FARM STEW INTERNATIONAL

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

FARM STEW INTERNATIONAL
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

INDEPENDENT AUDITORS' REPORT

Board of Directors
FARM STEW International
Princeton, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of FARM STEW International, which comprise 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 financial position of FARM STEW International, 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of FARM STEW International 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.

Other Matter

The 2021 financial statements were audited by other auditors whose report dated October 10, 2022, expressed an unmodified opinion on those statements.

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 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.

Board of Directors
FARM STEW International

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 FARM STEW International'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 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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.

In performing an audit in accordance with GAAS, 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 FARM STEW 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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about FARM STEW 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Peoria, Illinois
November 6, 2023

FARM STEW INTERNATIONAL
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022 (Consolidated)	2021
ASSETS		
CURRENT ASSETS		
Cash	$ 712,488	$ 753,828
Prepaid Expenses	10,766	1,796
Total Current Assets	723,254	755,624
FIXED ASSETS		
Equipment	1,580	1,580
Accumulated Depreciation	(1,039)	(679)
Net Fixed Assets	541	901
Total Assets	$ 723,795	$ 756,525
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ -	$ 31,732
Accrued Wages	8,033	-
Total Current Liabilities	8,033	31,732
NET ASSETS		
Without Donor Restrictions	715,762	624,793
With Donor Restrictions	-	100,000
Total Net Assets	715,762	724,793
Total Liabilities and Net Assets	$ 723,795	$ 756,525

See accompanying Notes to Consolidated Financial Statements.

FARM STEW INTERNATIONAL
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions	$ 1,584,364	$ -	$ 1,584,364
Other Income	1,942	-	1,942
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	100,000	(100,000)	-
Total Revenues, Support, and Gains	1,686,306	(100,000)	1,586,306
EXPENSES			
Program Services	1,316,562	-	1,316,562
General and Administrative	172,985	-	172,985
Fundraising	105,790	-	105,790
Total Expenses	1,595,337	-	1,595,337
CHANGE IN NET ASSETS	90,969	(100,000)	(9,031)
Net Assets - Beginning of Year	624,793	100,000	724,793
NET ASSETS - END OF YEAR	$ 715,762	$ -	$ 715,762

See accompanying Notes to Consolidated Financial Statements.

FARM STEW INTERNATIONAL
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions	$ 1,507,967	$ 100,000	$ 1,607,967
Other Income	852	-	852
Net Assets Released from Restrictions			
Satisfaction of Program Restrictions	27,736	(27,736)	-
Total Revenues, Support, and Gains	1,536,555	72,264	1,608,819
EXPENSES			
Program Services	1,118,935	-	1,118,935
General and Administrative	107,099	-	107,099
Fundraising	86,567	-	86,567
Total Expenses	1,312,601	-	1,312,601
CHANGE IN NET ASSETS	223,954	72,264	296,218
Net Assets - Beginning of Year	400,839	27,736	428,575
NET ASSETS - END OF YEAR	$ 624,793	$ 100,000	$ 724,793

See accompanying Notes to Consolidated Financial Statements.

FARM STEW INTERNATIONAL
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services		Supporting Services		
	FARM STEW International	FARM STEW Foods	General and Administrative	Fundraising	Total
Grants	$ 1,090,088	$ 13,573	$ -	$ 5	$ 1,103,666
Salaries and Wages	75,034	-	77,490	38,462	190,986
Payroll Taxes	5,593	-	6,399	2,817	14,809
Retirement	7,000	-	5,955	-	12,955
Other Benefits	-	-	21,472	-	21,472
Contract Services	86,776	-	11,031	5,643	103,450
Conferences and Meetings	5,016	-	4,805	5,173	14,994
Bank Charges	1,079	-	2,034	14,808	17,921
TOT Curriculum Development	1,343	-	-	-	1,343
Legal and Accounting	-	-	19,664	-	19,664
Office and Supplies	410	-	10,357	293	11,060
Postage and Printing	8,801	-	1,716	17,990	28,507
Promotional and Fundraising	1,545	-	2,377	14,381	18,303
Information Technology	950	-	4,298	1,981	7,229
Occupancy	11,100	-	-	-	11,100
Travel	8,254	-	4,972	4,237	17,463
Depreciation	-	-	360	-	360
Other	-	-	55	-	55
Total Expenses	$ 1,302,989	$ 13,573	$ 172,985	$ 105,790	$ 1,595,337

See accompanying Notes to Consolidated Financial Statements.

FARM STEW INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services	General and Administrative	Fundraising	Total
Grants	$ 936,558	$ -	$ -	$ 936,558
Salaries and Wages	82,784	59,897	34,390	177,071
Payroll Taxes	6,041	4,768	3,524	14,333
Retirement	17,865	-	-	17,865
Other Benefits	1,561	14,807	192	16,560
Contract Services	23,528	1,275	642	25,445
Conferences and Meetings	4,167	-	54	4,221
Bank Charges	999	413	8,662	10,074
TOT Curriculum Development	19,065	700	-	19,765
Legal and Accounting	-	6,564	7,363	13,927
Office and Supplies	4,546	10,533	1,323	16,402
Postage and Printing	4,388	1,934	16,281	22,603
Promotional and Fundraising	1,371	1,140	7,154	9,665
Information Technology	258	1,365	3,174	4,797
Travel	16,064	2,412	3,808	22,284
Depreciation	-	626	-	626
Other	(260)	665	-	405
Total Expenses	$ 1,118,935	$ 107,099	$ 86,567	$ 1,312,601

See accompanying Notes to Consolidated Financial Statements.

FARM STEW INTERNATIONAL
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022 (Consolidated)	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (9,031)	$ 296,218
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	360	626
(Increase) Decrease in Assets:		
Prepaid Expenses	(8,970)	26,562
Increase (Decrease) in Liabilities:		
Accounts Payable	(31,732)	(40,771)
Accrued Wages	8,033	-
Net Cash Provided (Used) by Operating Activities	(41,340)	282,635
INCREASE (DECREASE) IN CASH	(41,340)	282,635
Cash - Beginning of Year	753,828	471,193
CASH - END OF YEAR	$ 712,488	$ 753,828

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

FARM STEW International (the Organization) is an Illinois nonprofit corporation located in Princeton, Illinois. The mission is to improve the health and wellbeing of poor families and vulnerable people by sharing the recipe of abundant life throughout the world. In 2022 the Organization formed FARM STEW Foods International Inc. (FSF), with the intention of developing international health food businesses that would support the work of the Organization in various countries, creating a self-supporting and replicating model.

Basis of Consolidation

The Organization is the sole member of FSF, therefore, for 2022 the consolidated financial statements include the financial statements of the Organization and FSF. Intercompany transactions and balances have been eliminated for consolidated financial statement purposes. The 2021 financial statements are not consolidated as FSF was established in 2022.

Basis of Accounting

The Organization maintains its accounts on the accrual basis of accounting. This basis recognizes revenues earned and expenses incurred as they apply to the period in which the transaction takes place without regard to date of receipt or payment.

Net Assets

Net assets are classified into two classes based on the existence or absence of donor-imposed restrictions. The following is a description of each class:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources 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 resource was restricted has been fulfilled, or both.

Fixed Assets

Fixed assets used by the Organization are recorded at cost, or in the case of donated equipment, at fair value as of the date of donation. Depreciation is taken over the assets' estimated useful lives. Equipment is depreciated over 5 years.

The Organization has a capitalization threshold of $500. Routine repairs and maintenance are expensed as incurred.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Revenue Recognition

Unconditional contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. 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. Amounts received which are designated for future periods or restricted by the donor for specific purposes are reported as with donor-restricted support that increases that net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions.

Donated materials, property and equipment, and investments are recorded at fair value when received.

Functional Expense Allocations

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. All direct and indirect expenses which relate to each applicable function are charged or allocated among the programs and supporting activities benefited. Such allocations are determined by management based on an estimate of the time spent on each function.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Income Taxes

Both the Organization and FSF are nonprofit organizations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The organizations are not aware of any uncertain tax positions they have taken.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among entities by requiring the recognition of right-of-use (ROU) assets and lease 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 the requirements of this guidance effective January 1, 2022. The Organization has elected to adopt the package of practical expedients available in the year of adoption.

As a result of the adoption of the new lease accounting guidance, the Organization recognized no lease liabilities or ROU assets, as the Organization does not have any long-term leases that qualify under the requirements of Topic 842.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

The Organization has evaluated subsequent events through November 6, 2023, the date the consolidated financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise of cash of $712,488 and $653,828 as of December 31, 2022 and 2021, respectively. The net assets with donor restrictions are not included in the cash amount as they are not considered available for general expenditure.

NOTE 3 NET ASSETS WITH DONOR RESTRICTIONS

Restrictions on net assets at December 31, 2022 and 2021, relate to funds contributed for specific purposes. These funds are utilized as expenditures are incurred for the various projects. Donor restricted net asset balances as of December 31 consist of:

	2022	2021
Farm Stew-Philippines	$ -	$ 100,000

NOTE 4 RELATED PARTY TRANSACTIONS

FARM STEW South Sudan is considered a related party as the Organization's Executive Director is an advisory board member to FARM STEW South Sudan. During the years ended December 31, 2022 and 2021, the Organization provided grants to FARM STEW South Sudan of $385,790 and $233,878, respectively.

FARM STEW Uganda is considered a related party as the Organization's Executive Director is an advisory board member to FARM STEW Uganda. During the years ended December 31, 2022 and 2021, the Organization provided grants to FARM STEW Uganda of $161,206 and $151,439, respectively.

FARM STEW Zimbabwe Charitable Trust shares certain board members with the Organization. There was no activity between Farm Stew Zimbabwe Charitable Trust and the Organization during the years ended December 31, 2022 and 2021.