



Consolidated Financial Statement

Year ended December 31, 2022



Independent Auditors' Report

**To The Board of Directors
African Relief and Development Foundation (ARDF),
Juba, South Sudan**

Opinion

We have audited the consolidated financial statements of the African Relief and Development Foundation (ARDF), which comprise the consolidated statements of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of African Relief and Development Foundation as of December 31, 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted globally as well as 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 (GAAS) and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of ARDF 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted globally and 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 ARDF's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated 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 it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 controls. 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.

In performing an audit in accordance with GAAS and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), we:

- Exercise professional judgment and maintain professional scepticism 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 ARDF'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 ARDF'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.

Balitin

August 24, 2022.

African Relief and Development Foundation

Consolidated Statement of Financial Position as of 31 December 2022

(With comparative financial information as of December 31, 2021)

Assets	Year 2022	Year 2021
Cash and Cash equivalent	250,000.00	182,000.00
Grant and contribution receivable	253,720.00	189,200.00
Investments	35,000.00	62,000.00
Inventory of material for distribution	8,250.00	10,000.00
Other investment	9,800.00	15,000.00
Other receivable and prepaid expenses	10,100.00	50,000.00
Property and equipment, net	22,950.00	31,400.00
Operating lease right-of-use assets	25,573.00	18,000.00
Total Assets	\$ 615,393.00	\$ 557,600.00
Liability and Net Asset		
Liabilities		
Accounts Payable and accrued expenses	143,608.00	66,750.00
Refundable advances for program expenses	56,450.00	32,260.00
Monetization Payable	10,200.00	8,585.00
Operating lease liabilities	11,180.00	10,050.00
Total Liabilities	\$ 221,438.00	\$ 117,645.00
Commitment and contingencies		
Net Assets		
Without Donor restriction		
Board Designated endorsement	25,800.00	32,500.00
Undesignated	15,200.00	7,860.00
General total	\$ 41,000.00	\$ 40,360.00
With donor restrictions:		
Time restricted	11,200.00	10,500.00
Purpose restricted	341,755.00	389,095.00
Total with donor restriction	\$ 352,955.00	\$ 399,595.00
Total Net Assets	\$ 393,955.00	\$ 439,955.00
Total Liability and Net Assets	\$ 615,393.00	\$ 557,600.00

African Relief and Development Foundation

Consolidated Statement of Activities As of 31 December 2022.

(With summarized information for the year ended December 31, 2021)

REVENUE AND SUPPORT	Year - 2022	Year - 2021
In-Kind Contributions (UNFPA, WHO, UNICEF)	\$ 225,000.00	\$ 168,000.00
Grants and Contracts (IOM, UNICEF/ World Bank, SSHF)	\$ 925,000.00	\$ 898,500.00
Fundraising (Board Contribution)	\$ 10,000.00	\$ 12,670.00
Total Revenue and Support	\$ 1,160,000.00	\$ 1,079,170.00
OPERATING EXPENDITURE		
a) Program Services		
Health	\$ 556,800.00	\$ 445,157.00
Protection	\$ 361,200.00	\$ 364,220.00
Total Program	\$ 918,000.00	\$ 809,377.00
b) Supporting Services		
General Administrative cost	\$ 200,000.00	\$ 255,000.00
Fundraising	\$ 32,000.00	\$ 3,000.00
Total Supporting Services	\$ 232,000.00	\$ 258,000.00
Total Operating Expenditure	\$ 1,150,000.00	\$ 1,067,377.00
Excess of operating Revenues over operating expenditures	\$ 10,000.00	\$ 11,793.00
Increase in net assets	\$ -	\$ -
Total Change in the net assets	\$ 10,000.00	\$ 11,793.00
Net Asset at the beginning of the year	\$ 783,955.00	\$ 664,600.00
NET ASSETS AT END OF YEAR	\$ 793,955.00	\$ 676,393.00

See accompanying notes to the consolidated financial statement

African Relief and Development Foundation

Consolidated Statement of Functional Expenses

Year Ended 31 December 2022

(With summarized financial information for the year ended December 31, 2021)

	Program Services			supporting Services				
Year Ended 31 December 2023	Health	Protection	Total Program Services	Management and General	Fundraising	Total Supporting Services	2022 Total Expenses	2021 Total Expenses
Salaries	\$ 93,564.00	\$ 85,000.00	\$178,564.00	\$ 68,000.00	\$ -	\$ 68,000.00	\$246,564.00	\$215,000.00
Employee Benefits	\$ 23,391.00	\$ 21,250.00	\$ 44,641.00	\$ 17,000.00	\$ -	\$17,000.00	\$ 61,641.00	\$ 53,750.00
Total Salaries and Related Expenses	\$116,955.00	\$106,250.00	\$223,205.00	\$ 85,000.00	\$ -	\$85,000.00	\$308,205.00	\$268,750.00
Program Expenses:								
Program Expenses and Materials	\$250,000.00	\$ 180,000.00	\$ 430,000.00	\$ 16,420.00	\$ -	\$ 16,420.00	\$ 446,420.00	\$ 375,600.00
Material and Resources:								
Travel, meetings	\$ 20,500.00	\$ 12,600.00	\$ 33,100.00	\$ 14,860.00	\$ 4,500.00	\$ 19,360.00	\$ 52,460.00	\$ 41,500.00
Occupancy Cost	\$ 8,000.00	\$ 6,000.00	\$ 14,000.00	\$ 22,300.00	\$ 17,000.00	\$ 39,300.00	\$ 53,300.00	\$ 33,300.00
Printing, Publication, Stationery	\$ 10,000.00	\$ 8,500.00	\$ 18,500.00	\$ 11,500.00	\$ -	\$ 11,500.00	\$ 30,000.00	\$ 27,000.00
Training and conference	\$ 30,500.00	\$ 19,400.00	\$ 49,900.00	\$ 6,800.00	\$ 5,500.00	\$ 12,300.00	\$ 62,200.00	\$ 54,700.00
Equipment, utilities, vehicle maintenance, running costs, and supplies	\$ 8,545.00	\$ 2,500.00	\$ 11,045.00	\$ 12,800.00	\$ -	\$ 12,800.00	\$ 23,845.00	\$159,120.00
Communication and postage	\$ 10,500.00	\$ 3,600.00	\$ 14,100.00	\$ 8,006.00	\$ -	\$ 8,006.00	\$ 22,106.00	\$ 10,789.00
Banking and Merchant Fees	\$18,800.00	\$ 8,850.00	\$ 27,650.00	\$ 11,814.00	\$ -	\$ 11,814.00	\$ 39,464.00	\$ 19,950.00
Program materials and other supplies	\$ 83,000.00	\$ 13,500.00	\$ 96,500.00	\$ 10,500.00	\$ 5,000.00	\$ 15,500.00	\$ 112,000.00	\$ 76,668.00
	\$556,800.00	\$ 361,200.00	\$918,000.00	\$200,000.00	\$32,000.00	\$ 232,000.00	\$1,150,000.00	\$1,067,377.00

See accompanying notes to the consolidated financial statement

African Relief and Development Foundation

Consolidated Statement of Cash Flows Year Ended 30 December 2022

	Year 2022	Year 2021
Cash flow from operating activities:		
Change in net assets	10,000.00	11,793.00
Adjustments to reconcile changes in net assets to net Cash in operating activities:		
Material aid in-kind shipped	(35000.00)	(24800.00)
Noncash lease expense	15,000.00	20,200.00
Loss on Disposal of property and equipment (Depreciation)	28,600.00	16,200.00
Amortization of bond premium and deferred loan cost	2,000.00	2,000.00
Realise or unrealise (gains) losses in investment	(10000.00)	8,000.00
Contribution restricted for long-term investment	12,000.00	25,370.00
Support in Kind	(97000.00)	(85000.00)
Change in Assets and Liabilities:		
Grants and Contribution receivable	199,155.00	16,800.00
Inventory of materials for distribution	10,500.00	15,555.00
Other receivable and prepaid expenses, cash surrender	13,845.00	41,750.00
Increase or decrease in:		
Account Payable and Accrued expenses	32,320.00	19,577.00
Refundable advance for the program purpose	(8000.00)	20,293.00
Principal reduction in operating lease liability	25,680.00	14,850.00
Deferred rent and lease incentives	-	(10800.00)
Net Cash Provided by (Used) in operating activities	“199100.00	91,788.00
Cash flow from investing activities:		
Proceed from the maturity and sales of investments	84,000.00	66,000.00
Purchase of property and equipment	(20000.00)	(38000.00)
Proceed from sales of property and equipment	35,000.00	(90500.00)
Cash paid for other investment	(23700.00)	(82000.00)
Purchase of an investment	(83200.00)	(115500.00)
Net Cash used in Investing activities	(7900.00)	(260000.0)
Cash Flow from Financing Activities:		
Proceed from the line of credit	115,000.00	(116288.00)
Proceed (repayment) on the line of credit	(177900.00)	125,300.00
Principal payment for long-term debt	(23300.00)	45,200.00
Repayment on the line of credit	(23000.00)	32,000.00
Cash Flows in Financing Activities	(109200.00)	86,212.00
Net increase (Decrease) in Cash and Cash equivalents	“ 82000.00	(82000.00)
Cash and Cash equivalent, Beginning of the year	168,000.00	250,000.00
Cash and Cash equivalent, End of the year	“ 250000.00	168000.00
Supplemental disclosure of cash flow information		
Noncash operating lease assets obtained in exchange for new operating lease liabilities - New leases	11,000.00	-
Cash payment for interest	9,000.00	25,000.00

See accompanying notes to the consolidated financial statement

African Relief and Development Foundation

Notes to the consolidated financial statement

Organization, nature of activities, and supporting services

a) The Organization

African Relief and Development Foundation, popularly known as ARDF, is a non-profit, non-governmental organization registered and recognized by the Relief and Rehabilitation Commission (RRC) in the Republic of South Sudan under the South Sudan NGO 2016 Act, with Registration No. 834. It was established in 2017 to provide development and humanitarian services to extreme communities affected by poverty and crises, including hard-to-reach areas, and enhance the transformation of their lives, ensuring total health for all.

ARDF was initiated because of the increasing demand for national humanitarian agencies that can reach the destitute communities affected by crisis. During the 2013 crisis, most of the international NGO's activities slowed down because their experts and managers left the country as the insecurity escalated. The continuous humanitarian reports on the need for humanitarian agencies' interventions to support the conflict-affected population in South Sudan gave us the enthusiasm to initiate the organization.

ARDF is a humanitarian organization dedicated to saving lives, improving health, and alleviating poverty and suffering.

- **ARDF is a National First Responder:**
We deliver emergency medical, protection, WASH, Food security, livelihood, and related services to those affected by conflict, disaster, and disease, no matter where they are or the conditions. We also train people in their communities, providing them with the skills they need to recover, chart their path to self-reliance, and become effective first responders.
- **ARDF is a strong development partner:**
We work with Partners, our thematic line ministries, state authorities, county stakeholders, community leaders, Women, youths, and other groups to strengthen health services provision, WASH services, Protection, and FSL services to save lives, improve health, and alleviate poverty and suffering.

b) Nature of Activities

ARDF's significant nature of activities includes the following programs and support services, which are included in the accompanying consolidated statement of activities.

- **Program services**
 - Health programs:** The health programs build an integrated, holistic, and sustainable health system that increases access to quality health care with an emphasis on vulnerable people. These programs are built around designing and implementing innovative and effective technical approaches that demonstrate long-term, measurable improvements and impact on individual and community health.
 - Emergency Response programs:** ARDF emergency programs help communities experiencing poverty and marginalization cope with and recover from emergencies in a way that promotes lasting improvement to the people's living conditions. ARDF's humanitarian work responds to both natural disasters and complex emergencies involving conflict. ARDF engages in an emergency response project.
 - Food Security and Livelihood program:** ARDF focuses on food production and value chain programs that enhance households and farmers' livelihoods. ARDF engaged farmers to improve food production and household incomes. By strengthening rural economies through improving agricultural practices and increasing food security, ARDF creates a lasting impact in poverty reduction, community stability, and resilience. ARDF climate change programs help the communities adapt to changing climates, which is a key element to building resilient communities and strong local economies. Increasing variability in weather patterns leads to an increase in the frequency and severity of natural disasters, negatively impacting food production and the resilience of economic and environmental systems.
 - Water, sanitation, and hygiene (WASH) programs:** ARDF WASH program improves community access to safe and clean water, hence contributing to the reduction of water borne, and waterborne disease outbreaks. These programs further let to improve the health of the communities. ARDF WASH program also health to improve the sanitation in the communities as well as the hygiene status of the households.
 - Protection Program:** ARDF protection programs address the GBV, child protection, and general protection needs of the community, improving the enabling environment for women, girls, and children to live safely.

- **Supporting Services**

Management and General Category includes the functional areas necessary to provide core mission support and proper administrative functioning of ARDF governing leadership.

Fundraising includes expenditures that provide the structure necessary to encourage and secure financial resources for ARDF's operation and programs

Summary of Significant Financial Policies

The following is the summary of the significant accounting policies followed by ARDF in the preparation of these consolidated financial statements:

(1) Basis of accounting

The accompanying consolidated financial statements are presented in accordance with accounting principles generally accepted globally and have been prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred

(2) Consolidation policy

The Consolidation financial statement includes the accounts of ARDF and its representative subsidiaries. All material intercompany transactions and balances have been eliminated in the consolidation.

(3) Use of Estimates

The preparation of financial statements 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 consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(4) Cash and Cash Equivalents

For the purpose of reporting cash flows, ARDF considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Any cash held by investment managers is considered investments, regardless of maturity.

(5) Investments

Investments are reflected at fair market value. Certain other investments are segregated for presentation purposes. ARDFs' non-segregated investments include some amounts for investment pools, which are valued at fair value based on the applicable percentage ownership of the underlying pools' net assets as of the measurement date, as determined by the manager. The manager values securities and other financial instruments on a fair value basis of accounting. The fair value of ARDFs' investment in such investment pools generally represents the amount ARDF would expect to receive if it were to liquidate its investment, excluding any redemption charges that may apply. However, the estimated fair values of the assets underlying this investment may include securities for which prices are not readily available and are determined by the fund manager, and, therefore, may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. ARDF may adjust the respective manager's valuation when circumstances support such an adjustment. No such adjustments have been deemed necessary by management as of December 31, 2022.

(6) Grants and Contributions Receivable

Grants receivables are comprised of allowable costs in excess of amounts received on donor grants. Recoverable costs from donor grants are billable when qualifying expenditures are incurred. As these amounts are mainly due from a number of sources, including UNICEF, UN Women, Children Prize Foundation, South Sudan Humanitarian Fund, and Swiss Solidarity, it is anticipated that all receivables are collectible. There was no provision for uncollectible balances on grants receivable as of December 31, 2022.

Contributions receivable are recognized when the donor makes a pledge to ARDF that is, in substance, unconditional. Contributions to be received in a future period are discounted to their net present value, using a then-commensurate discount rate, at the time the revenue is recorded. ARDF uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management analysis of specific pledges made. There was no provision for uncollectible balances on contributions receivable as of December 31, 2022.

(7) Inventory of Materials for Distribution

The inventory consists of donated materials for distribution. The fair value of all the materials (blankets, quilts, and various kits) is reviewed and adjusted as needed. Fair value is determined through an annual market study, which consists of surveys of purchased prices of similar items at various outlets. The value of inventory is adjusted annually based on the results of the market study. Donated materials are valued at their estimated fair value at the date of receipt and are removed from inventory at the time of distribution at carrying value as of the date of distribution. Inventory balances consist of undistributed items on hand. There was no provision for inventory obsolescence as of December 31, 2022.

(8) Charitable Trusts

Charitable trusts consist of charitable remainder unitrust agreements where ARDF is not the trustee. These agreements call for ARDF to receive a certain percentage of the trust when the trustee agreement has terminated. ARDF records the estimated present value of the beneficial interest using risk-adjusted discount rates. The estimated present value of the beneficial interest of the charitable trusts is recorded in the year the existence and information to compute the beneficial interest first become known.

(9) Other Receivables and Prepaid Expenses

These are receivables at either the country office or with employees, or with other customers. There was no provision for uncollectible balances on other receivables as of December 31, 2022. The prepaid expenses represent costs that ARDF has paid cash up front but has not yet incurred the expenses associated with the transaction purchase.

(10) Property and Equipment

Property and equipment purchased by ARDF are recorded at cost or, if donated, at fair market value on the date of donation. ARDF follows the practice of capitalizing all expenditures for property and equipment over \$5,000. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which are three to ten years for furniture and equipment and five years for overseas transportation and other equipment. Assets purchased with donor funds are expensed and charged to awards in accordance with approved grant agreements.

(11) Leases (Operating Lease Right-of-Use Assets and Operating Lease Liabilities)

Leases arise from contractual obligations that convey the right to control the use of identified property and equipment for a period of time in exchange for consideration. At the inception of the contract, ARDF determines if an arrangement contains a lease based on whether there is an identified asset and whether ARDF controls the use of the identified asset. ARDF also determines whether the lease classification is an operating or financing lease at the commencement date.

A right-of-use asset represents ARDFs' right to use an underlying asset, and a lease liability represents ARDFs' obligation to make payments during the lease term. Right-of-use assets are recorded and recognized at commencement for the lease liability amount, adjusted for initial direct costs incurred and lease incentives received. Lease liabilities are recorded at the present value of the future lease payments over the lease term at commencement. The implicit rate for ARDF's leases is not readily determinable; therefore, ARDF has elected to use a risk-free discount rate at the lease commencement date for all new leases to determine the present value of lease payments. ARDFs' operating leases typically include non-lease components such as common-area maintenance costs, utilities, and other maintenance costs. ARDF has elected not to include the non-lease component for the purpose of calculating lease right-of-use assets and liabilities, as they are neither fixed nor variable based on an index or rate and are expensed as incurred as variable lease payments.

ARDF's lease terms may include options to extend or terminate the lease. ARDF generally uses the base, non-cancellable lease term when recognizing the right-of-use assets and liabilities, unless it is reasonably certain that ARDF will exercise those options. ARDFs' lease agreements do not contain any material residual value guarantees or material restrictive covenants.

As a matter of policy, ARDF elected to exclude leases with terms of 12 months or less from the consolidated statements of financial position date. Lease expense for these short-term leases is recognized on a straight-line basis over the expected term of the lease.

(12) Net Assets

ARDF reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. As of December 31, 2022, ARDF has recorded activities in the following net asset classes:

- Net Assets Without Donor Restrictions:

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of ARDF.

- Net assets with donor restrictions:

Net assets are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of ARDF or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources were restricted has been fulfilled, or both.

(13) Financial Instruments and Credit Risk

ARDF maintains its cash in bank deposit accounts and has not experienced any losses in such accounts. ARDF believes it is not exposed to any significant financial risk on cash. ARDF manages financial risk by monitoring the financial institutions in which deposits are made.

ARDF invests in professionally managed portfolios that contain mutual funds, common stock, fixed income instruments, and certain pooled investments. Such investments are exposed to various risks, such as market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the consolidated financial statements.

(14) Foreign Currency Translation

The functional currency of ARDF is the U.S. Dollar. The consolidated financial statements and transactions of ARDF's operations are generally maintained in USD currency. Where local currencies are used, assets and liabilities are measured at the consolidated statements of financial position date using the spot rate as of December 31, 2022/23. For revenue and expense items, translation is performed using the rate of exchange in effect at approximately the date of the transaction.

(15) Revenue Recognition Contributions

Contributions, including unconditional promises to give, are recognized in the period received. Contributions received are available for use unless specifically restricted by the donor. Amounts received that are designated for a future period or are restricted by the donor for specific purposes are reported as contributions with donor restrictions. These contributions also increase 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 statements of activities and changes in net assets as net assets released from restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as contributions without donor restrictions.

Contributions are reported at fair value, which is net of estimated uncollectible amounts. ARDF uses the allowance method to determine uncollectible, unconditional pledges receivable. The allowance is based on experience as well as management's analysis of specific pledges made, including such factors as prior collection history, type of contribution, and nature of fundraising activity. Contributions to be received after one year are recorded at the present value of the estimated future cash flows. Subsequent changes in this discount resulting from the passage of time are accounted for as contributions in subsequent years.

Conditional promises to give, including those received under multi-year grant agreements, are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. A promise is considered conditional only if the donor has stipulated one or more barriers that must be overcome before ARDF is entitled to the assets transferred or promised, and there also exists a right of return to the donor of any assets transferred or a right of release of the donor's obligation to honor the promise.

(16) Grants and Contract Revenue

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, these arrangements constitute contributions since the donor does not receive commensurate value for the consideration received by ARDF; rather, the purpose of an arrangement is for the benefit of the public. Therefore, ARDF management concluded that the agreements are conditional due to rights of return/release and barriers to entitlement to funds. Revenue is recognized when the condition is satisfied. Because the nature of conditions is either based on incurring qualifying expenses or satisfying a milestone or other deliverable, the pattern of revenue recognition

remained consistent with previous years.

(17) Donated Commodities/Supplies or Goods In-Kind

ARDF donors, including FAO, UNICEF, UNFPA, and WHO, have provided medical supplies, Essential Drugs, and Agricultural commodities to ARDF to improve health care and promote food security and livelihood programs. Those commodities are sold, and the proceeds are used by ARDF to carry out programmatic activities. Uncollected sales proceeds are recorded by ARDF as monetization receivable with an offsetting monetization liability.

Gift-in-kind revenue is recognized as revenue in circumstances in which ARDF has enough discretion over the use and disposition of the items to recognize a contribution. Accordingly, the recognition of gifts-in-kind revenue is limited to circumstances in which ARDF takes constructive possession of the gifts-in-kind and ARDF is the recipient of the gift, rather than an agent or intermediary. ARDF receives in-kind contributions from non-governmental organizations and UN agencies of handmade quilts and kits. These in-kind contributions are recorded at the estimated fair value at the date of receipt by ARDF, which is the cost an individual would pay for the items in a retail setting in South Sudan

(18) Grant Expenses

Grant expenses are recognized when the expense is paid by the grantee and ARDF receives the request for reimbursement for these expenses.

(19) Income Taxes

ARDF is exempt from government income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC) and is not classified as a private foundation under Section 501(a) of the IRC. Accordingly, ARDF has not made any provision for income tax expenses in the accompanying financial statement.

(20) Functional Allocation of Expenses

The consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of ARDF are reported as expenses of that functional area. A portion of management and general costs that benefit multiple functional areas (indirect costs) have been allocated across programs and supporting services based on the proportion of the full-time employee equivalents of a program or other supporting service versus the total organizational full-time employee equivalent. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques, such as time and effort.

The expenses that are allocated include the following:

<i>Expense</i>	<i>Method of Allocation</i>
Occupancy costs,	Time and effort
Program materials and other supplies	Time and effort
Cost of equipment, supplies, and maintenance	Time and effort

(21) Reclassifications

Certain amounts in the 2021 consolidated financial statements have been reclassified to conform to the 2022 presentation. The reclassifications have no effect on the previously reported change in net assets.

(22) Investments

Investments as of December 31, 2022, consist of the following:

Description	Fair Value	
Domestic equities	\$ 35,000.00	\$ 80,000.00
Foreign equities	\$ -	\$ -
Total investments	\$ 35,000.00	\$ 80,000.00

Fair value is defined as the amount that would be exchanged for an asset or to transfer a liability between market participants in an orderly transaction.

A three-tier hierarchy, based upon observable and unobservable inputs, is used for fair value measurements. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available. The three levels of the fair value hierarchy are as follows:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted market prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the whole term of the assets or liabilities.
- Level 3 Prices or valuations that require inputs that are supported by little or no market activity and that are both significant to the fair value measurement and unobservable.

At December 31, 2022, all of the Organization's investments in equity securities are classified as Level 1 investments.

(23) Grants and Contributions Receivable

Grants and contributions receivable consist of the following:

<i>December 31,</i>	2022	2021
Contributions receivable - General	\$ -	\$ -
Grants receivables - Donor specific	653,720.00	533,200.00
Total grants and contributions receivable	\$ 653,720.00	\$ 533,200.00

All contributions receivable at December 31, 2024, and 2023 were expected to be collected within twelve months.

(24) Property and Equipment

Property and equipment, net, consists of the following:

December, 31	2022	2021
Office furniture and equipment	15500	18400
Transportation and other equipment.	6000	9500
Computer equipment and software	2300	4500
Less: accumulated depreciation	(850)	(1000)
Property and equipment, net	22950	31400

Depreciation expenses were \$850 and \$1000 for the years ended December 31, 2022, and 2021, respectively.

(25) Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

<i>December 31,</i>	2022	2021
Subject to the passage of time:		
Contributions receivable and deferred gifts	\$ -	\$ -
Subject to expenditures for specified purposes:		
In-Kind Contributions (WHO, UNFPA, UNICEF)	\$ 225,000.00	\$ 168,000.00
Grants and Contracts (IOM, UNICEF/World Bank, SSHF, CPF)	\$ 925,000.00	\$ 898,500.00
Fundraising (Board Contribution)	\$ 10,000.00	\$ 12,670.00
Total purpose restricted	\$ 1,160,000.00	\$ 1,079,170.00
Total Net Assets with Donor Restrictions	\$ 1,160,000.00	\$ 1,079,170.00

(26) Liquidity and Availability of Resources

The following reflects assets as of the consolidated statements of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statements of financial statement date. Amounts not available include amounts set aside for satisfaction with donor restrictions or pledged contributions that will not be received within the next year.

<i>December 31,</i>	2022	2021
Cash and cash equivalents	\$ 250,000.00	\$ 182,000.00
Investments	\$ 35,000.00	\$ 62,000.00
Grants and contributions receivable, net	\$ 653,720.00	\$ 533,200.00
Other receivables less prepaid expenses	\$ 10,100.00	\$ 50,000.00
Total financial assets available within one year	\$ 948,820.00	\$ 827,200.00
Less amounts available for general expenditures within one year, due to:		
Net assets with donor restrictions	(752,955.00)	(744,595.00)
Total financial assets available to management for general expenditures within one year	\$ 195,865.00	\$ 82,605.00

ARDF maintains a policy of structuring its financial assets to be available as its general expenditure, liabilities, and other obligations come due. In addition, ARDF invests cash in excess of the semi-monthly requirements in short-term investments.

(27) Commitments and Contingencies.

Grants require the fulfillment of certain conditions as outlined in the grant instruments. UNICEF grant programs are subject to review by the grantor agencies, which could result in requests for reimbursements to the grantor agencies for disallowed expenditures. Additionally, the Organization is involved in legal proceedings and claims arising in the normal course of business. The Organization has established an accrual of \$50,000 as of December 31, 2022, and 2021 as the probable and reasonably estimable amount for contingent liabilities. While it is not possible to determine the ultimate liability in these matters at this time, in the opinion of management, such matters will not have a material adverse effect on the financial condition of the Organization in excess of the recorded contingent liability.

(28) Lease Liability

The Organization has commitments related to operating leases for office and storage space. All operating leases are noncancelable and expire on various dates through 2027. Future minimum annual lease payments under these leases are as follows:

Year ending December 31,

2023	58,800.00
2024	52,000.00
2025	40,000.00
2026	31,200.00
2027	24,000.00
Total minimum payments	206,000.00

Rent expense for all leases for the years ended December 31, 2022, and 2021 totaled \$25,573.00 and \$18,000.00, respectively.

The Organization recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. Lease assets and liabilities are recognized based on the present value of the lease payments over the lease term. Operating leases with a period of 12 months or less are not recorded in the statements of financial position. As of December 31, 2022, and 2021, the Organization recorded ROU assets and related operating lease liability of \$11,180 and \$10,050, respectively. Any prepaid and accrued lease payments, as well as any lease incentives, have been accounted for in these amounts.

The Organization uses its incremental borrowing rate as the discount rate for its leases, as this is the most practical expedient option. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. Because the Organization does not generally borrow on a collateralized basis, it uses the interest rate it pays on its noncollateralized borrowings as an input to deriving an appropriate incremental borrowing rate, adjusted for the amount of lease payments, the lease term, and the effect on that rate of designating specific collateral with a value equal to unpaid lease payments for that lease.

(29) Subsequent Events

ARDF evaluated subsequent events through August 24, 2022, which is the date the consolidated financial statements were available to be issued. There were no transactions or events that required adjustment to or disclosure in the consolidated financial statements.