

E4E RELIEF LLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2024

And Report of Independent Auditor

E4E RELIEF LLC
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Report of Independent Auditor

To the Board of Managers
E4E Relief LLC
Charlotte, North Carolina

Opinion

We have audited the accompanying consolidated statement of financial position of E4E Relief LLC (the “Organization”) as of December 31, 2024, and the related notes to the consolidated financial statement.

In our opinion, the consolidated statement of financial position referred to above presents fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2024 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statement* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statement

Management is responsible for the preparation and fair presentation of the consolidated financial statement 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 the consolidated financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization’s ability to continue as a going concern within one year after the date the consolidated financial statement is available to be issued.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statement

Our objectives are to obtain reasonable assurance about whether the consolidated financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statement.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statement, 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 statement.
- 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 the Organization'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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Cherry Bekaert LLP

Charlotte, North Carolina
September 29, 2025

E4E RELIEF LLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

ASSETS

Cash and cash equivalents	\$ 10,429,001
Due from related party	78,558
Investments	71,392,836
Internally developed software, net	2,663,740
Operating lease right-of-use asset	1,571,314
Other assets	114,040
Total Assets	\$ 86,249,489

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$ 663,918
Grants payable	280,811
Accrued liabilities	2,550,928
Deferred revenue	1,782,007
Operating lease liability	1,680,547
Other liabilities	795,023
Total Liabilities	7,753,234

Net Assets:

Without Donor Restrictions:

Undesignated	11,645,276
Invested in software and leases	2,554,507
Total Without Donor Restrictions	14,199,783

With Donor Restrictions:

Restricted for disaster and hardship	51,461,089
Restricted for scholarships and grants	9,666,424
Restricted for technology and data analysis	3,168,959
Total With Donor Restrictions	64,296,472

Total Net Assets 78,496,255

Total Liabilities and Net Assets **\$ 86,249,489**

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

E4E RELIEF LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

DECEMBER 31, 2024

Note 1—Nature of the operations and summary of significant accounting policies

Description of the Organization – E4E Relief LLC, (the “Organization”) is a not-for-profit organization, organized exclusively to provide emergency financial relief to individuals affected by disasters and hardships. The Organization is an affiliate of Foundation For The Carolinas (“FFTC”).

The consolidated financial statement includes the accounts of the Organization and its wholly-owned subsidiary, Stakeholder Relief Services, PBC (“SRS”), which is subject to income tax. SRS is incorporated as a Public Benefit Corporation (“PBC”) intended to provide services and support to people around the world who are negatively impacted by natural or human caused events or unanticipated personal circumstances and challenges. SRS had minimal activity during the year ended December 31, 2024 and is viewed effectively as a dormant entity.

All significant intercompany balances and transactions have been eliminated in consolidation. Unless separately designated, the entities are collectively referred to as the “Organization”.

Basis of Accounting – The accompanying consolidated financial statements has been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Financial Accounting Standards Board (“FASB”) has established the Accounting Standards Codification (“ASC”) as the source of authoritative accounting principles to be applied in the preparation of financial statement in accordance with U.S. GAAP. Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets are classified and reported as follows:

Net Assets Without Donor Restriction – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the Board of Directors.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Deferred Revenue – Program Administration and Processing fees are billed periodically based on the Fund agreement. Revenue is recognized over the period of service during which the goods or services were provided. Amounts billed in advance are deferred and recorded as revenue in the period to which they relate. As of December 31, 2024, the deferred revenue was \$1,782,007. Deferred revenue as of January 1, 2024 was \$1,610,839.

Cash and Cash Equivalents – The Organization considers short-term investments with original maturities of three months or less to be cash equivalents, except for those short-term investments managed as part of investment management strategies.

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued in the accompanying consolidated statement of financial position at their fair value. Fair value is determined by reference to exchange or dealer-quoted market prices. If a quoted market price is not available, fair value is estimated using quoted market prices for similar investment securities.

Internally Developed Software – The Organization’s software development costs are accounted for in accordance with ASC 350-40, *Internal-Use Software*. Costs incurred in the preliminary stages of the development are expensed as incurred. Once an application has reached the application development stage, internal and external costs, if direct and incremental, are capitalized until the software is substantially complete and ready for its intended use. The Organization has determined the useful life of its internally developed software is three years. Capitalized software costs will be amortized on a straight-line basis.

E4E RELIEF LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

DECEMBER 31, 2024

Note 1—Nature of the operations and summary of significant accounting policies (continued)

Leases – Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Renewal and termination clauses that are factored into the determination of the lease term, if it is reasonably certain these options would be exercised by the Organization. Lease assets are amortized over the lease term. In order to determine the present value of lease payments, the Organization uses the implicit rate when it is readily determinable. As most of the Organization’s leases do not provide an implicit rate, management uses the risk-free rate to determine the present value of lease payments.

Use of Estimates – The preparation of accompanying consolidated financial statement in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of any contingent assets and liabilities at the date of the consolidated financial statement. Actual results could significantly differ from these estimates.

Income Taxes – E4E Relief LLC is exempt from federal income taxes under Section 501(c)(6) and Section 501(c)(3), respectively, of the Internal Revenue Code (the “Code”). E4E Relief LLC is liable for federal and state taxes on any unrelated business income, as defined in the Code. Stakeholder Relief Services, PBC, is subject to income tax; however, the entity had immaterial transactions during the year. Therefore, any income tax expense would be immaterial to the consolidated financial statements. Stakeholder Relief Services, PBC is subject to examinations by tax authorities for three years.

The Organization follows FASB guidance on *Accounting for Uncertainty in Income Taxes*. The Organization’s policy is to record a liability for any tax position taken that is beneficial to the Organization, including any related interest and penalties, when it is more likely than not the position taken by management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of December 31, 2024; accordingly, no liability has been accrued.

Note 2—Liquidity and availability of resources

Financial assets available for general expenditure within one year of the consolidated statement of financial position sheet date, comprise the following:

Financial assets at year-end:	
Cash and cash equivalents	\$ 10,429,001
Due from related party	78,558
Investments	<u>71,392,836</u>
Total financial assets	<u>81,900,395</u>
Less amounts not available to be used for general expenditures within one year:	
Restricted for disaster and hardship	51,461,089
Restricted for scholarships and grants	9,666,424
Restricted for technology and data analysis	<u>3,168,959</u>
Financial assets not available to be used within one year	<u>64,296,472</u>
Financial assets available to meet general expenditures within one year	<u>\$ 17,603,923</u>

As part the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization invests cash in excess of daily requirements in short-term investments and money market funds. The Organization also has a line of credit with a capacity \$4,500,000, as further disclosed in Note 7.

E4E RELIEF LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 3—Investments

The following is a summary of investments as of December 31, 2024:

Investments:

Cash and money market funds	\$ 1,225,712
Fixed income	<u>70,167,124</u>
Total investments	<u>\$ 71,392,836</u>

Note 4—Internally developed software, net

The following is a summary of internally developed software as of December 31, 2024:

Internally developed software	\$ 5,225,277
Less accumulated depreciation	<u>(2,561,537)</u>
	<u>\$ 2,663,740</u>

Amortization expense for the year ended December 31, 2024 was \$1,711,558.

Note 5—Fair value measurements of asset and liabilities

In accordance with guidance on fair value measurements for financial instruments, fair value is defined as the price the Organization would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market, the most advantageous market for the investment or liability. The fair value guidance establishes a three-tier hierarchy to distinguish between: (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. The inputs are summarized in the three levels listed below:

Level 1 – Quoted prices in active markets that are accessible at the measurement date for identical securities.

Level 2 – Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable either directly or indirectly.

Level 3 – Prices or valuations that require using significant unobservable inputs in determining fair value. The inputs into the determination of fair value require significant judgment or estimation by the investment manager.

E4E RELIEF LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

DECEMBER 31, 2024

Note 5—Fair value measurements of asset and liabilities (continued)

The following table summarizes the valuation of the Organization’s investments measured at fair value on a recurring basis at December 31, 2024:

	Fair Value Measurements			
	Total	Level 1	Level 2	Level 3
Investments:				
Cash and money market funds	\$ 1,225,712	\$ 1,225,712	\$ -	\$ -
Fixed income	70,167,124	-	70,167,124	-
Total investments	<u>\$ 71,392,836</u>	<u>\$ 1,225,712</u>	<u>\$ 70,167,124</u>	<u>\$ -</u>

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There have been no changes in the methodologies used at December 31, 2024.

Note 6—Operating leases

The Organization leases office space under an agreement accounted for as operating lease. The agreement expires in July 2028.

Future minimum lease payments, by year and in the aggregate, under noncancelable operating lease with initial or remaining terms of one year or more at December 31, 2024 are as follows:

<u>Years Ending December 31,</u>	
2025	\$ 487,706
2026	504,776
2027	522,443
2028	<u>308,233</u>
Total undiscounted cash flows	1,823,158
Less present value discount	<u>(142,611)</u>
Total operating lease liabilities	<u>\$ 1,680,547</u>

Required supplemental information relating to leases for the year ended December 31, 2024 is as follows:

Amortization of ROU assets	\$ 292,337
Interest on lease liabilities	55,189
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	238,293
Weighted-average remaining lease term for operating leases	3.58
Weighted-average discount rate for operating leases	4.64%

E4E RELIEF LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

DECEMBER 31, 2024

Note 7—Line of credit

In June 2023, the Organization entered into a promissory note with FFTC to make available maximum borrowings up to \$4,500,000. The revolving credit loan will bear interest at 4.25% and expires in June 2030. The Organization may extend the note two additional years by mutual agreement in writing. There are no outstanding borrowings under this agreement at December 31, 2024.

Note 8—Retirement plans

The Organization participates in FFTC's plan that covers all eligible employees, as defined. The Organization makes contributions on behalf of each employee based on age. The Organization's contribution to this plan was \$762,341 during 2024.

Note 9—Related party

As of December 31, 2024, the Organization has a due from FFTC of \$78,558, and is included in the accompanying consolidated statement of financial position.

Note 10—Concentration of credit risk and other concentrations

The Organization places its cash and cash equivalents on deposit with financial institutions in the United States of America. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. The Organization from time to time may have amounts on deposit in excess of the insured limits.

E4E Relief operates in a stand-ready state to provide direct financial assistance to individuals experiencing unexpected financial crisis due to disaster or hardship events. Disaster events are highly unpredictable (e.g., hurricanes) and can significantly impact financial performance from year to year based on the magnitude and geographic location of each event and its overlay with where eligible applicants reside. Eligible applicants are determined on a fund-by-fund basis. In 2024, 74% of awards distributed by the Organization were related to disaster events. As liquidity controls are maintained on a fund-by-fund basis, contributions typically vary consistently with award distributions.

Note 11—Subsequent events

In July 2025, the Organization declared and distributed a dividend of \$1,250,000.

The Organization has evaluated subsequent events through September 29, 2025, in connection with the preparation of these consolidated financial statements, which is the date the consolidated financial statements were available to be issued.