KIVA MICROFUNDS AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023 AND 18-MONTH PERIOD ENDED JUNE 30, 2022

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Kiva Microfunds and Subsidiaries
San Francisco, California

Opinion

We have audited the consolidated financial statements of Kiva Microfunds and its subsidiaries (collectively "Kiva"), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year ended June 30, 2023 and the 18-month period ended June 30, 2022, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Kiva as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the year ended June 30, 2023 and the 18-month period ended June 30, 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 Kiva, 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.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, during the year ended June 30, 2023, Kiva adopted new accounting guidance Accounting Standards Codification Topic 842, *Leases*. Our opinion is not modified with respect to his matter.

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 Kiva's ability to continue as a going concern for one year after the date that the consolidated 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 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 Kiva'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 Kiva'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.

Supplementary Information

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

Abbott, Stringham & Lynch

November 17, 2023

KIVA MICROFUNDS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Assets

	June 30, 2023	June 30, 2022
Assets:		
Cash and cash equivalents:		
Kiva and KCM	$ 12,128,014	$ 14,078,852
KUF	59,532,822	58,945,455
KDAF	2,067,746	2,207,511
Accounts receivable from KUF users	17,338	25,920
KUF loans receivable:		
Lending partners	83,620,984	87,876,837
U.S. Direct	16,123,951	16,276,354
Pledges and grants receivable	583,445	322,871
Due from affiliates	609,044	851,778
Prepaid expenses and other assets	593,216	1,072,085
Property and equipment, net of accumulated depreciation and amortization	76,161	92,228
Intangible assets, net of accumulated amortization	4,327,437	3,665,785
Operating lease right-of-use assets	869,830	-
Investment in California Rebuilding Fund, LLC	-	3,368,942
Deposits	137,971	137,971
	$ 180,687,959	$ 188,922,589

Liabilities and Net Assets

	June 30, 2023	June 30, 2022
Liabilities:		
Accounts payable	$ 938,005	$ 1,520,306
Accrued expenses	781,065	1,190,014
Accounts payable to KUF lenders	4,821	196,430
Unsettled KUF loan transactions	110,084,764	112,674,080
Funds held on behalf of KUF users	34,318,681	36,432,007
Unredeemed Kiva Cards (KUF)	373,920	616,640
Due to affiliate	-	100,225
Deferred revenue	2,315,040	2,663,254
Operating lease liability	926,111	-
Deferred rent obligation	-	42,806
Total liabilities	149,742,407	155,435,762
Net assets:		
Without donor restrictions	15,681,973	16,699,412
With donor restrictions	15,263,579	16,787,415
Total net assets	30,945,552	33,486,827
	$ 180,687,959	$ 188,922,589

KIVA MICROFUNDS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES

	Year Ended June 30, 2023			18-month Period Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Online donations	$ 11,604,924	$ -	$ 11,604,924	$ 17,861,680	$ -	$ 17,861,680
Auto-converted Kiva Cards	452,025	-	452,025	507,670	-	507,670
Auto-converted KUF user accounts	809,880	-	809,880	2,069,468	-	2,069,468
Foundation contributions	905,718	2,480,512	3,386,230	117,029	2,433,025	2,550,054
Corporate contributions	2,737,670	2,918,657	5,656,327	2,960,059	8,184,988	11,145,047
Individual contributions	1,521,101	10,000	1,531,101	7,465,997	265,892	7,731,889
Operating contributions	341,119	-	341,119	-	-	-
Management fees/fee for service revenue	5,689,501	-	5,689,501	11,135,918	-	11,135,918
In-kind contributions	1,874,339	-	1,874,339	4,915,095	-	4,915,095
Forgiveness of Paycheck Protection Program loan	-	-	-	2,306,995	-	2,306,995
Interest income	2,471,436	-	2,471,436	246,539	-	246,539
Currency gain (loss)	1,360,952	-	1,360,952	(106,737)	-	(106,737)
Reduction in California Rebuilding Fund, LLC equity	-	(3,368,942)	(3,368,942)	-	(1,738,409)	(1,738,409)
Other income (loss)	32,247	-	32,247	(1,660)	-	(1,660)
Net assets released from restrictions	3,564,063	(3,564,063)	-	9,906,482	(9,906,482)	-
Total revenue and support	33,364,975	(1,523,836)	31,841,139	59,384,535	(760,986)	58,623,549
Functional expenses:						
Program services	26,199,874	-	26,199,874	43,562,936	-	43,562,936
Management and general	5,668,478	-	5,668,478	10,291,405	-	10,291,405
Fundraising	2,514,062	-	2,514,062	4,029,423	-	4,029,423
Total functional expenses	34,382,414	-	34,382,414	57,883,764	-	57,883,764
Change in net assets	(1,017,439)	(1,523,836)	(2,541,275)	1,500,771	(760,986)	739,785
Net assets, beginning of period	16,699,412	16,787,415	33,486,827	15,198,641	17,548,401	32,747,042
Net assets, end of period	$ 15,681,973	$ 15,263,579	$ 30,945,552	$ 16,699,412	$ 16,787,415	$ 33,486,827

See accompanying independent auditor's report and notes to consolidated financial statements.

KIVA MICROFUNDS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended June 30, 2023				18-month Period Ended June 30, 2022			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Personnel expenses:								
Salaries	$ 11,170,083	$ 1,674,386	$ 1,710,173	$ 14,554,642	$ 19,107,159	$ 3,241,318	$ 2,900,172	$ 25,248,649
Payroll taxes	1,227,634	134,191	131,729	1,493,554	1,801,070	253,057	226,478	2,280,605
Benefits	1,509,036	175,953	157,311	1,842,300	1,918,697	228,047	232,066	2,378,810
Total personnel expenses	13,906,753	1,984,530	1,999,213	17,890,496	22,826,926	3,722,422	3,358,716	29,908,064
Other functional expenses:								
Contractors	3,205,650	562,614	19,437	3,787,701	4,888,474	2,155,356	34,204	7,078,034
Depreciation and amortization	2,346,998	293,058	278,007	2,918,063	3,977,440	92,985	63,813	4,134,238
Information technology	1,735,671	615,255	115,782	2,466,708	3,634,446	797,548	383,954	4,815,948
Bank fees	1,750,370	35,995	467	1,786,832	2,904,013	4,826	-	2,908,839
Professional fees	505,616	716,270	5,415	1,227,301	2,116,356	1,398,407	-	3,514,763
Marketing and communications	433,158	570,579	-	1,003,737	1,193,636	1,186,275	9,659	2,389,570
Bad debt expense	850,478	-	-	850,478	70,354	-	-	70,354
Occupancy	534,786	240,386	53,756	828,928	950,038	134,902	113,359	1,198,299
Travel, conferences, and meetings	239,381	210,534	10,577	460,492	92,763	75,369	24,695	192,827
KDAF distributions	457,665	-	-	457,665	294,489	-	-	294,489
Insurance	63,900	224,455	6,479	294,834	120,470	272,955	14,856	408,281
Staff development	42,249	128,660	8,679	179,588	30,251	286,597	7,960	324,808
Office expense	59,521	42,486	7,689	109,696	148,227	87,120	10,207	245,554
Portfolio related expenses	59,787	-	8,561	68,348	264,481	721	8,000	273,202
Tax and licenses	2,891	43,656	-	46,547	25,572	75,922	-	101,494
Hub subgrant	5,000	-	-	5,000	25,000	-	-	25,000
Total other functional expenses	12,293,121	3,683,948	514,849	16,491,918	20,736,010	6,568,983	670,707	27,975,700
Total functional expenses	$ 26,199,874	$ 5,668,478	$ 2,514,062	$ 34,382,414	$ 43,562,936	$ 10,291,405	$ 4,029,423	$ 57,883,764
Percentage of total expenses	76%	17%	7%		75%	18%	7%	

See accompanying independent auditor’s report and notes to consolidated financial statements.

KIVA MICROFUNDS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended June 30, 2023	18-month Period Ended June 30, 2022
Cash flows from operating activities:		
Change in net assets	$ (2,541,275)	$ 739,785
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,918,063	4,134,238
Non-cash operating lease expense	544,150	-
Reduction in California Rebuilding Fund, LLC equity	3,368,942	1,738,409
Forgiveness of Paycheck Protection Program loan	-	(2,306,995)
Loss on disposal of property and equipment	-	16,600
Changes in operating assets and liabilities:		
Pledges and grants receivable, net of allowance and discounts	(260,574)	(213,975)
Due from affiliates	242,734	(711,560)
Prepaid expenses, other assets, and deposits	478,869	(65,337)
Accounts payable	(582,301)	828,561
Accrued expenses	(408,949)	(638,502)
Due to affiliate	(100,225)	78,776
Deferred revenue	(348,214)	1,794,228
Operating lease liability	(530,675)	-
Deferred rent obligation	-	16,310
Net cash provided by operating activities	2,780,545	5,410,538
Cash flows from investing activities:		
Proceeds from the sale of investments	-	164,978
Increase in donor-advised funds for microloans, net of repayments	(515,498)	-
Capitalization of website and internet platform software development costs	(3,563,649)	(3,875,355)
Net cash used in investing activities	(4,079,147)	(3,710,377)
Cash flows from financing activities:		
KUF activities:		
Accounts receivable from users	8,582	38,926
Accounts payable to lenders	(191,609)	(53,484)
Unsettled loan transactions	(5,436,934)	7,856,175
Fund held on behalf of users	1,249,791	951,652
Unredeemed Kiva Cards	(242,720)	(221,450)
Deployment of user loans	(39,269,767)	(65,610,558)
Repayments from lending partners	43,678,023	55,175,874
Net cash used in financing activities	(204,634)	(1,862,865)
Net decrease in cash and cash equivalents	(1,503,236)	(162,704)
Cash and cash equivalents, beginning of period	75,231,818	75,394,522
Cash and cash equivalents, end of period	$ 73,728,582	$ 75,231,818
Reconciliation of cash and cash equivalents with amounts reported on the consolidated statements of financial position:		
Cash and cash equivalents - Kiva and KCM	$ 12,128,014	$ 14,078,852
Cash and cash equivalents - KUF	59,532,822	58,945,455
Cash and cash equivalents - KDAF	2,067,746	2,207,511
	$ 73,728,582	$ 75,231,818
Supplemental cash flows information:		
Cash paid during the year:		
Franchise taxes	$ 9,515	$ 26,800
Non-cash investing and financing activities:		
Forgiveness of Paycheck Protection Program loan	$ -	$ 2,306,995

Note 1 - Nature of operations

Kiva Microfunds (referred to hereinafter as “Kiva”) is a nonprofit, tax-exempt organization founded in 2005. Kiva’s mission is to expand financial access to help underserved communities thrive.

Kiva currently partners with approximately 223 active global Microfinance Institutions (“MFIs") and other socially minded organizations and enterprises in seventy-three (73) countries. Partner organizations are generally responsible for selecting borrowers, reviewing the loan applications, uploading approved loan requests to Kiva's website, and administering funded loans. After loan funds are raised, Kiva sends the money (via a net billing process) to the partner. Most loans are pre-funded by partners.

In 2011, Kiva launched Zip, now called U.S. Direct (“Direct”), to allow Kiva users to fund loans that are disbursed directly to borrowers, without being channeled through a lending partner. Direct currently operates only in the U.S. The Direct model relies on “character based lending” to evaluate credit-worthiness. Borrowers are also required to raise a specified amount of loan funds from friends and family before being posted on the Kiva website. Direct borrowers are not charged interest or fees on their loans. Disbursement of loans, and collection and distribution of repayments are managed by Kiva.

To date, Kiva has facilitated approximately $2 billion in loans including approximately 20,000 Direct loans with a value of approximately $66.8 million. Kiva is supported primarily through donations and grants from individuals, and foundations.

KIVA User Funds LLC (referred hereinafter as "KUF") was established to segregate user (lender) assets from Kiva’s operating assets. Funds deposited by a lender to make micro-loans are held in KUF accounts and repayments are similarly received into KUF accounts. The lending activities that take place on Kiva's website, for both partner and Direct lending transactions, are transacted through the KUF accounts in order to maintain a separation between user funds and Kiva’s operating activities. KUF is a California Limited Liability Company whose sole member is Kiva.

User’s funds are held for the benefit of lenders in bank accounts and in government money market funds. KUF maintains these accounts, which are segregated from the operational funds accounts of Kiva. Kiva performs administrative functions and record-keeping duties for user balances and related transactions.

During 2013, Kiva-DAF, LLC (referred hereinafter as “KDAF”) was established to serve as a holder of a donor-advised fund. KDAF is a Delaware Limited Liability Company whose sole member is Kiva. Kiva uses KDAF to seek charitable donations from corporations, foundations and high net worth individuals generally to be used to lend to Kiva borrowers.

In October 2018, Kiva Protocol LLC (referred hereinafter as “KP”) a single member Delaware Limited Liability Company whose sole member is Kiva, was established as part of an initiative to help address the problems of financial exclusion by giving unbanked people a digital identity and a way for them to build verifiable credit history. Kiva ended the Kiva Protocol initiative effective June 30, 2022 and closed KP in December 2022.

In December 2020, Jurnus LLC, a single member Delaware Limited Liability Company whose sole member is Kiva, was established to house Kiva’s block chain-related work with Diem, a global block chain-for-financial-inclusion initiative. With the end of the Diem program, Jurnus LLC was closed in December 2022.

Note 1 - Nature of operations (continued)

In July 2019, Kiva Capital Management LLC (referred hereinafter as "KCM"), a single member Delaware Limited Liability Company whose sole member is Kiva, was established to manage impact-first return bearing vehicles designed to further promote financial inclusion. In July 2019, Kiva Refugee Investment Fund, LLC (hereinafter referred to as KRIF), a Delaware Statutory Public Benefit Limited Liability Company, was established with KCM as its sole initial member. The purpose of KRIF is to make loans to microfinance institutions and social enterprises in support of refugees, internally displaced persons, and impacted host populations. KRIF commenced operations in May 2021. In October 2020, Small Business Resilience Fund LLC (referred hereinafter as "SBRF"), a Delaware Limited Liability Company, was established with KCM as its sole member. In November 2020, SBRF admitted a non-affiliated member who contributed equity, and KCM remained a non-equity management member (see Note 2). SBRF is treated as a disregarded entity for U.S. federal income tax purposes. The purpose of SBRF is to make loans to support lower income communities in selected geographies around the world to recover from the adverse impacts of COVID-19 on poverty and economic development.

In September 2020, California Rebuilding Fund, LLC (referred hereinafter as "CRF"), a single member Delaware Statutory Public Benefit Limited Liability Company whose sole member is Kiva, was established to raise funds from institutional investors to be lent to small businesses in California to address capital needs as they reopen and recover from the COVID-19 health and economic crisis. CRF is governed by a Governance and Allocation Committee comprising members of the business, legal and philanthropy communities, and has focused on small businesses with fewer than 50 employees located in historically under-resourced communities. The small business loans have been originated and serviced by local Community Development Financial Institutions with loan capital borrowed from CRF. CRF established two wholly owned special purpose vehicles, CASE G-SPV, LLC and CASE B-SPV, LLC. CRF's sole assets are 90% and 95% of eligible small business loans, held by the CASE G-SPV LLC and CASE B-SPV LLC, respectively. KCM serves as administrator for CRF (see Note 2).

Loans facilitated through microfinance institutions/lending partners

Individuals are eligible to become lenders on Kiva's platform by providing basic information, including their name and e-mail address. Once lenders have registered, Kiva automatically generates a profile page; however, lenders may choose to remain anonymous. Through the platform website, lenders can review the loan requests and select the borrowers they are interested in funding. Lenders can fund as little as $5 and as much as the entire amount of the loan. Requested loan amounts vary, generally ranging up to $50,000. Kiva relies on the local lending partner organization to screen and evaluate borrowers and set loan amounts and terms. Additionally, the lending partners work with the borrowers to collect their stories, pictures, and loan details and upload the information to Kiva's website for potential lenders to view.

While Kiva lenders provide loan funds free of interest, the intermediary lending partner institutions typically charge the borrowers interest on their loans to help cover the institutions' operating costs. As of June 30, 2023, the average portfolio yield among Kiva's MFI lending partners was approximately 33 percent. As the intermediary lending partner institutions collect the scheduled repayments from borrowers, they retain the interest payments and any other fees they charge to help finance their operations, and transfer the amount of principal repayments to Kiva, which credits lenders' accounts for their share of the corresponding loans. If a borrower fails to make a scheduled payment, the lending partner notifies Kiva and lenders could potentially receive a late or partial payment or receive no payment. The repayment rate for all of its loans from all Kiva's partners as of June 30, 2023 was approximately 97 percent.

Note 1 - Nature of operations (continued)

Loans facilitated through microfinance institutions/lending partners (continued)

Lenders on Kiva's platform face credit risk – the possibility that they will lose their principal if borrowers or Kiva's lending partners fail to repay the loans. Kiva and its lending partners do not guarantee repayment of lenders' loans, so the lenders assume all of the risk that borrowers may not repay. In addition, lenders face risks because they rely on Kiva's lending partners to screen borrowers, service their loans, and transmit payments to Kiva. As a result, even if borrowers repay their loans, lenders may not be repaid due to a lending partner's bankruptcy, fraud, or poor operations. Similarly, lenders face operational risks associated with their reliance on Kiva to screen and monitor its intermediary lending partners and effectively maintain its platform for servicing the loans and transmitting payments to lenders. Kiva also discloses on its website that lenders face potential currency risks and country-specific risks.

All loans on Kiva's website are denominated in U.S. dollars; however, generally, lending partners distribute loans in their local currency. Lenders on Kiva's platform face at least some currency risk whenever loans are made in local currency. The extent of the risk borne by the platform lender depends on the specific arrangement with the lending partner as detailed in Note 2.

Kiva lenders take on these risks, while not earning interest on the loans they fund, in order to facilitate potential social and economic benefits through their support of microfinance and entrepreneurship. To the extent that the funds from lenders provide Kiva's lending partners the capital to finance loans that they would not have otherwise made, the platform's activities may increase the supply of credit for individual borrowers who might not have access to traditional banking services in their home countries.

Direct loans facilitated through U.S. Direct program

The Direct model relies on "character-based lending" to evaluate credit-worthiness. In order to be posted on the Direct website, borrowers generally must be recommended by a Direct trustee or work with a Lead in a Kiva City. Borrowers are also required to raise a specified amount of loan funds from friends and family before being posted on the Direct website. Direct borrowers are not charged interest or fees on their loans. Direct transactions flow through KUF and are included in the accompanying balance sheets. Disbursement of loans, and collection and distribution of repayments are managed by Kiva. As of June 30, 2023, lenders had funded approximately 20,000 Direct loans, inclusive of loans made to Kenya, with a value of approximately $66.8 million.

Crisis Support Loans

In a response to meet lending partners' needs during COVID-19, Kiva created *Crisis Support Loans*. These new, larger loans range in size from $50,000 to $500,000, and offer flexible repayment options to meet lending partners' needs, such as longer terms of 18-32 months, and grace periods of 6-9 months to begin making the first repayment installment. These loans provide direct funding to lending partners, to cover operational needs during this challenging period, including salaries and retention of staff, investment in communication technology to increase lending partners' ability to work remotely and continue to serve borrowers, and funding needed to create, market, and finance new emergency loan products specifically designed for entrepreneurs affected by this crisis. During the 12-month period ended June 30, 2023, $1 million in Crisis Support Loans were provided to 6 lending partners.

Note 1 - Nature of operations (continued)

Idle Capital Initiative

In February 2020, Kiva launched an initiative to leverage idle capital held in KUF lender accounts. In an effort to put more funds to work in the lending process to increase Kiva's impact, an auto-lending feature was put in place for all lenders who did not opt out, whereby lender funds would automatically be lent after a set period of inactivity, starting at 90-days. Lenders enrolled in auto-lending can set their lending preferences, but if no preferences are selected, Kiva's Impact Investments team has some discretion as to how auto-lending funds are deployed. In addition, unless changed by the lender, 15% of each auto-loan will be taken from the lender's account as a donation to Kiva. Total auto-lending donations have increased as more funds are deployed and incremental loans are funded through our platform. Conversely, inactive balance donations have declined with the decrease in idle capital. Total donations from auto-lending during the year ended June 30, 2023 were approximately $1.1 million.

Note 2 - Summary of significant accounting policies

Principles of consolidation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and include the accounts of Kiva Microfunds, Kiva User Funds LLC, Kiva-DAF, LLC, and Kiva Capital Management, LLC (collectively "Kiva"). All significant balances and transactions between the entities have been eliminated in consolidation. The following entities are considered to be affiliates of Kiva and are not consolidated due to lack of ownership or control from Kiva: CRF, SBRF and KRIF. Amounts due from these affiliates at June 30, 2023 and 2022 totaled $609,044 and $851,778, respectively.

Basis of accounting

The consolidated financial statements of Kiva have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial statement presentation

Under accounting principles generally accepted in the United States of America, Kiva 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. Descriptions of the two net asset categories and the types of transactions affecting each category are as follows:

> Without donor restrictions - net assets that are not subject to donor-imposed restrictions. This category represents net assets over which the Board of Directors has discretionary control and which are used to carry out operations of Kiva in accordance with its bylaws.
>
> With donor restrictions - net assets subject to donor-imposed restrictions that will be met either by actions of Kiva or the passage of time. This classification includes resources currently available for use, but expendable only for those operating purposes specified by the donor or funding source.

Note 2 - Summary of significant accounting policies (continued)

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses for the reporting period. Significant estimates used in preparing these consolidated financial statements include discounts on long-term pledges receivable, useful lives of property, equipment and intangibles, the default rate applicable to loans, value of in-kind contributions, risk-free rates and lease terms, and allocation of functional expenses. Actual results could differ from these estimates.

Cash and cash equivalents

Kiva considers cash on deposit with banks as well as investments in money market funds to be cash equivalents.

Pledges and grants receivable

Kiva records pledges and grants receivable, net of discounts, when there is sufficient documentation that an unconditional promise was made and received.

Kiva frequently enters into pledge agreements with donors whereby cash received is designated for funding loans on Kiva’s platform for a specified period of time after which loan repayments are typically donated to Kiva. These pledges (referred to as “managed lending contracts”) are discounted by Kiva to reflect the typical default rate for such loans.

Kiva makes judgments as to the ability to collect outstanding receivables and provides allowances accordingly. Allowance for uncollectible pledges and grants receivable amounted to approximately $693,000 and $575,000 at June 30, 2023 and 2022, respectively.

Kiva discounts grants receivable using a rate commensurate with the relevant duration and risk. Discounts on long-term pledges and grants receivables were not considered material at June 30, 2023 and 2022.

Donor-advised funds for microloans

Donor-advised funds for microloans represent amounts transferred from KDAF to KUF to facilitate loans. Amounts as of June 30, 2023 and 2022 represent funds deployed as loans net of repayments, as well as funds available for lending. The amounts that have not completed their lending cycle, which totaled $7,310,846 and $7,053,097 at June 30, 2023 and 2022, respectively, have been eliminated in consolidation.

For each donor-advised fund agreement, KDAF distributers to Kiva an operating contribution based on a percentage of the original contributed amount or account balance. These contribution rates typically range from 5% - 10%. The operating contribution revenue and corresponding expense are eliminated in consolidation.

Upon donors’ instructions, KDAF distributed approximately $1,600,000 and $2,850,000 to Kiva, for the year ended June 30, 2023 and the 18-month period ended June 30, 2022, respectively. These distributions are also eliminated in consolidation.

Note 2 - Summary of significant accounting policies (continued)

Loans receivable

Loans receivable represents amounts disbursed to partners and borrowers that have not been repaid or defaulted. Payables and receivables are maintained on a partner-by-partner and loan-by-loan basis. No reserve or provision for uncollectible loans receivable is recorded by KUF as the risk of loan loss is borne by the lenders per the lender agreements with the users.

Once a loan is fully funded on Kiva's platform, the funds become payable to Kiva's partners/borrowers. Lending partners are responsible for collecting repayments from their borrowers and submitting a report to Kiva regarding the payment status of all of their outstanding loans. Kiva uses a net billing process, aggregating the amount due to partners net of the amount of repayments received by partners, to compute a total amount due to/from each partner. On a monthly basis, these loans as well as billing and currency adjustments are aggregated by each individual lending partner for remittance purposes.

All loans on Kiva's website are denominated in U.S. dollars; however, lending partners distribute loans in their local currency. Depending on the specific partner contract, exchange rate risk may be borne by lenders, the partner or shared between the two. Lenders are not able to realize a currency related gain on their loans. If currency gains exist at the end of a loan term and would have accrued to the lender, funds are transferred to a Kiva operated account to help fund operations.

Accounts payable to lenders

Accounts payable to lenders is made up of amounts users have requested to withdraw that are awaiting final payment processing. In the vast majority of cases, withdrawals are processed via PayPal.

Unsettled loan transactions

After a loan is posted on Kiva's site, a fundraising period begins. Lenders provide funding immediately. These funding amounts are held on behalf of lenders as unsettled loan transactions until sufficient funds are raised for the loan to be payable to the partner or borrower. In the event that a loan is not sufficiently successful in fundraising, amounts raised will be returned to lender accounts.

Funds held on behalf of users

All deposited funds and repayments received from borrowers are segregated and held on behalf of users. Deposited funds are temporarily housed in KUF's PayPal account and are subsequently maintained in bank accounts and in government money market funds to ensure accessibility and liquidity. Participants on Kiva's web-based platform use deposited funds to purchase loans, make donations to Kiva, purchase Kiva Cards (which transfer deposits to a card recipient). Funds held on behalf of users is made up of three categories: individual lender accounts, managed lending accounts, and Kiva funded promotional lending accounts (Kiva Fund Pool).

Revenue recognition - contracts with customers

Kiva's fee for service revenue includes Partner Investment (PI) revenue and US hub revenue. PI revenue represents administrative fees charged to the MFI or Lending Partner on loan funds advanced for approved borrowers. Fee percentages are stipulated in the contracts with the MFIs and Lending Partners. PI revenue is recognized at a point in time, and settled through the monthly net billing process.

Note 2 - Summary of significant accounting policies (continued)

Revenue recognition - contracts with customers (continued)

The following table provides Kiva's disaggregated PI revenue by primary geographical location:

	Year Ended June 30, 2023	18-month Period Ended June 30, 2022
Africa	$ 1,439,424	$ 1,793,142
Asia	954,098	1,550,986
South America	430,076	693,757
Central America	385,035	587,653
Oceania	202,172	228,265
Eastern Europe	147,419	194,083
Middle East	96,715	122,521
North America	49,503	32,486
	$ 3,704,442	$ 5,202,893

US hub revenue relates to Kiva's efforts to introduce product innovations, increase the capacity of social enterprises, and provide training and resources. Revenue for these services is recognized over the lives of these contracts, generally between one to three years. Revenue generated from these contracts is within North America. US hub revenue amounted to $790,216 and $1,646,999 for the year ended June 30, 2023 and the 18-month period ended June 30, 2022, respectively. Deferred revenue represents amounts received in advance for those services to be rendered in the future.

Kiva's fee for service revenue also includes revenue derived from a governmental subcontract to design and implement the Kiva Invest in Women Fund and related gender impact tools. Revenue from this contract totaled $82,542 and $1,800,713 for the year ended June 30, 2023 and for the 18-month period ended June 30, 2022, respectively, is recognized at specific points in time as each milestone outlined in the agreement is accepted by the prime contractor. At June 30, 2023, Kiva had $183,500 remaining to earn on this subcontract. Revenue generated from this contract is within North America.

Revenue recognition - management fees

Management fees represent administrative fees charged by KCM to CRF, KRIF, and SBRF for administrative management services provided by KCM. Fee amounts and timing are specified in individual contracts with CRF, KRIF, and SBRF. Management fees are recognized over time as actual services are provided, based on these agreed up rates. Management fees amounted to $1,112,301 and $2,485,313 for the year ended June 30, 2023 and 18-month period ended June 30, 2022, respectively.

Note 2 - Summary of significant accounting policies (continued)

Revenue recognition - contracts with customers

Financing components

All revenues are short-term in nature and do not have any significant financing component, as payment is received at, or shortly after, the request for payment is issued.

Contract liability - deferred revenue

Deferred revenue (contract liability) represents amounts received from customers for services yet to be performed. The beginning deferred revenue balance at January 1, 2021 was $869,026. The increase in deferred revenue was a result of normal business activity of KDAF.

Revenue recognition - contributions

Contributions received are recorded as without donor restrictions or with donor restrictions. Conditional contributions are recorded as support in the period the condition is met. Such contributions are then reclassified to net assets without donor restrictions upon expiration of the restriction, usually when the funds are spent. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Kiva receives revenue from a variety of sources. Online donations are contributions made by lenders through Kiva's online lending platform. Kiva Cards are typically designed to become a donation to Kiva if they are not utilized after a 12-month period. Certain user accounts that have been inactive for a period of two years will be concerted to donations to Kiva based on the terms of the users’ account agreements. Revenue is also generated through contributions and grants from foundations, corporations, and individual donors.

In-kind support

Kiva records various types of in-kind support including professional services, and donations and use of tangible assets. Contributed professional services are recognized if the services received: (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets or the use thereof is recognized when promised or received, whichever is earlier. The amounts reflected in the accompanying consolidated financial statements as in-kind support are offset by like amounts included in expenses or in the case of long-term assets, over the period benefited. Kiva reports the fair value of donated goods and services meeting recognition criteria under U.S. GAAP as public support and as expense, based on estimated fair value. Contributed nonfinancial assets did not include any donor restrictions.

Additionally, Kiva receives a significant amount of contributed time from volunteers, which does not meet the recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying consolidated financial statements.

Note 2 - Summary of significant accounting policies (continued)

Investments

Donated securities are recorded at market value on the date received or at nominal value when the market value is not readily available. It is Kiva's policy to sell donated securities immediately after receiving the donation. At June 30, 2023 and 2022, Kiva did not hold any investment in marketable securities.

Fair value measurements

Kiva measures and discloses fair value measurements as required by the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification.

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or a liability.

As a basis for considering such assumptions, the FASB establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 - Valuations based on observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets.

Level 3 - Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer, or broker-traded transactions.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The application of this guidance does not have a significant impact on Kiva's consolidated financial statements. All of the carrying amounts of Kiva's financial assets and liabilities on the accompanying consolidated statements of financial position approximate fair value because of the short maturity of these instruments and are all valued at Level 1.

GAAP requires the disclosure of the fair value of financial instruments at the balance sheet date. For financial instruments where there are no quoted market prices, a reasonable estimate of fair value would require incurring excessive costs. Because the mission of KUF is to raise and lend funds without an associated rate of return, these disclosures for KUF's loans receivable, unsettled loan transactions, and funds held on behalf of users are not meaningful and are not presented in these consolidated financial statements.

Note 2 - Summary of significant accounting policies (continued)

Property, equipment, depreciation and amortization

Kiva capitalizes property and equipment acquisitions over $5,000. Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at their estimated fair value at the date of donation. Depreciation for office furniture and fixtures and computer equipment is computed using the straight-line method over the estimated useful lives of seven years and three years, respectively. Gifts of property and equipment are reported as support without donor restrictions unless the donor stipulates specifically how the donated asset must be used.

Intangible assets

Kiva develops and maintains in-house internet platform software to enable lending and other online donation activities. Personnel costs, including payroll taxes, worker's compensation, and benefits associated with the development of the software, are capitalized and amortized using the straight-line method over three years. The allocation of personnel costs is based on development time incurred, and is evaluated on a quarterly basis.

Kiva capitalized the costs incurred to obtain Kiva's website domain name. Kiva has determined the domain name has an indefinite useful life and as of June 30, 2023 and 2022, has recorded no amortization.

Impairment of long-lived assets

Kiva reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Kiva evaluates the recoverability of long-lived assets by measuring the carrying amount of such assets against the estimated undiscounted future cash flows associated with them. At the time such evaluation indicates that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their fair value. To date, Kiva has not recorded any impairment of its long-lived assets as a result of this analysis.

Tax-exempt status and income and franchise taxes

Kiva is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code of the State of California. Accordingly, no provision for income taxes or related credits is included in these consolidated financial statements.

KUF, KDAF, KIF, KCM, KRIF, SBRF, CRF, CASE G-SPV, and CASE B-SPV, LLC are single member LLCs and are disregarded entities for Federal income tax purposes. Under California law, KUF, KDAF, KIF, KCM, KRIF, SBRF, CRF, CASE G-SPV, and CASE B-SPV are subject to tax on gross receipts, or a minimum tax of $800 per entity, whichever is greater.

Kiva has adopted the accounting standard related to uncertainties in income taxes. Management has considered its tax positions and believes that all of the positions taken by Kiva in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination; therefore, no liability for unrecognized income tax benefits has been recorded as of June 30, 2023 and 2022. Kiva, KUF, KDAF, KIF, KCM, KRIF, SBRF, CRF, CASE G-SPV, and CASE B-SPV are subject to examination by major tax jurisdictions back to 2020, or inception of the entity in the case of KCM, KRIF, SBRF, CRF, CASE G-SPV, and CASE B-SPV.

Note 2 - Summary of significant accounting policies (continued)

Functional allocation of expenses

The costs of providing various program services, management and general expenses, and fundraising expenses have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services based on management estimates. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of Kiva.

Accounting for ownership interest in CRF

Though Kiva is the sole member of CRF, a Statutory Public Benefit LLC established in Delaware, Kiva has not consolidated CRF's assets and liabilities in these consolidated financial statements. Kiva does not retain the rights, obligations, or benefits typically afforded to a sole member of an LLC and, therefore, has elected to account for its investment in CRF on the equity basis. CRF is governed by a Governance and Allocation Committee comprised of independent members of the business community. KCM serves as administrator for CRF.

Leases - recently adopted accounting guidance

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance, Accounting Standards Codification (ASC) Topic 842, *Leases*, to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statements 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.

Kiva adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2022 through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the 18-month period ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

Kiva elected the available practical expedients to account for Kiva's existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, Kiva recognized on July 1, 2022, a lease liability of $1,423,896, which represents the present value of the remaining operating lease payments of $1,478,914, discounted using the weighted-average risk-free rate of 2.85%, and right-of-use asset of $1,381,090, which represents the operating lease liability of $1,423,896 adjusted for deferred rent of $42,806. The effect of adopting the new standard did not require any adjustment to net assets earnings as of July 1, 2022.

Kiva determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use assets and operating lease liabilities on the consolidated statements of financial position. Right-of-use assets represent Kiva's right to use an underlying asset for the lease term and lease liabilities represent Kiva's obligation to make lease payments arising from the lease.

Note 2 - Summary of significant accounting policies (continued)

Leases - recently adopted accounting guidance (continued)

Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As Kiva's lease does not provide an implicit rate, management uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease right-of-use asset also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that Kiva will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Kiva's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

New accounting pronouncements not yet adopted

In 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the statements of activities will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for the calendar year beginning July 1, 2023. Kiva is currently in the process of evaluating the impact of adoption of this ASU on its consolidated financial statements.

Other accounting pronouncements that have been enacted but not yet implemented are not expected to have a material impact on Kiva's consolidated financial statements.

Subsequent events

In preparing its consolidated financial statements, Kiva has evaluated subsequent events through November 17, 2023, which is the date the consolidated financial statements were available to be issued.

Note 3 - Liquidity and availability of resources

The following table reflects Kiva's financial assets as of June 30, 2023 and 2022, reduced by amounts not available for general expenditures within one year from this date. Financial assets are considered to be unavailable when illiquid or not readily convertible to cash within one year.

Financial assets available to meet cash needs for general expenditures within one year are as follows:

	June 30, 2023	June 30, 2022
Financial assets:		
Cash and cash equivalents:		
Kiva and KCM	$ 12,128,014	$ 14,078,852
KUF	59,532,822	58,945,455
KDAF	2,067,746	2,207,511
Pledges and grants receivable	583,445	322,871
Due from affiliate	609,044	851,778
Total financial assets	74,921,071	76,406,467
Less:		
Cash held in KUF user accounts	(59,532,822)	(58,945,455)
Cash held in KDAF	(2,067,746)	(2,207,511)
Accounts payable and accrued liabilities	(1,719,070)	(2,710,320)
Due to affiliate	-	(100,225)
Net assets with donor restrictions	(870,000)	(550,000)
Total financial assets and liquidity resources available within one year	$ 10,731,433	$ 11,892,956

Pledges and grants receivable balances with certain donor restrictions that will be satisfied in the ensuing year, and expected to be collected within one year, are included as available for general expenditures. Cash held to meet donor restrictions is available for general expenditures provided that the donor restrictions are also met during the ensuing year.

Note 4 - Property and equipment

Property and equipment consisted of the following:

	June 30, 2023	June 30, 2022
Office furniture and fixtures	$ 221,481	$ 221,481
Computer equipment	1,094,413	1,094,413
	1,315,894	1,315,894
Less: accumulated depreciation and amortization	(1,239,733)	(1,223,666)
	$ 76,161	$ 92,228

Depreciation and amortization expense for property and equipment for the year ended June 30, 2023 and the 18-month period ended June 30, 2022 was $16,067 and $55,695, respectively.

Note 5 - Intangibles

Intangible assets consisted of the following:

	June 30, 2023	June 30, 2022
In-house internet platform software	$ 30,854,740	$ 27,291,092
Domain name (indefinite life)	25,000	25,000
	30,879,740	27,316,092
Less: accumulated amortization	(26,552,303)	(23,650,307)
	$ 4,327,437	$ 3,665,785

Amortization expense for the in-house internet platform software was $2,901,996 and $4,078,543 for the year ended June 30, 2023 and 18-month period ended June 30, 2022, respectively.

The estimated amortization expense relating to the in-house internet platform software for each of the succeeding years is as follows:

Year Ending June 30,	Amount
2024	$ 2,340,450
2025	1,498,018
2026	463,969
	$ 4,302,437

Note 6 - Managed lending and Kiva Fund Pools

Managed lending accounts can be funded by corporations, foundations or individuals and allow for certain additional functionalities on Kiva's platform. For example, a contributing organization may provide it's employees the ability to select loans to be funded or may broadly offer to match certain loan fundings by the broader Kiva community. There is generally a contract in place between Kiva and the corporation/foundation/individual, which stipulates how funds will be lent across the site based on specified dimensions. Additionally, these contracts will state how many rounds of loans the program will be eligible for, and ways in which funds can be withdrawn by the sponsoring organization or individual.

Kiva Microfunds has allocated a pool of funds, held with KUF, which facilitates promotional activity (for example, lending credit or matching campaigns). Lenders are not allowed to withdraw these funds, but can direct them towards loans with repayments accruing back to Kiva.

At June 30, 2023, managed lending and Kiva Fund Pool balances available for lending were $934,174 and $892,817, respectively. At June 30, 2022, managed lending and Kiva Fund Pool balances available for lending were $794,215 and $549,647, respectively. Managed lending and Kiva Fund Pool balances are included in "Funds held on behalf of users" in the accompanying consolidated statements of financial position.

Note 7 - Kiva Cards

Kiva Cards are a hybrid product designed to become a donation to Kiva if they are not utilized after a 12-month period. Kiva Cards provide a way for one individual to give Kiva Credit to another individual. Once the card is redeemed, it is reclassified from "unredeemed Kiva Cards" to "Kiva Credit." With this credit, individuals can purchase a loan, purchase another Kiva Card, or make a donation. At June 30, 2023 and 2022, the unredeemed Kiva Cards balance was $373,920 and $616,640, respectively.

Note 8 - Paycheck Protection Program loan payable

On April 18, 2020, Kiva received loan proceeds in the amount of $2,306,995 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), provided for loans to qualifying businesses for amounts of up to 2.5 times the average monthly payroll expenses of the qualifying business for the qualifying time period. The loan and accrued interest are forgivable after the applicable time period in the CARES Act as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

On September 21, 2021, upon completion of the loan forgiveness application review by the SBA, Kiva received confirmation that the principal balance of $2,306,995 and the related accrued interest was forgiven.

Note 9 - Net assets with donor restrictions

Net assets with donor restrictions were available for the following purposes:

	June 30, 2022	Additions	Released from Restrictions	June 30, 2023
Product innovation	$ 8,856,032	$ 3,587,864	$ (2,719,484)	$ 9,724,412
Investment in CRF	3,368,942	-	(3,368,942)	-
Time restricted	4,562,441	628,835	(346,841)	4,844,435
Geographical	-	1,192,470	(497,738)	694,732
	$ 16,787,415	$ 5,409,169	$ (6,933,005)	$ 15,263,579

	December 31, 2020	Additions	Released from Restrictions	June 30, 2022
Product innovation	$ 9,953,243	$ 7,142,177	$ (8,239,388)	$ 8,856,032
Investment in CRF	4,697,351	410,000	(1,738,409)	3,368,942
Time restricted	2,195,930	3,331,728	(965,217)	4,562,441
Geographical	701,877	-	(701,877)	-
	$ 17,548,401	$ 10,883,905	$(11,644,891)	$ 16,787,415

Note 10 - Operating leases

In January of 2020, Kiva entered into an operating lease agreement for an office space in San Francisco. The lease term is for five years and the lease agreement calls for minimum monthly lease payments beginning at $40,102 with escalating rent payments beginning in March 2020, and increasing annually thereafter. In April 2017, Kiva entered into an operating lease agreement for office space in Nairobi, Kenya which is due to expire in March 2024.

Total lease expense, which includes Kiva's portion of common area expenses, amounted to $754,565 for the year ended June 30, 2023 and $1,100,756 for the 18-month period ended June 30, 2022.

Kiva also rents office space in Oregon, Thailand and Columbia on a month-to-month basis for approximately $25,000 a month, in the aggregate.

Other information related to the operating leases for the year ended June 30, 2023 is as follows:

Operating cash flows from operating leases	$ 530,675
ROU assets obtained in exchange for new operating lease liabilities	$ 1,423,896
Weighted-average remaining lease term in years for operating leases	1.74
Weighted-average discount rate for operating leases	2.85%

Note 10 - Operating leases (continued)

Future minimum lease payments required under the Organization's leases are as follows:

Year Ending June 30,	Amount
2024	$ 542,026
2025	406,213
Total future minimum lease payments	948,239
Less: present value discount	(22,128)
Total operating lease liability	926,111
Less: current portion of operating lease liability	(523,727)
	$ 402,384

For the 18-month period ended June 30, 2022, Kiva accounted for leases under the accounting guidance of FASB ASC Topic 840, requiring the disclosures of the future minimum operating lease payments as follows:

Year Ending June 30,	Amount
2023	$ 531,965
2024	543,350
2025	361,078
	$ 1,436,393

Note 11 - In-kind contributions

In fiscal year 2022, Kiva adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* using a retrospective method. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received.

Note 11 - In-kind contributions (continued)

The following table summarizes the categories of contributed nonfinancial assets and other required qualitative disclosures:

	Utilization in Programs/Activities	Valuation Techniques and Inputs	Amount: Year Ended June 30, 2023	Amount: 18-month Period Ended June 30, 2022
Bank Fees	Program support	Valuation is provided by the donor and is based on the price the Kiva would pay for similar service in the market.	$ 1,684,256	$ 2,719,774
Legal	Program and Management & General support	Valuation is provided by the donor and is based on the price the Kiva would pay for similar service in the market.	27,792	2,000,637
Marketing and Communication	Program support	Valuation is provided by the donor and is based on the price the Kiva would pay for similar service in the market.	141,218	166,277
Fraud Detection	Program support	Valuation is provided by the donor and is based on the price the Kiva would pay for similar service in the market.	21,073	28,407
			$ 1,874,339	$ 4,915,095

Note 12 - Related-party transactions

Kiva contracted with one current Board member in an executive level advisory role. The contract calls for payment of monthly fees. The agreement is reviewed and renewed by the Board on an annual basis. Kiva incurred approximately $150,000 and $200,000 under this contract during the year ended June 30, 2023 and 18-month period ended June 30, 2022, respectively.

Note 13 - Employee retirement plan

Kiva has a defined contribution 401(k) plan (the "Plan") for employees who meet certain service and eligibility requirements. Each eligible employee may elect to contribute to the Plan, and Kiva may make matching and/or discretionary contributions. All matching and/or discretionary contribution amounts fully vest when funded. During the year ended June 30, 2023 and 18-month period ended June 30, 2022, matching and discretionary contributions of $290,739 and $629,256 were made to the Plan, respectively.

Note 14 - Concentrations, risk and uncertainties

Credit risk is the failure of another party to perform in accordance with the contract terms. Financial instruments which potentially subject Kiva to concentrations of credit risk consist primarily of cash, government money market funds and pledges and grants receivable.

Kiva maintains its cash accounts with high-credit quality financial institutions. Kiva believes its credit policies do not result in significant adverse risk, and historically has not experienced significant credit-related losses.

At June 30, 2023, Kiva had outstanding receivables from two grantors representing 86% of pledges and grants receivable. At June 30, 2022, Kiva had outstanding receivables from one grantor representing 77% of pledges and grants receivable.

Lenders on Kiva’s platform face risk. These include the possibility that they will lose their principal if borrowers or Kiva’s lending partners fail to repay the loans. Lenders face potential currency risks and country-specific risks. The occurrence of catastrophic events (such as hurricanes, war, earthquakes, pandemic disease such as COVID-19, acts of terrorism and other catastrophes) could adversely affect loan performance. The extent to which the current armed conflict in Israel and the Gaza Strip may adversely impact outstanding loans receivable balances is uncertain.

The top cash exposures for outstanding loans receivable balances with lending partners that KUF has in its portfolio at June 30, 2023 and 2022 are as follows:

	As of June 30, 2023	% Cash Exposure
Negros Women for Tomorrow Foundation (NWTF)	$ 4,232,446	5.06%
Palestine for Credit & Development (FATEN)	4,159,051	4.97%
Juhudi Kilimo	3,100,665	3.71%
Humo	2,409,729	2.88%
IMON International	2,296,295	2.75%
CAURIE Microfinance	2,279,604	2.73%
Thanh Hoa Microfinance Institution	2,223,572	2.66%
One Acre Fund	2,027,431	2.42%
UGAFODE Microfinance	1,800,888	2.15%
Micredito	1,554,823	1.86%
Total	$ 26,084,504	31.19%

Note 14 - Concentrations, risk and uncertainties (continued)

	As of June 30, 2022	% Cash Exposure
Palestine for Credit & Development (FATEN)	$ 4,524,462	5.15%
Negros Women for Tomorrow Foundation (NWTF)	4,150,456	4.72%
Juhudi Kilimo	3,015,977	3.43%
Fundacion Paraguaya	2,590,195	2.95%
CAURIE Microfinance	2,429,115	2.76%
Bai Tushum Bank	2,411,874	2.74%
One Acre Fund	2,184,042	2.49%
IMON International	2,088,948	2.38%
Al Majmoua	2,001,388	2.28%
Humo	1,908,459	2.17%
Total	$ 27,304,916	31.07%

The top countries in terms of cash exposures for loans receivable balances with lending partners at June 30, 2023 and 2022 are as follows:

Country	# of Partners	% Active Lenders	As of June 30, 2023	% Cash Exposure
Kenya	28	9.1%	$ 8,538,629	10.2%
Philippines	5	1.6%	4,765,852	5.7%
Tajikistan	2	0.6%	4,706,023	5.6%
Palestine	1	0.3%	4,159,051	5.0%
Uganda	11	3.6%	3,635,434	4.3%
Ecuador	12	3.9%	3,461,220	4.1%
El Salvador	6	1.9%	2,882,122	3.4%
Senegal	3	1.0%	2,717,037	3.2%
Vietnam	4	1.3%	2,686,571	3.2%
Cambodia	7	2.3%	2,634,663	3.2%
Total	79	25.6%	$ 40,186,602	47.9%

Note 14 - Concentrations, risk and uncertainties (continued)

Country	# of Partners	% Active Lenders	As of June 30, 2022	% Cash Exposure
Kenya	27	9.2%	$ 8,627,872	9.8%
Philippines	5	1.7%	4,559,345	5.2%
Palestine	1	0.3%	4,524,462	5.1%
Tajikistan	2	0.7%	3,997,406	4.5%
Uganda	11	3.7%	3,629,179	4.1%
Ecuador	10	3.4%	3,369,488	3.8%
Lebanon	3	1.0%	3,209,192	3.7%
Rwanda	7	2.4%	2,886,408	3.3%
Senegal	3	1.0%	2,739,866	3.1%
Paraguay	3	1.0%	2,726,139	3.1%
Total	72	24.4%	$ 40,269,357	45.7%

As of June 30, 2023, total exposure to partners was $83,620,984 and 309 partners were active lenders. As of June 30, 2022, total exposure to partners was $87,876,837 and 295 partners were active lenders.

During the year ended June 30, 2023, the total defaulted loans amongst all partners was approximately $4,600,000 and the U.S. and Lebanon accounted for 33% and 30% of defaulted loans, respectively. During the 18-month period ended June 30, 2022, the total defaulted loans amongst all partners was approximately $5,500,000 and the U.S. and Kenya accounted for 29% and 9% of defaulted loans, respectively.

During the year ended June 30, 2023, the maximum loan amount authorized for borrowing under the Direct program was generally $15,000. However, KUF will authorize a loan amount that is larger than the maximum, based on an assessment of the borrower. As of June 30, 2023, there were thirteen Direct loans outstanding that exceeded $15,000. All of these loans were $25,000.

As of June 30, 2022, there were thirteen Direct loans outstanding that exceeded $15,000. Eleven loans were $25,000, one was $20,000, and one was $18,000.

Note 15 - Loans settleable to lenders (unaudited)

The following tables show the total outstanding loan balances for all loans purchased and funded that were being paid back by the borrowers as of June 30, 2023 and 2022. Outstanding loans include the full value of each loan, and reflect the amount of principal that has already been repaid by the borrower. KUF loans receivable reflects the initial loan principals net of repayments. However, it does not include currency exchange adjustments and loan refunds. As a result, KUF loans receivable is not an exact reflection of the amount expected to settle in cash.

	As of June 30, 2023	
	Lending Partners	Direct
KUF loans outstanding, gross	$ 175,633,391	$ 26,942,496
Less: Principal repayments	(92,012,407)	(10,818,545)
KUF loans receivable	$ 83,620,984	$ 16,123,951

	As of June 30, 2022	
	Lending Partners	Direct
KUF loans outstanding, gross	$ 181,054,604	$ 24,580,125
Less: Principal repayments	(93,177,768)	(8,303,771)
KUF loans receivable	$ 87,876,836	$ 16,276,354

Loan repayments are required to be made on a monthly basis per the terms of each loan agreement with lending partners and Direct borrowers. Kiva tracks loan delinquency for each lending partner and for the Direct program. As of June 30, 2023 and 2022, the following tables show total delinquent amounts and the number of days' delinquent.

	As of June 30, 2023	
	Field Partners	Direct
Outstanding - 30 days	$ 2,145,549	$ 296,089
Outstanding - 60 days	1,192,978	224,827
Outstanding - 90 days	713,020	233,638
Outstanding - 120 days	9,045,570	2,187,249
Total	$ 13,097,117	$ 2,941,803
Delinquency rate	15.66%	18.24%

Note 15 - Loans settleable to lenders (unaudited) (continued)

	As of June 30, 2022	
	Field Partners	Direct
Outstanding - 30 days	$ 1,988,968	$ 216,358
Outstanding - 60 days	1,017,637	150,895
Outstanding - 90 days	890,796	140,027
Outstanding - 120 days	12,705,152	1,373,115
Total	$ 16,602,553	$ 1,880,395
Delinquency rate	18.89%	11.55%

SUPPLEMENTARY INFORMATION

KIVA MICROFUNDS AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2023

Assets

	Kiva Microfunds	Kiva Capital Management, LLC	Kiva User Funds LLC	Kiva-DAF, LLC	Eliminations	Consolidated
Assets:						
Cash and cash equivalents	$ 11,797,560	$ 330,454	$ 59,532,822	$ 2,067,746	$ -	$ 73,728,582
Accounts receivable from KUF users	-	-	17,338	-	-	17,338
Loans receivable:						
Lending partners	-	-	83,620,984	-	-	83,620,984
U.S. Direct	-	-	16,123,951	-	-	16,123,951
Pledges and grants receivable, net of allowance and discounts	5,786,803	-	-	-	(5,203,358)	583,445
Due from affiliates	1,998,705	618,633	-	-	(2,008,294)	609,044
Prepaid expenses and other assets	593,216	-	-	-	-	593,216
Property and equipment, net of accumulated depreciation and amortization	76,161	-	-	-	-	76,161
Intangible assets, net of accumulated amortization	4,327,437	-	-	-	-	4,327,437
Operating lease right-of-use assets	869,830	-	-	-	-	869,830
Investment in Kiva Capital Management, LLC	(2,215,800)	-	-	-	2,215,800	-
Kiva-DAF, LLC - Donor-advised funds for microloans	-	-	-	7,310,846	(7,310,846)	-
Deposits	137,971	-	-	-	-	137,971
	$ 23,371,883	$ 949,087	$ 159,295,095	$ 9,378,592	$ (12,306,698)	$ 180,687,959

KIVA MICROFUNDS AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)

June 30, 2023

Liabilities and Net Assets

	Kiva Microfunds	Kiva Capital Management, LLC	Kiva User Funds LLC	Kiva-DAF, LLC	Eliminations	Consolidated
Liabilities:						
Accounts payable	$ 937,961	$ 44	$ -	$ -	$ -	$ 938,005
Accrued expenses	781,065	-	-	-	-	781,065
Accounts payable to lenders	-	-	4,821	-	-	4,821
Due to affiliate	9,589	-	1,492,705	-	(1,502,294)	-
Unsettled loan transactions	-	-	115,042,259	-	(4,957,495)	110,084,764
Funds held on behalf of users	-	-	42,381,390	-	(8,062,709)	34,318,681
Unredeemed Kiva Cards	-	-	373,920	-	-	373,920
Deferred revenue	315,194	-	-	1,999,846	-	2,315,040
Operating lease liabilities	926,111	-	-	-	-	926,111
Total liabilities	2,969,920	44	159,295,095	1,999,846	(14,522,498)	149,742,407
Net assets:						
Without donor restrictions	12,402,998	949,043	-	114,132	2,215,800	15,681,973
With donor restrictions	7,998,965	-	-	7,264,614	-	15,263,579
Total net assets	20,401,963	949,043	-	7,378,746	2,215,800	30,945,552
	$ 23,371,883	$ 949,087	$ 159,295,095	$ 9,378,592	$ (12,306,698)	$ 180,687,959

KIVA MICROFUNDS AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

	Kiva Microfunds			Kiva Capital Management, LLC			Kiva-DAF, LLC			Eliminations	Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:													
Online donations	$ 11,604,924	$ -	$ 11,604,924	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,604,924	$ -	$ 11,604,924
Auto-converted Kiva Cards	452,025	-	452,025	-	-	-	-	-	-	-	452,025	-	452,025
Auto-converted KUF user accounts	809,880	-	809,880	-	-	-	-	-	-	-	809,880	-	809,880
Foundation contributions	905,718	2,480,512	3,386,230	-	-	-	-	-	-	-	905,718	2,480,512	3,386,230
Corporate contributions	2,280,005	1,055,927	3,335,932	-	-	-	457,665	1,862,730	2,320,395	-	2,737,670	2,918,657	5,656,327
Individual contributions	1,521,101	-	1,521,101	-	-	-	-	10,000	10,000	-	1,521,101	10,000	1,531,101
Operating contributions	1,611,638	-	1,611,638	-	-	-	-	-	-	(1,270,519)	341,119	-	341,119
Management fees/fee-for-service	4,577,200	-	4,577,200	1,112,301	-	1,112,301	-	-	-	-	5,689,501	-	5,689,501
In-kind contributions	1,874,339	-	1,874,339	-	-	-	-	-	-	-	1,874,339	-	1,874,339
Interest income	2,345,421	-	2,345,421	58,115	-	58,115	67,900	-	67,900	-	2,471,436	-	2,471,436
Currency gain (loss)	1,456,586	-	1,456,586	-	-	-	(95,634)	-	(95,634)	-	1,360,952	-	1,360,952
Reduction in California Rebuilding Fund, LLC equity	-	(3,368,942)	(3,368,942)	-	-	-	-	-	-	-	-	(3,368,942)	(3,368,942)
Other income	31,754	-	31,754	493	-	493	-	-	-	-	32,247	-	32,247
Net assets released from restrictions	1,949,082	(1,949,082)	-	-	-	-	1,614,981	(1,614,981)	-	-	3,564,063	(3,564,063)	-
Total revenue and support	31,419,673	(1,781,585)	29,638,088	1,170,909	-	1,170,909	2,044,912	257,749	2,302,661	(1,270,519)	33,364,975	(1,523,836)	31,841,139
Functional expenses:													
Program services	25,333,827	-	25,333,827	159,554	-	159,554	1,977,012	-	1,977,012	(1,270,519)	26,199,874	-	26,199,874
Management and general	5,668,478	-	5,668,478	-	-	-	-	-	-	-	5,668,478	-	5,668,478
Fundraising	2,514,062	-	2,514,062	-	-	-	-	-	-	-	2,514,062	-	2,514,062
Total functional expenses	33,516,367	-	33,516,367	159,554	-	159,554	1,977,012	-	1,977,012	(1,270,519)	34,382,414	-	34,382,414
Change in net assets	(2,096,694)	(1,781,585)	(3,878,279)	1,011,355	-	1,011,355	67,900	257,749	325,649	-	(1,017,439)	(1,523,836)	(2,541,275)
Net assets:													
Beginning of period	14,499,692	9,780,550	24,280,242	2,153,488	-	2,153,488	46,232	7,006,865	7,053,097	-	16,699,412	16,787,415	33,486,827
Distribution to KMF	-	-	-	(2,215,800)	-	(2,215,800)	-	-	-	2,215,800	-	-	-
End of period	$ 12,402,998	$ 7,998,965	$ 20,401,963	$ 949,043	$ -	$ 949,043	$ 114,132	$ 7,264,614	$ 7,378,746	$ 2,215,800	$ 15,681,973	$ 15,263,579	$ 30,945,552

See accompanying independent auditor’s report and notes to consolidated financial statements.

KIVA MICROFUNDS AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF CASH FLOWS

Year Ended June 30, 2023

	Kiva Microfunds	Kiva Capital Management, LLC	Kiva User Funds LLC	Kiva-DAF, LLC	Eliminations	Consolidated
Cash flows from operating activities:						
Change in net assets	$ (3,878,279)	$ 1,011,355	$ -	$ 325,649	$ -	$ (2,541,275)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:						
Depreciation and amortization	2,918,063	-	-	-	-	2,918,063
Non-cash operating lease expense	544,150	-	-	-	-	544,150
Reduction in California Rebuilding Fund, LLC equity	3,368,942	-	-	-	-	3,368,942
Changes in operating assets and liabilities:						
Pledges and grants receivable, net of allowance and discounts	(506,591)	-	-	-	246,017	(260,574)
Due from affiliates	(803,733)	448,945	-	-	597,522	242,734
Prepaid expenses, other assets, and deposits	478,869	-	-	-	-	478,869
Accounts payable	(582,345)	44	-	-	-	(582,301)
Accrued expenses	(408,949)	-	-	-	-	(408,949)
Due to affiliate	(306,436)	-	-	-	206,211	(100,225)
Deferred revenue	(140,549)	-	-	(207,665)	-	(348,214)
Operating lease liability	(530,675)	-	-	-	-	(530,675)
Net cash provided by operating activities	152,467	1,460,344	-	117,984	1,049,750	2,780,545
Cash flows from investing activities:						
Increase in donor-advised funds for microloans, net of repayments	-	-	-	(257,749)	(257,749)	(515,498)
Capitalization of website and internet platform software development costs	(3,563,649)	-	-	-	-	(3,563,649)
Net cash used in investing activities	(3,563,649)	-	-	(257,749)	(257,749)	(4,079,147)

KIVA MICROFUNDS AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF CASH FLOWS (CONTINUED)

Year Ended June 30, 2023

	Kiva Microfunds	Kiva Capital Management, LLC	Kiva User Funds LLC	Kiva-DAF, LLC	Eliminations	Consolidated
Cash flows from financing activities:						
Distributions from KCM	2,215,800	(2,215,800)	-	-	-	-
KUF activities:						
Accounts receivable from users	-	-	8,582	-	-	8,582
Accounts payable to lenders	-	-	(191,609)	-	-	(191,609)
Due to affiliate	-	-	297,734	-	(297,734)	-
Unsettled loan transactions	-	-	(4,684,918)	-	(752,016)	(5,436,934)
Fund held on behalf of users	-	-	992,042	-	257,749	1,249,791
Unredeemed Kiva Cards	-	-	(242,720)	-	-	(242,720)
Deployment of user loans	-	-	(39,269,767)	-	-	(39,269,767)
Repayments from lending partners	-	-	43,678,023	-	-	43,678,023
Net cash provided by (used in) financing activities	2,215,800	(2,215,800)	587,367	-	(792,001)	(204,634)
Net increase (decrease) in cash and cash equivalents	(1,195,382)	(755,456)	587,367	(139,765)	-	(1,503,236)
Cash and cash equivalents, beginning of period	12,992,942	1,085,910	58,945,455	2,207,511	-	75,231,818
Cash and cash equivalents, end of period	$ 11,797,560	$ 330,454	$ 59,532,822	$ 2,067,746	$ -	$ 73,728,582

KIVA MICROFUNDS AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF CASH FLOWS (CONTINUED)

Year Ended June 30, 2023

	Kiva Microfunds	Kiva Capital Management, LLC	Kiva User Funds LLC	Kiva-DAF, LLC	Eliminations	Consolidated
Reconciliation of cash and cash equivalents with amounts reported on the consolidated statement of financial position:						
Cash and cash equivalents - Kiva and KCM	$ 11,797,560	$ 330,454	$ -	$ -	$ -	$ 12,128,014
Cash and cash equivalents - KUF	-	-	59,532,822	-	-	59,532,822
Cash and cash equivalents - KDAF	-	-	-	2,067,746	-	2,067,746
	$ 11,797,560	$ 330,454	$ 59,532,822	$ 2,067,746	$ -	$ 73,728,582
Supplemental cash flows information:						
Cash paid during the year:						
Franchise taxes	$ 9,215	$ 300	$ -	$ -	$ -	$ 9,515