

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

World Bicycle Relief, NFP and its Subsidiaries

December 31, 2022 and 2021

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GRANT THORNTON LLP

Grant Thornton Tower
171 N. Clark St., Suite 200
Chicago, IL 60601-3370

D +1 312 856 0200

F +1 312 602 8099

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
World Bicycle Relief, NFP and its Subsidiaries

Opinion

We have audited the consolidated financial statements of World Bicycle Relief, NFP and its Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of World Bicycle Relief, NFP and its Subsidiaries as of December 31, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Buffalo Bicycles Zambia, a wholly-owned subsidiary, which statements reflect total assets constituting 17% and 12% of the consolidated total assets as of December 31, 2022 and 2021, respectively, and total revenue and support constituting 18% and 13%, respectively, of consolidated total revenue and support for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Buffalo Bicycles Zambia, is based solely on the report of the other auditors.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of World Bicycle Relief, NFP and its Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the 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 the World Bicycle Relief, NFP and its Subsidiaries' ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 US 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 US 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 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 World Bicycle Relief, NFP and its Subsidiaries' 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 the World Bicycle Relief, NFP and its Subsidiaries' 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.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis, rather than to present the financial position, results of activities and changes in net assets, and cash flows of the individual entities, and is not a required part of the consolidated financial statements. Such supplementary

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 audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the 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 consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

Chicago, Illinois
June 28, 2023

World Bicycle Relief, NFP and its Subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,420,590	\$ 7,452,523
Contributions receivable	1,999,158	2,308,207
Trade receivables, net	884,802	1,829,004
Inventory	2,809,405	2,400,269
Prepayments	1,797,116	1,282,134
Other assets	495,172	7,850
Total current assets	12,406,243	15,279,987
Non-current assets		
Contributions receivable	-	307,179
Deferred tax asset	463,478	481,692
Fixed assets, net	537,196	855,143
Operating lease right-of-use assets	210,366	-
Total assets	\$ 13,617,283	\$ 16,924,001
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 1,375,626	\$ 1,388,644
Accrued expenses	970,972	902,448
Deferred revenue	176,606	117,749
Operating lease liabilities	168,814	-
Total current liabilities	2,692,018	2,408,841
Non-current liabilities		
Operating lease liabilities	44,061	-
Total non-current liabilities	44,061	-
Total liabilities	2,736,079	2,408,841
Net assets		
Without donor restrictions	9,988,851	13,493,702
With donor restrictions	892,353	1,021,458
Total net assets	10,881,204	14,515,160
Total liabilities and net assets	\$ 13,617,283	\$ 16,924,001

The accompanying notes are an integral part of these consolidated financial statements.

World Bicycle Relief, NFP and its Subsidiaries

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Contributions and grants	\$ 15,371,607	\$ 1,445,337	\$ 16,816,944
In-kind contributions	1,285,217		1,285,217
Bicycle social enterprise program	8,680,039	-	8,680,039
Other income	218,429	-	218,429
Net assets released from restrictions	1,574,442	(1,574,442)	-
Total revenue and support	27,129,734	(129,105)	27,000,629
Expenses			
Program services			
Social enterprise	17,593,975	-	17,593,975
Mobilized communities	4,366,201	-	4,366,201
Total program services	21,960,176	-	21,960,176
Supporting services			
Management and administrative	2,322,614	-	2,322,614
Fundraising	4,299,393	-	4,299,393
Total supporting services	6,622,007	-	6,622,007
Total expenses before tax expense	28,582,183	-	28,582,183
Tax expense	235,199	-	235,199
Total expenses	28,817,382	-	28,817,382
Decrease in net assets from operating activities	(1,687,648)	(129,105)	(1,816,753)
Non-operating changes in net assets			
Investment return	6,572	-	6,572
Foreign exchange loss	(1,823,775)	-	(1,823,775)
DECREASE IN NET ASSETS	(3,504,851)	(129,105)	(3,633,956)
Net assets, beginning of year	13,493,702	1,021,458	14,515,160
Net assets, end of year	<u>\$ 9,988,851</u>	<u>\$ 892,353</u>	<u>\$ 10,881,204</u>

The accompanying notes are an integral part of this consolidated financial statement.

World Bicycle Relief, NFP and its Subsidiaries

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Contributions and grants	\$ 17,106,213	\$ 1,236,950	\$ 18,343,163
In-kind contributions	1,052,032	-	1,052,032
Bicycle social enterprise program	10,817,744	-	10,817,744
Other income	228,231	-	228,231
Net assets released from restrictions	290,492	(290,492)	-
Total revenue and support	29,494,712	946,458	30,441,170
Expenses			
Program services			
Social enterprise	16,363,016	-	16,363,016
Mobilized communities	3,045,629	-	3,045,629
Total program services	19,408,645	-	19,408,645
Supporting services			
Management and administrative	1,346,000	-	1,346,000
Fundraising	3,565,427	-	3,565,427
Total supporting services	4,911,427	-	4,911,427
Total expenses before tax expense	24,320,072	-	24,320,072
Tax expense	250,951	-	250,951
Total expenses	24,571,023	-	24,571,023
Increase in net assets from operating activities	4,923,689	946,458	5,870,147
Non-operating changes in net assets			
Investment return	(16,090)	-	(16,090)
Foreign exchange loss	(631,300)	-	(631,300)
INCREASE IN NET ASSETS	4,276,299	946,458	5,222,757
Net assets, beginning of year	9,217,403	75,000	9,292,403
Net assets, end of year	<u>\$ 13,493,702</u>	<u>\$ 1,021,458</u>	<u>\$ 14,515,160</u>

The accompanying notes are an integral part of this consolidated financial statement.

World Bicycle Relief, NFP and its Subsidiaries

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2022

	Program Services			Supporting Services			Total
	Social Enterprise	Mobilized Communities	Total Program Services	Management and Administrative	Fundraising	Total Supporting Services	
Bicycles and bicycle parts	\$ 11,042,911	\$ 266,213	\$ 11,309,124	\$ -	\$ 15,355	\$ 15,355	\$ 11,324,479
Personnel	3,537,672	2,082,191	5,619,863	788,711	2,427,596	3,216,307	8,836,170
Professional services	706,773	220,985	927,758	962,505	818,831	1,781,336	2,709,094
Travel	491,184	348,707	839,891	123,851	219,482	343,333	1,183,224
Occupancy	470,211	55,151	525,362	92,197	144,167	236,364	761,726
Shipping and freight	11,053	9	11,062	3,240	33,330	36,570	47,632
Registrations and license fees	37,048	-	37,048	-	-	-	37,048
Product development costs	388,778	-	388,778	-	-	-	388,778
Repairs and maintenance	169,701	22,481	192,182	-	2,606	2,606	194,788
Supplies	238,221	87,947	326,168	180,388	167,030	347,418	673,586
Depreciation	131,830	65,573	197,403	14,140	23,743	37,883	235,286
Bank service charges	76,434	15,216	91,650	111,403	148,541	259,944	351,594
Printing	62,093	17,866	79,959	329	58,450	58,779	138,738
Insurance	80,902	9,832	90,734	45,695	2,628	48,323	139,057
Other expenses	81,041	168,324	249,365	-	-	-	249,365
Grants	-	1,005,655	1,005,655	-	-	-	1,005,655
Bad debts	-	-	-	-	158,895	158,895	158,895
Taxes and duties	6,670	51	6,721	155	94	249	6,970
Advertising	61,453	-	61,453	-	78,645	78,645	140,098
	<u>\$ 17,593,975</u>	<u>\$ 4,366,201</u>	<u>\$ 21,960,176</u>	<u>\$ 2,322,614</u>	<u>\$ 4,299,393</u>	<u>\$ 6,622,007</u>	<u>\$ 28,582,183</u>

The accompanying notes are an integral part of this consolidated financial statement.

World Bicycle Relief, NFP and its Subsidiaries

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2021

	Program Services			Supporting Services			Total
	Social Enterprise	Mobilized Communities	Total Program Services	Management and Administrative	Fundraising	Total Supporting Services	
Bicycles and bicycle parts	\$ 10,660,412	\$ 114,271	\$ 10,774,683	\$ -	\$ 17,714	\$ 17,714	\$ 10,792,397
Personnel	3,432,630	1,569,658	5,002,288	511,617	2,009,954	2,521,571	7,523,859
Professional services	417,910	108,939	526,849	536,111	670,096	1,206,207	1,733,056
Travel	279,303	214,169	493,472	33,268	113,312	146,580	640,052
Occupancy	349,161	87,322	436,483	71,261	153,374	224,635	661,118
Shipping and freight	22,136	798	22,934	2,733	47,060	49,793	72,727
Registrations and license fees	26,857	-	26,857	-	-	-	26,857
Product development costs	366,927	-	366,927	-	-	-	366,927
Repairs and maintenance	201,439	9,802	211,241	186	85	271	211,512
Supplies	169,797	52,909	222,706	129,229	155,431	284,660	507,366
Depreciation	85,016	44,446	129,462	8,207	29,442	37,649	167,111
Bank service charges	123,128	9,726	132,854	46,764	168,784	215,548	348,402
Printing	42,350	22,917	65,267	935	84,220	85,155	150,422
Insurance	61,088	14,278	75,366	5,678	13,909	19,587	94,953
Other expenses	62,035	29,129	91,164	-	-	-	91,164
Grants	34,204	749,004	783,208	-	-	-	783,208
Taxes and duties	3,017	18,261	21,278	11	-	11	21,289
Advertising	25,606	-	25,606	-	102,046	102,046	127,652
	<u>\$ 16,363,016</u>	<u>\$ 3,045,629</u>	<u>\$ 19,408,645</u>	<u>\$ 1,346,000</u>	<u>\$ 3,565,427</u>	<u>\$ 4,911,427</u>	<u>\$ 24,320,072</u>

The accompanying notes are an integral part of this consolidated financial statement.

World Bicycle Relief, NFP and its Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31,

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (3,633,956)	\$ 5,222,757
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	235,286	167,111
Investment loss	-	18,816
Changes in assets and liabilities:		
Contributions receivable	509,008	(2,169,952)
Trade receivables, net	422,299	(585,580)
Inventory	(1,582,203)	(824,755)
Prepayments	(2,320,092)	145,163
Other assets	150,355	(145,725)
Deferred tax	33,746	14,871
Operating leases right-of-use assets/liabilities	3,532	-
Accounts payable	(610,251)	282,759
Accrued expenses	(30,259)	58,811
Deferred revenue	76,763	(3,126)
	(6,745,772)	2,181,150
Net cash provided by (used in) operating activities		
	(6,745,772)	2,181,150
Cash flows from investing activities:		
Purchase of fixed assets	(265,050)	(640,428)
	(265,050)	(640,428)
Net cash used in investing activities		
	(265,050)	(640,428)
Cash flows from financing activities:		
Repayment of loan - Small Business Administration	-	(150,000)
Proceeds from note payable	8,367	-
Repayment of note payable	-	(1,569)
	8,367	(151,569)
Net cash provided by (used in) financing activities		
	8,367	(151,569)
Effect of exchange rate change on cash or cash equivalents	3,970,522	508,628
	(3,031,933)	1,897,781
CHANGE IN CASH AND CASH EQUIVALENTS		
	(3,031,933)	1,897,781
Cash and cash equivalents, beginning of year	7,452,523	5,554,742
	7,452,523	5,554,742
Cash and cash equivalents, end of year	\$ 4,420,590	\$ 7,452,523
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	\$ 42,932	\$ 9,198

The accompanying notes are an integral part of these consolidated financial statements.

World Bicycle Relief, NFP and its Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE A - ORGANIZATION

World Bicycle Relief, NFP (WBR NFP) and its Subsidiaries (collectively, the “Organization”) is helping individuals and their communities improve their lives through the power of bicycles. WBR NFP provides people access to independence and opportunity through the power of bicycles.

The Organization achieves its mission through two philanthropic programs, Mobilized Communities, and a Social Enterprise, Buffalo Bicycles. Mobilized Communities partners with communities to identify distance barriers and through the donation of bicycles and supportive programming improves community access to health, education, and livelihoods through integrated, multi-year, multi-sector programming. Buffalo Bicycles allows the Organization to address the challenge of distance on a larger scale by playing an integral role in Mobilized Communities while allowing access to the Buffalo Bicycle to organizations outside of Mobilized Communities allowing for increased impact and funding of the Organization.

The International Philanthropic Group of the Organization consists of the consolidated activities of World Bicycle Relief UK, World Bicycle Relief Deutschland, World Bicycle Relief Canada, World Bicycle Relief Switzerland, and World Bicycle Relief Australia for reporting purposes. The Philanthropic Group consists of WBR NFP and the International Philanthropic entities. All subsidiaries are discussed below.

World Bicycle Relief Zambia (WBR Zambia) is incorporated in the Republic of Zambia. It serves to carry out the on-site Zambian program operations of the Organization.

Buffalo Bicycles Zambia (BB Zambia) is a for-profit subsidiary of Buffalo Bicycle Limited. BB Zambia is incorporated as a private company limited by shares, registered in Zambia. BB Zambia is engaged in the assembly and sale of bicycles and bicycle parts through the Organization’s social enterprise program. BB Zambia is also engaged to carry out the storage, assembly and distribution of the philanthropic bikes donated by WBR NFP and responsible for field mechanic training.

World Bicycle Relief Kenya (WBR Kenya) is domiciled in Kenya as a branch of the Organization. WBR Kenya is registered as a branch of WBR NFP in Kenya. It served to carry out the on-site Kenyan program operations of the Organization through November of 2022 at which time it was dissolved.

Buffalo Bicycle Kenya Limited (BB Kenya) is a for-profit subsidiary of Buffalo Bicycle Limited. BB Kenya is incorporated as a private company limited by shares, registered in Kenya. BB Kenya is engaged in the assembly and sale of bicycles and bicycle parts through the Organization’s social enterprise program. BB Kenya is also engaged to carry out the storage, assembly and distribution of the philanthropic bikes donated by WBR NFP and is responsible for field mechanic training.

World Bicycle Relief Malawi (WBR Malawi) is incorporated in the Republic of Malawi. It serves to carry out the on-site Malawi program operations of the Organization.

Buffalo Bicycles Malawi (BB Malawi) is a for-profit subsidiary of Buffalo Bicycle Limited. BB Malawi is incorporated as a private company limited by shares registered in Malawi. BB Malawi is engaged in the assembly and sale of bicycles and bicycle parts through the Organization’s social enterprise program. BB Malawi is also engaged to carry out the storage, assembly and distribution of the philanthropic bikes donated by WBR NFP and responsible for field mechanic training.

World Bicycle Relief (Private) Limited (WBR Zimbabwe) is a for-profit, limited liability company incorporated and domiciled in Zimbabwe. Operating principally in Zimbabwe, it is engaged in the assembly and sale of bicycles and bicycle parts through the Organization’s social enterprise program. WBR Zimbabwe is also engaged to carry out the storage, assembly and distribution of the philanthropic bikes donated by WBR NFP and is responsible for field mechanic training.

World Bicycle Relief, NFP and its Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

Buffalo Bicycle South Africa (BB SA) is a for-profit entity controlled by WBR NFP. BB SA is incorporated as a private company limited by shares, registered in South Africa. Activities of BB SA are consolidated for reporting purposes; however, it is not part of the Philanthropic Group for tax reporting purposes.

Buffalo Bicycle Limited (BBL) is a for-profit, private company limited by shares located in Mauritius and is incorporated by Deutsche International Trust Corporation Limited. BBL is a wholly owned subsidiary of the Organization. BBL carries out investment holding, trading and treasury activities. BBL is a trading conduit for the product development, purchase, and sale of bicycles, primarily to facilitate activities for subsidiary companies to be operated in Sub-Saharan Africa.

World Bicycle Relief UK (WBR UK) is a non-profit private company limited by guarantee with no share capital and one subscriber, WBR NFP. It was formed under The Companies Act of 2006 and 1986 in the United Kingdom. WBR UK's objective is to relieve the needs of people living in impoverished or disaster-stricken areas of the world by the provision of bicycles to enable them to access education, employment, health care and other essentials of life. Activities of WBR UK are consolidated under the Philanthropic Group for reporting purposes, however, it is not part of the Philanthropic Group for tax reporting purposes.

World Bicycle Relief Deutschland (WBR DE) is a limited liability company incorporated in Germany. WBR NFP is a shareholder of WBR DE. WBR DE's objective is to relieve the needs of people living in impoverished or disaster-stricken areas of the world by providing bicycles to enable them to access education, employment, health care and other essentials of life. Activities of WBR DE are consolidated under the Philanthropic Group for reporting purposes; however, it is not part of the Philanthropic Group for tax reporting purposes.

World Bicycle Relief Australia Limited (WBR AU) is a non-profit private company limited by guarantee with no share capital and one subscriber, WBR NFP. It was formed under The Companies Act of 2001 in Australia. WBR AU's objective is to relieve the needs of people living in impoverished or disaster-stricken areas of the world by the provision of bicycles to enable them to access education, employment, healthcare and other essentials of life. Activities of WBR AU are consolidated under the Philanthropic Group for reporting purposes; however, it is not part of the Philanthropic Group for tax reporting purposes.

World Bicycle Relief Canada (WBR CA) is a Canadian not-for-profit company. WBR CA's objective is to relieve poverty and advance education in developing nations by providing bicycles to persons in need as means for such persons to obtain a livelihood and access to education, work, and healthcare. Activities of WBR CA are consolidated under Philanthropic Group for reporting purposes; however, it is not part of the Philanthropic Group for tax reporting purposes.

World Bicycle Relief Switzerland (WBR CH) is a non-profit foundation, created and governed by the present Articles of Association and in accordance with the Articles 80 et seq. of the Swiss Civil Code. The foundation is registered in the Register of Commerce of the Canton of Geneva and subject to supervision by the competent authority. World Bicycle Relief Switzerland was founded by WBR NFP with an initial endowment of CHF 50,000. WBR CH's objective is to help people in the world's troubled and impoverished areas gain a degree of independence and a means to earn a living by giving them access to bicycles. World Bicycle Relief Switzerland was registered on September 20, 2018. Activities of WBR CH are consolidated under the Philanthropic Group for reporting purposes; however, it is not part of the Philanthropic Group for tax reporting purposes.

World Bicycle Relief Colombia (WBR Colombia) was registered in Colombia on November 18, 2019. It serves to carry out the on-site Colombia program operations of the Organization beginning in 2020.

World Bicycle Relief, NFP and its Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

Buffalo Bicycles Colombia (BB Colombia), a for-profit entity, was registered on October 24, 2019, as a Simplified Stock Society & Company (SAS) controlled by Andrew Wright, BB Colombia's Country Director, as of December 31, 2019. Beginning in 2020, BB Colombia is controlled by the Organization and is engaged in the assembly and sale of bicycles and bicycle parts through the Organization's social enterprise program. BB Colombia is also engaged to carry out the storage, assembly and distribution of the philanthropic bikes donated by WBR NFP and is responsible for field mechanic training.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements of the organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All significant inter-organization accounts and transactions have been eliminated in consolidation.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Additionally, information is required to segregate program service expenses from supporting services. Supporting services include management and administrative and fundraising expenses.

Revenue Recognition

Contributions and Grants

Contributions and grants received are recorded as with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. The expiration of temporary restrictions on net assets (i.e., the donor-imposed stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the classes of net assets. Donated investments are recorded at fair value as of the date of the contributions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation or by law.

Bicycle Social Enterprise Program Revenue

The Organization's social enterprise program revenues primarily consists of the sale of bicycles, and the Organization's contracts contain a single performance obligation. Revenue is recognized upon delivery of the goods to the customer, which is when the customer obtains control of the goods and has the ability to direct the use of the goods. Payment is typically received within 30-60 days from the delivery date. None of the Organization's contracts contain a significant financing component, nor significant forms of variable consideration. Differences between the amount of revenue recognized and the amount invoiced, collected from, or paid to the Organization's customers are recognized as contract assets or contract liabilities. There are no contract assets as of December 31, 2022 and 2021. The Organization's contract liabilities consist of deferred revenue, as reported on the consolidated statements of financial position.

Net Assets

Net assets are classified based on donor restrictions, if any, as follows:

Net Assets Without Donor Restrictions - Net assets that are free of donor-imposed restrictions; all revenue, expenses, gains and losses that are not changes in net assets with donor restrictions.

World Bicycle Relief, NFP and its Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

Net Assets With Donor Restrictions - Net assets, the use of which is limited by donor-imposed restrictions that expire with the passage of time or that will be fulfilled in a future time period, or net assets to be invested in perpetuity.

Prepayments

Prepayments consist of prepaid insurance, prepaid rent, and prepaid technology and license fees. Prepaid insurance is reclassified to expense, as insurance coverage is incurred over the life of the insurance policy. Prepaid rent is reclassified to expense over the life of the lease agreement. Prepaid technology and license fees are reclassified as registration and license fees over the life of the licensing agreement.

Deferred Revenue

Deferred revenue represents cash collected for revenue transactions that have not yet been earned. This is primarily composed of revenue for sales of bicycles for which cash has been received from the customer, but the control of the bicycles has not yet been transferred to the customer.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Trade Receivables and Bad Debts

The majority of the Organization's trade receivables are due from the purchase of bicycles through the Organization's social enterprise program. Credit is extended based on an evaluation of a customer's financial condition and collateral is not required. Trade receivables are due within 30 days and stated at amounts due from customers net of an allowance for bad debts. Trade receivables are charged to bad debt expense when they are determined to be uncollectible based on a periodic review of accounts by management. The Organization determines its uncollectible accounts by considering a number of factors, including the length of time receivables are past due, the Organization's previous collection history, the entity's current ability to pay its obligation, and the condition of the general economy and the industry as a whole. As of December 31, 2022 and 2021, the Organization's allowance for uncollectible accounts was \$767 and \$44,205, respectively.

Contributions and Contributions Receivable

As of December 31, 2022 and 2021, foundations, individuals and corporations have unconditionally promised to give \$1,999,158 and \$2,615,386, respectively, to be used for programs and general support. Amounts are due within the next year.

The Organization received a conditional multi-year grant from USAID for the Bicycles for Growth activity in sub-Saharan Africa. Conditional promises to give are not recognized until they become unconditional. The total amounts of conditional promises to give at December 31, 2022 and 2021 were \$1,166,727 and \$1,416,727, respectively.

Inventory

Inventory consists mainly of bicycles and bicycle parts. Inventory is stated at the lower of cost or net realizable value.

Advertising

Advertising costs are charged to operations when incurred.

World Bicycle Relief, NFP and its Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

Capitalization and Depreciation

Vehicles, furniture, and equipment are recorded at cost, net of accumulated depreciation. Vehicles, furniture, and equipment above \$2,500 are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. Assets are depreciated over their estimated service lives. The estimated service lives of the assets for depreciation purposes may be different than their actual economic useful lives.

	<u>Estimated Life</u>	<u>Method</u>
Vehicles	4 - 5 years	Straight-line
Furniture and equipment	3 - 8 years	Straight-line

Breakdown of fixed assets by asset class as of December 31:

	<u>2022</u>	<u>2021</u>
Vehicles	\$ 871,723	\$ 1,138,488
Furniture and equipment	525,120	505,072
Total fixed assets	1,396,843	1,643,560
Accumulated depreciation	<u>(859,647)</u>	<u>(788,417)</u>
Fixed assets, net	<u>\$ 537,196</u>	<u>\$ 855,143</u>

Income Taxes

As noted in Note A, certain subsidiaries of the Organization are for-profit, taxable entities. Income taxes are accounted for using the asset and liability method that requires the recognition of deferred income tax assets and liabilities based on the difference between the consolidated financial statements and tax basis of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. The Organization nets all deferred income tax assets and liabilities and classifies them as non-current in the accompanying consolidated statements of financial position. Valuation allowances are provided if, based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Organization evaluates uncertain tax positions to determine if it is more likely than not that they would be sustained upon examination. The Organization records a liability when such uncertainties fail to meet the more-likely-than-not threshold.

Foreign Currency Translation

Transactions in currencies other than dollars are translated into dollars at the rates of exchange in effect at the date of the transaction or at an average currency valuation for the period. Property and equipment purchased with non-U.S. currency are translated into dollars at the exchange rate in effect at the time of the purchase. Current assets and liabilities denominated in non-U.S. currency are translated into dollars at the exchange rate in effect at the date of the consolidated statements of financial position. Changes in foreign currency exchange rates throughout the year can create fluctuations in the consolidated financial position, changes in net assets, and cash flows of the Organization. During the years ended December 31, 2022 and 2021, it was noted that the Zimbabwe currency experienced above-average levels of inflation, which had a significant impact on the consolidated financial statements.

World Bicycle Relief, NFP and its Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases (Topic 842)*. These new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. 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 the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption. The Organization has elected to adopt the package of practical expedients available in the year of adoption.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses of Financial Instruments* ("ASU 2016-13"), which, together with subsequent amendments, amends the requirement on the measurement and recognition of expected credit losses for financial assets held. ASU 2016-13 is effective for the Organization for fiscal year 2023. The Organization is currently in the process of evaluating the effects of this pronouncement on the Organization's consolidated financial statements and does not expect it to have a material impact on the consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which increases the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. ASU 2020-07 requires not-for-profit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets and requires additional disclosures, including a disclosure of a disaggregation of the amount of contributed nonfinancial assets by category. The Organization adopted the provisions of ASU 2020-07 on a retrospective basis at January 1, 2022 and the impact was not material to the consolidated financial statements or disclosures.

Reclassifications

Certain amounts in the prior year have been reclassified in order to conform with the current year's presentation. This reclassification has no effect on the change in net assets during the year.

NOTE C - CASH AND CASH EQUIVALENTS

The Organization maintains its cash-in-bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization maintained cash in foreign bank accounts totaling \$3,588,104 and \$4,718,553 on December 31, 2022 and 2021, respectively. The Organization had domestic balances exceeding the Federal Deposit Insurance Corporation's insured limitations at December 31, 2022 and 2021. The Organization does not believe these accounts to be a significant credit risk. The Organization also maintains brokerage accounts for accepting donations. These securities donations are sold upon receipt and converted to cash. The Organization considers cash equivalents to be all short-term, highly liquid investments with maturities of three months or less at time of purchase.

World Bicycle Relief, NFP and its Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

NOTE D - LEASE COMMITMENTS

The Organization conducts a portion of its operations utilizing leased facilities consisting of office, warehouse space, and retail shops that have various expiration dates through May 2027. These are classified as operating leases. The Organization determines if a contract contains a lease when the contract conveys the right to control the use of identified property or equipment for a period of time in exchange for consideration. Upon such identification and commencement of a lease, the Organization establishes a ROU asset and a lease liability in the statement of financial position if the lease term exceeds one year.

A lease component is defined as an asset within the lease contract that a lessee can benefit from the use of and is not highly dependent or interrelated with other assets in the arrangement. The Organization has determined that all of its leases contain one lease component related to the buildings or shops.

The lease liability represents future fixed lease payments for leases, discounted for present value. Certain leases contain rent escalation clauses that are specifically stated in the lease, which are included in the calculation of the lease liability.

The lease term is determined by taking into account the initial period as stated in the lease contract and adjusted for any renewal options that the Organization is reasonably certain to exercise, as well as any period of time that the lessee has control of the space before the stated initial term of the lease.

The Organization uses the risk-free rate of return when calculating the lease liability and related ROU asset.

Minimum future lease payments under non-cancelable operating leases having remaining terms in excess of one year as of December 31, 2022, are as follows:

<u>Years Ending December 31,</u>	
2023	\$ 169,857
2024	37,373
2025	2,916
2026	2,916
2027	<u>1,215</u>
 Total minimum lease payments	 214,277
 Less: imputed interest	 <u>(1,402)</u>
 Present value of future minimum lease payments	 <u>\$ 212,875</u>

Supplemental statement of financial position information related to operating leases at December 31, 2022 and 2021 was as follows:

	<u>2022</u>	<u>2021</u>
Weighted-average remaining lease term (in months)	10	-
Weighted-average discount rate	0.67%	-

Supplemental cash flow information related to leases was as follows during 2022:

Cash paid for amounts included in measurement of lease obligations:	
Operating cash flows from operating leases	\$ 261,272
Right-of-use assets obtained in exchange for lease obligations	\$ 471,726

World Bicycle Relief, NFP and its Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

The Organization was committed to non-cancelable leases under 842 for year ended December 31, 2021.

Years Ending December 31,

2022	\$	195,093
2023		48,391
2024		7,013

Rental expense was \$407,418 and \$408,302 for the years ended December 31, 2022 and 2021, respectively.

NOTE E - INVENTORY

Inventory balances are comprised of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Raw materials and spare parts	\$ 1,734,058	\$ 1,077,935
Work in process	397,529	639,580
Finished goods	<u>677,818</u>	<u>682,754</u>
Total inventory	<u>\$ 2,809,405</u>	<u>\$ 2,400,269</u>

NOTE F - IN-KIND CONTRIBUTIONS

During the years ended December 31, 2022 and 2021, the Organization received in-kind contributions, including rent, utilities, and advertising. The estimated fair value of in-kind contributions is based on comparable market rates for rent, utilities, and advertising in the Organization's local market and was \$323,634 and \$341,041 for the years ended December 31, 2022 and 2021, respectively. During the years ended December 31, 2022 and 2021, the Organization also received donated services, including legal advice, consulting services and implementation services. The estimated fair value of donated services is based on current rates for similar services and was \$961,583 and \$710,991 for the years ended December 31, 2022 and 2021, respectively. These in-kind contributions and donated services were received without donor-imposed restrictions and were used primarily to support the implementation of programmatic activities and other supporting services and have been recorded as in-kind contributions in the accompanying consolidated statements of activities and changes in net assets.

NOTE G - RESTRICTED NET ASSETS

Net assets with donor restrictions include contributions or grants subject to donor-imposed restrictions as to the purpose that may or will be met by actions of the Organization, or that expire by the passage of time. The Organization releases net assets from donor restrictions to net assets without donor restrictions when the donor's restrictions have been satisfied, or the time restriction in place has been met.

World Bicycle Relief, NFP and its Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

The following table summarizes net assets with donor restrictions as of December 31:

	<u>2022</u>	<u>2021</u>
Pledges receivable, time restricted for use in future periods	\$ 632,799	\$ 921,537
Purpose restricted contributions:		
Mobilized Communities - Twachiyanda Area Program	-	99,921
Mobilized Communities - Nyanza's Community Program	100,000	-
Mobilized Communities - Mumbwa Area Program	102,128	-
Mobilized Communities - La Guajira Area Program	<u>57,426</u>	<u>-</u>
 Total net assets with donor restrictions	 <u>\$ 892,353</u>	 <u>\$ 1,021,458</u>

The following table summarizes the net assets that were released from donor restrictions by incurring expenses satisfying the restricted purposes for years ended December 31,

	<u>2022</u>	<u>2021</u>
Purpose restricted contributions:		
Mobilized Communities - Twachiyanda Area Program	\$ 99,921	\$ 75,000
Mobilized Communities - Mumbwa Area Program	243,478	215,492
Mobilized Communities - Siaya Area Program	147,655	-
Mobilized Communities - Mumias East Program	144,500	-
Mobilized Communities - Zomba and Kasungu Area Program	650,150	-
Mobilized Communities - Hwange Area Program	<u>288,738</u>	<u>-</u>
 Total net assets released from restrictions	 <u>\$ 1,574,442</u>	 <u>\$ 290,492</u>

NOTE H - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available within one year of December 31, 2022 and 2021, respectively, for general expenditures without donor or other restrictions are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 4,420,590	\$ 7,452,523
Contributions receivable	1,999,158	2,308,207
Trade receivables, net	<u>884,802</u>	<u>1,829,004</u>
 Total	 <u>\$ 7,304,550</u>	 <u>\$ 11,589,734</u>

The Organization's working capital and cash flows have seasonal variations during the year attributable to the concentration of contributions received near calendar year end. To manage liquidity, the Organization maintained a line of credit for \$3,000,000 in 2022 and \$2,300,000 in 2021 with a bank that is drawn upon as needed during the year to manage cash flow.

NOTE I - FUNCTIONAL EXPENSES

The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the accompanying consolidated financial statements. Accordingly, certain expenses have been allocated among the activities and programs benefited. Expenses are reductions in net assets

World Bicycle Relief, NFP and its Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

without donor restrictions and are recorded as incurred. Personnel expenses have been allocated based on estimates of time and effort by department. Occupancy expenses have been allocated based on percentage of staff working at each location and their effort by department. Professional services are allocated based on services performed and split out by hours or percentage of work completed.

NOTE J - RELATED-PARTY TRANSACTIONS

The Organization defines related parties as individuals currently working for the Organization, members of the WBR NFP board of directors, and interested persons. The Organization received contributions from related parties for the years ended December 31 as follows:

	<u>2022</u>	<u>2021</u>
Contributions from related parties	\$ 1,716,292	\$ 1,403,582
In-kind donations and donated services from related parties	<u>262,588</u>	<u>327,376</u>
Total	<u>\$ 1,978,880</u>	<u>\$ 1,730,958</u>

The Organization also provides cash reimbursement to related parties for expenses paid on behalf of the Organization. The amounts of the transactions for the years ended December 31, were as follows:

	<u>2022</u>	<u>2021</u>
Cash reimbursement to related parties for expenses paid on behalf of the organization	\$ 177,305	\$ 323,547
Payables due to/(from) related parties for cash reimbursements	(85,854)	(11,032)

NOTE K - INCOME TAXES

WBR NFP is a not-for-profit entity, as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and was organized and incorporated in Illinois as a not-for-profit organization in 2006. WBR NFP has received a favorable determination letter from the Internal Revenue Service (IRS) for its section 501(c)(3) status under the IRC of 1986, and is exempt from income taxes, except to the extent of any unrelated business income. For the periods ended December 31, 2022 and 2021, the Organization does not have unrelated business income.

As noted in Note A, WBR Zimbabwe, BB Kenya, BB Zambia, BB Malawi and BBL are for-profit entities. WBR Zimbabwe, BB Malawi and BB Kenya have a deferred tax asset as of December 31, 2022 and 2021, which covered any tax liability. BB Zambia and BBL did not have either a deferred tax asset or liability as of December 31, 2022 and 2021.

World Bicycle Relief, NFP and its Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

Pre-tax income (loss) generated from the for-profit entities for the years ended December 31, are as follows:

	<u>2022</u>	<u>2021</u>
WBR Zimbabwe	\$ 284,709	\$ 547,226
BB Kenya	(257,587)	(127,266)
BB Zambia	249,736	151,799
BB Malawi	48,218	101,595
BB Colombia	128,188	60,496
WBR Colombia	(66,864)	40,415
BBL	<u>317,323</u>	<u>(88,787)</u>
 Total	 <u>\$ 703,723</u>	 <u>\$ 685,478</u>

The statutory tax rate for each entity as of December 31, are as follows:

	<u>2022</u>	<u>2021</u>
WBR Zimbabwe	25%	25%
BB Kenya	30%	30%
BB Zambia	30%	35%
BB Malawi	30%	30%
BB Colombia	35%	31%
WBR Colombia	35%	31%
BBL	3%	3%

Income tax expense for the years ended December 31, are as follows:

	<u>2022</u>	<u>2021</u>
Current	\$ 140,761	\$ 92,688
Deferred	<u>94,438</u>	<u>158,263</u>
 Total	 <u>\$ 235,199</u>	 <u>\$ 250,951</u>

The components of the deferred tax asset at December 31, are as follows:

	<u>2022</u>	<u>2021</u>
Beginning of year	\$ 481,692	\$ 494,746
Accelerated capital allowances	3,917	-
Exchange differences	185	(137,831)
Warranty provisions	(98)	(241)
Realized gain (loss) in foreign loan	-	704
Net operating loss carryforward	<u>(22,218)</u>	<u>124,314</u>
 Total	 <u>\$ 463,478</u>	 <u>\$ 481,692</u>

World Bicycle Relief, NFP and its Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

As of December 31, 2022 and 2021, management has determined that there are no material uncertain positions that require recognition in the consolidated financial statements. As of December 31, 2022 and 2021, management has concluded that it is more likely than not that the tax benefits of its deferred tax assets would be realized and, accordingly, has not recorded a valuation allowance.

NOTE L - EMPLOYEE BENEFIT PLAN

WBR NFP participates in a Profit Sharing 401(k) Plan (the U.S. Plan) covering substantially all of WBR NFP's employees who are salaried or temporary during the U.S. Plan year. Interns and part-time employees are not eligible for the U.S. Plan. The U.S. Plan is a voluntary defined contribution retirement plan. Employer contributions are computed as 3% of covered employees' compensation, and 50% of the next 2% contributed by the employee.

WBR DE participates in a defined benefit retirement plan (the DE Plan) covering all of WBR DE's employees who were employed during the plan year. Employer contributions for the DE Plan are computed based on the minimum requirements per the country.

WBR UK participates in The National Employment Savings Trust (NEST) a defined contribution workplace pension scheme in the United Kingdom. Employer contributions for the UK Plan are computed based on the minimum requirements per the country.

WBR AU participates in a Superannuation plan, an arrangement put in place by the Government of Australia to assist people in Australia to accumulate money for an income in retirement. Employer contributions for the AU Plan are computed based on the minimum requirements per the country.

The Organization's contributions for all plans, funded on a current basis, were \$170,787 and \$165,059 and for the years ended December 31, 2022 and 2021, respectively.

NOTE M - IRS FORM 990

The Organization's consolidated financial statements and independent auditor's report consist of all related entities that make up the operations of the Organization and provide a comprehensive financial report of activities. The audited consolidated financial statements include both entities incorporated in the United States and controlled foreign corporations incorporated in their respective countries.

WBR NFP's IRS Form 990 does not include a significant portion of its global activities. The 990 is a United States tax filing that consists of entities incorporated in the United States and any entities that are branches of that corporation. The 990 filed by WBR NFP consists of operations of World Bicycle Relief in the United States and Kenya. It does not contain controlled foreign corporations that make up much of the global picture of WBR NFP's operations. The absence of these entities for the year ending December 31, 2022 causes the below approximate reductions by category:

- \$5.77 million of contributions
- \$8.68 million of social enterprise sales
- \$16.07 million of social enterprise program expense
- \$6.19 million of mobilized communities program expense
- \$176 thousand of management and administrative expense
- \$1.37 million of fundraising expense

World Bicycle Relief, NFP and its Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

NOTE N - LINE OF CREDIT

On June 22, 2015, the Organization entered into a line of credit (the "Facility"). The Facility was established to fund large social enterprise bicycle orders and allow the Organization to have access to cash levels throughout the year. The Facility matured on April 30, 2020 and had a capacity of \$1,700,000.

A new line of credit (the "New Facility") was entered into on June 18, 2020. The New Facility has a maturity date of June 13, 2022 and a capacity of \$2,300,000. On June 13, 2022, The Organization renewed their agreement. The latest line of credit has a maturity date of August 13, 2023 and a capacity of \$3,000,000.

There was no balance outstanding on the New Facility as of December 31, 2022 and 2021.

Interest under the New Facility is to be paid monthly in arrears at the Prime-Based Rate of 1.80% or the Prime Rate minus 1.45%, whichever is greater. The interest rates as of December 31, 2022 and 2021, were 1.8% and 1.82%, respectively. Interest expense incurred amounted to \$42,872 and \$11,429, during the years ended December 31, 2022 and 2021, respectively.

NOTE O - SUBSEQUENT EVENTS

In preparation of these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 28, 2023, the date the consolidated financial statements were available to be issued.

The Organization increased its line of credit from \$3 million to \$6 million effective on April 13, 2023 to allow for business growth and cash flow flexibility.

SUPPLEMENTAL INFORMATION

World Bicycle Relief, NFP and its Subsidiaries
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2022

	WBR NFP	International Philanthropic	Philanthropic Group	Zambia	Kenya	Zimbabwe	Mauritius	Malawi	South Africa	Colombia	Spain	Eliminations	Consolidated
ASSETS													
Current assets													
Cash and cash equivalents	\$ 832,486	\$ 2,400,883	\$ 3,233,369	\$ 29,025	\$ 202,175	\$ 175,125	\$ 440,644	\$ 16,953	\$ 63	\$ 285,056	\$ 38,180	\$ -	\$ 4,420,590
Contributions receivable	947,853	1,051,305	1,999,158	-	-	-	-	-	-	-	-	-	1,999,158
Trade receivables, net	6,579	12,906	19,485	282,242	11,907	96,428	-	333,106	-	141,634	-	-	884,802
Inventory	-	-	-	847,634	638,788	428,659	25,939	504,386	-	363,999	-	-	2,809,405
Prepayments	186,169	10,199	196,368	758,710	37,019	692,740	8,395	103,279	-	360	245	-	1,797,116
Other assets	185	17,578	17,763	103,308	23,856	145,650	-	204,549	-	-	46	-	495,172
Due from affiliates													
Zimbabwe	-	-	-	-	-	-	-	-	-	-	-	-	-
International Philanthropic	1,085,361	-	1,085,361	75,133	-	64,542	-	4,436	-	-	-	(1,229,472)	-
WBR NFP	-	-	-	-	-	-	-	-	-	-	-	-	-
Zambia	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	<u>3,058,633</u>	<u>3,492,871</u>	<u>6,551,504</u>	<u>2,096,052</u>	<u>913,745</u>	<u>1,603,144</u>	<u>474,978</u>	<u>1,166,709</u>	<u>63</u>	<u>791,049</u>	<u>38,471</u>	<u>(1,229,472)</u>	<u>12,406,243</u>
Non-current assets													
Due from affiliates													
Zambia	1,389,688	-	1,389,688	-	-	-	486,804	-	-	-	-	(1,876,492)	-
Kenya	1,381,897	-	1,381,897	-	-	-	791,170	-	-	-	-	(2,173,067)	-
Zimbabwe	-	-	-	-	-	-	4,638,434	-	-	-	-	(4,638,434)	-
Malawi	6,365	-	6,365	-	-	-	2,466,770	-	-	-	-	(2,473,135)	-
Mauritius	6,008,657	500,133	6,508,790	-	-	-	-	-	-	-	-	(6,508,790)	-
South Africa	-	-	-	-	-	-	3,616	-	-	-	-	(3,616)	-
Colombia	146,419	120,209	266,628	-	-	-	-	-	-	-	670,329	(936,957)	-
Spain	723,322	-	723,322	-	-	-	26,600	-	-	-	-	(749,922)	-
Contributions receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax asset	-	-	-	57,907	198,199	(18,274)	-	182,982	-	42,664	-	-	463,478
Fixed assets, net	89,381	-	89,381	66,824	106,491	58,705	-	107,611	-	106,290	1,894	-	537,196
Operating lease right-of-use assets	-	-	-	25,596	69,445	47,789	-	43,318	-	24,218	-	-	210,366
Total assets	<u>\$ 12,804,362</u>	<u>\$ 4,113,213</u>	<u>\$ 16,917,575</u>	<u>\$ 2,246,379</u>	<u>\$ 1,287,880</u>	<u>\$ 1,691,364</u>	<u>\$ 8,888,372</u>	<u>\$ 1,500,620</u>	<u>\$ 63</u>	<u>\$ 964,221</u>	<u>\$ 710,694</u>	<u>\$ (20,589,885)</u>	<u>\$ 13,617,283</u>

World Bicycle Relief, NFP and its Subsidiaries
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED
December 31, 2022

	<u>WBR NFP</u>	<u>International Philanthropic</u>	<u>Philanthropic Group</u>	<u>Zambia</u>	<u>Kenya</u>	<u>Zimbabwe</u>	<u>Mauritius</u>	<u>Malawi</u>	<u>South Africa</u>	<u>Colombia</u>	<u>Spain</u>	<u>Eliminations</u>	<u>Consolidated</u>
LIABILITIES AND NET ASSETS													
Current liabilities													
Accounts payable	\$ 76,160	\$ 38,191	\$ 114,351	\$ 494,297	\$ 171,373	\$ 33,331	\$ 240,435	\$ 24,643	\$ 3,824	\$ 293,372	\$ -	\$ -	\$ 1,375,626
Accrued expenses	245,524	268,767	514,291	335,069	12,613	12,165	26,469	11,704	13,576	39,246	5,839	-	970,972
Deferred revenue	-	-	-	80,699	40,145	-	768	6,874	-	48,120	-	-	176,606
Operating lease liabilities	-	-	-	22,738	35,437	46,195	-	39,964	-	24,480	-	-	168,814
Due to affiliates													
WBR US	-	1,085,361	1,085,361	-	-	-	-	-	-	266,628	-	(1,351,989)	-
Zambia	-	2,341	2,341	-	-	-	-	-	-	-	-	(2,341)	-
Zimbabwe	64,542	-	64,542	-	-	-	-	-	-	-	-	(64,542)	-
Malawi	-	10,801	10,801	-	-	-	-	-	-	-	-	(10,801)	-
Mauritius	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	386,226	1,405,461	1,791,687	932,803	259,568	91,691	267,672	83,185	17,400	671,846	5,839	(1,429,673)	2,692,018
Non-current liabilities													
Operating lease liabilities	-	-	-	3,213	34,920	2,095	-	3,833	-	-	-	-	44,061
Due to affiliates													
Philanthropic Group	-	-	-	1,462,480	1,381,897	-	6,508,790	-	-	-	723,322	(10,076,489)	-
Spain	-	-	-	-	-	-	-	-	-	670,329	-	(670,329)	-
Mauritius	-	-	-	486,804	791,170	4,638,434	-	2,466,770	3,616	-	26,600	(8,413,394)	-
Total liabilities	386,226	1,405,461	1,791,687	2,885,300	2,467,555	4,732,220	6,776,462	2,553,788	21,016	1,342,175	755,761	(20,589,885)	2,736,079
Net assets													
Without donor restrictions	12,318,136	1,915,399	14,233,535	(638,921)	(1,179,675)	(3,040,856)	2,111,910	(1,053,168)	(20,953)	(377,954)	(45,067)	-	9,988,851
With donor restrictions	100,000	792,353	892,353	-	-	-	-	-	-	-	-	-	892,353
Total net assets	12,418,136	2,707,752	15,125,888	(638,921)	(1,179,675)	(3,040,856)	2,111,910	(1,053,168)	(20,953)	(377,954)	(45,067)	-	10,881,204
Total liabilities and net assets	\$ 12,804,362	\$ 4,113,213	\$ 16,917,575	\$ 2,246,379	\$ 1,287,880	\$ 1,691,364	\$ 8,888,372	\$ 1,500,620	\$ 63	\$ 964,221	\$ 710,694	\$ (20,589,885)	\$ 13,617,283

World Bicycle Relief, NFP and its Subsidiaries
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2021

	WBR NFP	International Philanthropic	Philanthropic Group	Zambia	Kenya	Zimbabwe	Mauritius	Malawi	South Africa	Colombia	Spain	Eliminations	Consolidated
ASSETS													
Current assets													
Cash and cash equivalents	\$ 2,733,970	\$ 3,821,346	\$ 6,555,316	\$ 43,159	\$ 138,753	\$ 379,291	\$ 38,694	\$ 173,140	\$ 158	\$ 64,750	\$ 59,262	\$ -	\$ 7,452,523
Contributions receivable	1,204,247	1,103,960	2,308,207	-	-	-	-	-	-	-	-	-	2,308,207
Trade receivables, net	4,742	-	4,742	292,000	51,146	148,801	492,432	531,467	-	308,416	-	-	1,829,004
Inventory	-	-	-	1,182,764	194,329	521,581	95,705	279,635	-	126,255	-	-	2,400,269
Prepayments	168,100	11,667	179,767	289,199	22,690	620,513	14,750	150,304	-	4,598	313	-	1,282,134
Other assets	414	-	414	-	7,207	-	-	180	-	-	49	-	7,850
Due from affiliates													
Zimbabwe	-	-	-	-	-	-	-	-	-	-	-	-	-
International Philanthropic	362,612	-	362,612	97,053	-	113,466	-	3,387	-	-	-	(576,518)	-
WBR NFP	-	-	-	-	-	-	-	-	-	-	-	-	-
Zambia	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	4,474,085	4,936,973	9,411,058	1,904,175	414,125	1,783,652	641,581	1,138,113	158	504,019	59,624	(576,518)	15,279,987
Non-current assets													
Due from affiliates													
Zambia	1,353,426	-	1,353,426	-	-	-	174,801	-	-	-	-	(1,528,227)	-
Kenya	996,266	-	996,266	-	-	-	725,342	-	-	-	-	(1,721,608)	-
Zimbabwe	-	-	-	-	-	-	3,494,821	-	-	-	-	(3,494,821)	-
Malawi	-	-	-	-	-	-	2,177,924	-	-	-	-	(2,177,924)	-
Mauritius	4,939,278	324,663	5,263,941	-	-	-	-	-	-	-	-	(5,263,941)	-
South Africa	-	-	-	-	-	-	3,316	-	-	-	-	(3,316)	-
Colombia	247,509	14,813	262,322	-	-	-	-	-	-	-	587,755	(850,077)	-
Spain	694,374	-	694,374	-	-	-	-	-	-	-	-	(694,374)	-
Contributions receivable	-	307,179	307,179	-	-	-	-	-	-	-	-	-	307,179
Deferred tax asset	-	-	-	109,729	191,810	(43,673)	-	191,706	-	32,120	-	-	481,692
Fixed assets, net	154,679	-	154,679	62,867	64,695	348,907	-	73,603	-	146,361	4,031	-	855,143
Total assets	<u>\$ 12,859,617</u>	<u>\$ 5,583,628</u>	<u>\$ 18,443,245</u>	<u>\$ 2,076,771</u>	<u>\$ 670,630</u>	<u>\$ 2,088,886</u>	<u>\$ 7,217,785</u>	<u>\$ 1,403,422</u>	<u>\$ 158</u>	<u>\$ 682,500</u>	<u>\$ 651,410</u>	<u>\$ (16,310,806)</u>	<u>\$ 16,924,001</u>

World Bicycle Relief, NFP and its Subsidiaries

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED

December 31, 2021

	WBR NFP	International Philanthropic	Philanthropic Group	Zambia	Kenya	Zimbabwe	Mauritius	Malawi	South Africa	Colombia	Spain	Eliminations	Consolidated
LIABILITIES AND NET ASSETS													
Current liabilities													
Accounts payable	\$ 105,635	\$ 21,216	\$ 126,851	\$ 651,976	\$ 27,118	\$ 168,300	\$ 293,812	\$ 13,935	\$ 580	\$ 106,072	\$ -	\$ -	\$ 1,388,644
Accrued expenses	145,505	70,675	216,180	330,339	26,038	199,276	80,309	-	14,369	29,726	6,211	-	902,448
Deferred revenue	-	-	-	81,953	26,291	-	768	7,575	-	1,162	-	-	117,749
Due to affiliates													
WBR US	-	362,612	362,612	-	-	-	-	-	-	262,322	-	(624,934)	-
Zambia	-	2,545	2,545	-	-	-	-	-	-	-	-	(2,545)	-
Zimbabwe	113,466	-	113,466	-	-	-	-	-	-	-	-	(113,466)	-
Malawi	3,387	-	3,387	-	-	-	-	-	-	-	-	(3,387)	-
Mauritius	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	367,993	457,048	825,041	1,064,268	79,447	367,576	374,889	21,510	14,949	399,282	6,211	(744,332)	2,408,841
Non-current liabilities													
Due to affiliates													
Philanthropic Group	-	-	-	1,447,934	996,266	-	5,263,941	-	-	-	694,374	(8,402,515)	-
Spain	-	-	-	-	-	-	-	-	-	587,755	-	(587,755)	-
Mauritius	-	-	-	174,801	725,342	3,494,821	-	2,177,924	3,316	-	-	(6,576,204)	-
Total liabilities	367,993	457,048	825,041	2,687,003	1,801,055	3,862,397	5,638,830	2,199,434	18,265	987,037	700,585	(16,310,806)	2,408,841
Net assets													
Without donor restrictions	12,391,703	4,205,043	16,596,746	(610,232)	(1,130,425)	(1,773,511)	1,578,955	(796,012)	(18,107)	(304,537)	(49,175)	-	13,493,702
With donor restrictions	99,921	921,537	1,021,458	-	-	-	-	-	-	-	-	-	1,021,458
Total net assets	12,491,624	5,126,580	17,618,204	(610,232)	(1,130,425)	(1,773,511)	1,578,955	(796,012)	(18,107)	(304,537)	(49,175)	-	14,515,160
Total liabilities and net assets	\$ 12,859,617	\$ 5,583,628	\$ 18,443,245	\$ 2,076,771	\$ 670,630	\$ 2,088,886	\$ 7,217,785	\$ 1,403,422	\$ 158	\$ 682,500	\$ 651,410	\$ (16,310,806)	\$ 16,924,001

World Bicycle Relief, NFP and its Subsidiaries

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31, 2022

	WBR NFP	International Philanthropic	Philanthropic Group	Zambia	Kenya	Zimbabwe	Mauritius	Malawi	South Africa	Colombia	Spain	Eliminations	Consolidated
Revenue and support													
Contributions and grants	\$ 12,203,140	\$ 6,270,425	\$ 18,473,565	\$ 315,872	\$ 241,920	\$ 620,449	\$ 4,385	\$ 275,760	\$ 258,424	\$ 1,677,500	\$ -	\$ (5,050,931)	\$ 16,816,944
In-kind contributions	1,285,217	-	1,285,217	-	-	-	-	-	-	-	-	-	1,285,217
Bicycle social enterprise program	-	-	-	4,596,083	1,555,984	2,364,912	5,298,217	927,023	-	1,412,368	-	(7,474,548)	8,680,039
Other income	44,268	108,318	152,586	-	17,121	17,483	627,644	74	-	52,692	-	(649,171)	218,429
Total revenue and support	13,532,625	6,378,743	19,911,368	4,911,955	1,815,025	3,002,844	5,930,246	1,202,857	258,424	3,142,560	-	(13,174,650)	27,000,629
Expenses													
Program services													
Social enterprise	1,040,265	501,382	1,541,647	4,665,406	2,072,729	2,718,136	5,612,923	1,154,639	-	1,336,795	26,795	(1,535,095)	17,593,975
Mobilized communities	7,603,549	6,395,367	13,998,916	-	-	-	-	-	262,399	1,744,441	-	(11,639,555)	4,366,201
Total program services	8,643,814	6,896,749	15,540,563	4,665,406	2,072,729	2,718,136	5,612,923	1,154,639	262,399	3,081,236	26,795	(13,174,650)	21,960,176
Supporting services													
Management and administrative	2,146,838	175,776	2,322,614	-	-	-	-	-	-	-	-	-	2,322,614
Fundraising	2,930,626	1,368,767	4,299,393	-	-	-	-	-	-	-	-	-	4,299,393
Total supporting services	5,077,464	1,544,543	6,622,007	-	-	-	-	-	-	-	-	-	6,622,007
Total expenses before tax expense (benefit)	13,721,278	8,441,292	22,162,570	4,665,406	2,072,729	2,718,136	5,612,923	1,154,639	262,399	3,081,236	26,795	(13,174,650)	28,582,183
Tax expense (benefit)	-	-	-	113,298	(21,646)	95,097	28,395	(23,227)	-	43,282	-	-	235,199
Total expenses	13,721,278	8,441,292	22,162,570	4,778,704	2,051,083	2,813,233	5,641,318	1,131,412	262,399	3,124,518	26,795	(13,174,650)	28,817,382
Increase (decrease) in net assets from operating activities	(188,653)	(2,062,549)	(2,251,202)	133,251	(236,058)	189,611	288,928	71,445	(3,975)	18,042	(26,795)	-	(1,816,753)
Non-operating changes in net assets													
Intercompany interest income (expense)	111,131	-	111,131	(59,857)	(73,479)	(146,728)	285,891	(100,928)	-	(63,864)	47,834	-	-
Investment return	4,876	1,696	6,572	-	-	-	-	-	-	-	-	-	6,572
Foreign exchange gain (loss)	(842)	(357,975)	(358,817)	(102,083)	260,287	(1,310,228)	(41,864)	(227,673)	1,129	(27,595)	(16,931)	-	(1,823,775)
INCREASE (DECREASE) IN NET ASSETS	(73,488)	(2,418,828)	(2,492,316)	(28,689)	(49,250)	(1,267,345)	532,955	(257,156)	(2,846)	(73,417)	4,108	-	(3,633,956)
Net assets, beginning of year	12,491,624	5,126,580	17,618,204	(610,232)	(1,130,425)	(1,773,511)	1,578,955	(796,012)	(18,107)	(304,537)	(49,175)	-	14,515,160
Net assets, end of year	\$ 12,418,136	\$ 2,707,752	\$ 15,125,888	\$ (638,921)	\$ (1,179,675)	\$ (3,040,856)	\$ 2,111,910	\$ (1,053,168)	\$ (20,953)	\$ (377,954)	\$ (45,067)	\$ -	\$ 10,881,204

World Bicycle Relief, NFP and its Subsidiaries

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31, 2021

	WBR NFP	International Philanthropic	Philanthropic Group	Zambia	Kenya	Zimbabwe	Mauritius	Malawi	South Africa	Colombia	Spain	Eliminations	Consolidated
Revenue and support													
Contributions and grants	\$ 12,250,988	\$ 6,682,831	\$ 18,933,819	\$ 126,240	\$ 151,200	\$ 364,535	\$ 51,883	\$ 203,040	\$ 179,447	\$ 928,234	\$ -	\$ (2,595,235)	\$ 18,343,163
In-kind contributions	1,052,032	-	1,052,032	-	-	-	-	-	-	-	-	-	1,052,032
Bicycle social enterprise program	-	-	-	3,938,740	794,619	3,940,215	3,162,198	1,996,271	-	1,198,797	-	(4,213,096)	10,817,744
Other income	86,344	52,173	138,517	-	379	-	505,704	4,307	-	85,028	-	(505,704)	228,231
Total revenue and support	13,389,364	6,735,004	20,124,368	4,064,980	946,198	4,304,750	3,719,785	2,203,618	179,447	2,212,059	-	(7,314,035)	30,441,170
Expenses													
Program services													
Social enterprise	1,349,127	15,697	1,364,824	3,916,727	1,073,464	3,754,701	3,917,259	2,102,023	-	1,175,817	28,881	(970,680)	16,363,016
Mobilized communities	5,443,640	2,826,430	8,270,070	-	-	-	-	-	183,583	935,331	-	(6,343,355)	3,045,629
Total program services	6,792,767	2,842,127	9,634,894	3,916,727	1,073,464	3,754,701	3,917,259	2,102,023	183,583	2,111,148	28,881	(7,314,035)	19,408,645
Supporting services													
Management and administrative	1,221,348	124,652	1,346,000	-	-	-	-	-	-	-	-	-	1,346,000
Fundraising	2,407,718	1,157,709	3,565,427	-	-	-	-	-	-	-	-	-	3,565,427
Total supporting services	3,629,066	1,282,361	4,911,427	-	-	-	-	-	-	-	-	-	4,911,427
Total expenses before tax expense (benefit)	10,421,833	4,124,488	14,546,321	3,916,727	1,073,464	3,754,701	3,917,259	2,102,023	183,583	2,111,148	28,881	(7,314,035)	24,320,072
Tax expense (benefit)	-	-	-	82,868	(63,829)	167,928	6,380	32,693	-	24,911	-	-	250,951
Total expenses	10,421,833	4,124,488	14,546,321	3,999,595	1,009,635	3,922,629	3,923,639	2,134,716	183,583	2,136,059	28,881	(7,314,035)	24,571,023
Increase (decrease) in net assets from operating activities	2,967,531	2,610,441	5,577,972	65,385	(63,437)	382,121	(203,779)	68,902	(4,136)	76,000	(28,881)	-	5,870,147
Non-operating changes in net assets													
Intercompany interest income (expense)	119,181	-	119,181	(40,198)	(69,113)	(117,104)	215,923	(77,249)	-	(36,386)	4,946	-	-
Investment return	(14,544)	(1,546)	(16,090)	-	-	-	-	-	-	-	-	-	(16,090)
Foreign exchange gain (loss)	(2,560)	(120,435)	(122,995)	239,866	(51,355)	(419,620)	1,704	(115,207)	1,396	(139,849)	(25,240)	-	(631,300)
INCREASE (DECREASE) IN NET ASSETS	3,069,608	2,488,460	5,558,068	265,053	(183,905)	(154,603)	13,848	(123,554)	(2,740)	(100,235)	(49,175)	-	5,222,757
Net assets, beginning of year	9,422,016	2,638,120	12,060,136	(875,285)	(946,520)	(1,618,908)	1,565,107	(672,458)	(15,367)	(204,302)	-	-	9,292,403
Net assets, end of year	\$ 12,491,624	\$ 5,126,580	\$ 17,618,204	\$ (610,232)	\$ (1,130,425)	\$ (1,773,511)	\$ 1,578,955	\$ (796,012)	\$ (18,107)	\$ (304,537)	\$ (49,175)	\$ -	\$ 14,515,160