107,000	- -	107,000
Total net assets without donor restrictions	1,310,921	182,532	(265,778)	1,227,675
With donor restrictions				
Program restricted	3,137,531	- -	- -	3,137,531
First loss guarantee reserve	- -	158,778	- -	158,778
Total net assets with donor restrictions	3,137,531	158,778	- -	3,296,309
Total net assets	4,448,452	341,310	(265,778)	4,523,984
Total liabilities and net assets	$ 4,876,150	$ 2,834,169	$ (281,128)	$ 7,429,191

See Notes to Consolidated Financial Statements.

NONPROFIT ENTERPRISE AND SELF-SUSTAINABILITY TEAM, INC. AND SUBSIDIARY
(A Nonprofit Corporation)

CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

	NESsT, Inc.	NESsT SELF LLC	Eliminations	Consolidated Total
OPERATING REVENUE				
Earned revenue				
Contracts	$ 28,610	$ --	$ --	$ 28,610
Management fee	46,717	--	(46,717)	--
Net earned revenue	75,327	--	(46,717)	28,610
Financial revenue (expense)				
Investment returns	17,696	160,353	--	178,049
Interest expense	--	(31,308)	--	(31,308)
Net financial revenue (expense)	17,696	129,045	--	146,741
Net earned and financial revenue	93,023	129,045	(46,717)	175,351
Private contributions and grants	2,924,220	--	--	2,924,220
Government grants	390,897	--	--	390,897
In-kind contributions	41,003	--	--	41,003
Foreign currency loss	(25,511)	--	--	(25,511)
Total operating revenue	3,423,632	129,045	(46,717)	3,505,960
EXPENSES				
Program services	2,305,743	80,622	--	2,386,365
General and administrative	266,575	47,944	(46,717)	267,802
Fundraising	227,348	--	--	227,348
Total expenses	2,799,666	128,566	(46,717)	2,881,515
Increase in net assets	623,966	479	--	624,445
Net assets, beginning of year	3,824,486	75,053	--	3,899,539
Net assets, end of year	$ 4,448,452	$ 75,532	$ --	$ 4,523,984