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January 27, 2023

To the Board of Directors
PIVOT Works, Inc.
800 Boylston St, Suite 300
Boston, Massachusetts 02199

We have audited the financial statements of PIVOT Works, Inc. (the Organization) as of and for the year ended September 30, 2022, and have issued our report thereon dated January 27, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information through our Engagement Services Agreement accepted on March 07, 2018 and the Annual Service Confirmation letter dated November 15, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2022.

We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the allocation of functional expenses, the estimated useful lives of property and equipment. We evaluated the key factors and assumptions used to develop these estimates in determining they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosures affecting the financial statements were availability and liquidity, and the classification and reporting of net assets. We evaluated key issues and judgments used to develop these disclosures in determining that they are reasonable to be included in the financial statements.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached *Appendix A* summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 27, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of PIVOT Works, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Baker Tilly US, LLP

Appendix A: Misstatements Uncorrected by Management

Number	Date	Account No	Name	Reference	Annotation	Debit	Credit
1	9/30/2022	8471	PROGRAM EXPENSES:Infrastructure costs:Cor	E105		12,496.00	
1	9/30/2022	1430X	MADA Inventory asset	E105			12,496.00
To properly state the inventory balance at year end.							
2	9/30/2022	3060	Restricted net assets	C105		27,718.00	
2	9/30/2022	1200	Receivables	C105			27,718.00
To correct beginning net assets and receivables for removal of receivable of Ariadne Labs.							
21	9/30/2022	BT-4000	Other Income	C205		49,000.00	
21	9/30/2022	MFA-3000	Net Assets Unrestricted	C205			49,000.00
To remove the employee retention credit that pertains to fiscal year ended 9/30/2021							

PIVOT Works, Inc.

Financial Statements

September 30, 2022 and 2021

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Independent Auditors' Report

To the Board of Directors
PIVOT Works, Inc.

Opinion

We have audited the accompanying financial statements of PIVOT Works, Inc. (the Organization), which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, 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 that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 financial statements.

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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 financial statements.
- 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.

Baker Tilly US, LLP

Baker Tilly US, LLP
Tewksbury, Massachusetts
January 27, 2023

September 30	2022	2021
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 5,278,741	\$ 3,484,005
Current Portion of Contributions Receivable	441,883	657,863
Prepaid Goods and Supplies	524,878	512,149
Prepaid Expenses and Other Current Assets	79,779	117,478
Total Current Assets	6,325,281	4,771,495
Certificate of Deposit	-	25,200
Contributions Receivable, Net of Current Portion	-	262,500
Property and Equipment, Net of Accumulated Depreciation	168,004	165,098
Other Assets	2,703	2,862
Total Assets	\$ 6,495,988	\$ 5,227,155
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	\$ 273,789	\$ 243,231
Accrued Expenses	278,076	332,900
Total Current Liabilities	551,865	576,131
Net Assets:		
Net Assets without Donor Restrictions	5,427,652	4,103,938
Net Assets with Donor Restrictions	516,471	547,086
Total Net Assets	5,944,123	4,651,024
Total Liabilities and Net Assets	\$ 6,495,988	\$ 5,227,155

Statements of Activities
PIVOT Works, Inc.
For the Years Ended September 30
2022
2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Activities:						
Revenue and Other Support:						
Contributions	\$ 6,835,029	\$ 724,861	\$ 7,559,890	\$ 5,812,752	\$ 811,779	\$ 6,624,531
Other Income	6,601	-	6,601	-	-	-
Net Assets Released from Restriction	755,476	(755,476)	-	693,136	(693,136)	-
Total Revenue and Other Support	7,597,106	(30,615)	7,566,491	6,505,888	118,643	6,624,531
Operating Expenses:						
Program Services:						
Madagascar Healthcare Services	4,922,070	-	4,922,070	5,142,530	-	5,142,530
Research	501,350	-	501,350	546,983	-	546,983
Total Program Services	5,423,420	-	5,423,420	5,689,513	-	5,689,513
General and Administrative	494,701	-	494,701	266,692	-	266,692
Fundraising	264,442	-	264,442	212,398	-	212,398
Total Operating Expenses	6,182,563	-	6,182,563	6,168,603	-	6,168,603
Increase (Decrease) in Net Assets from Operations	1,414,543	(30,615)	1,383,928	337,285	118,643	455,928
Nonoperating Activities:						
Foreign Currency Transaction Loss	(102,814)	-	(102,814)	(74,331)	-	(74,331)
Interest Income	11,985	-	11,985	1,372	-	1,372
Gain on Sale of Investments in Privately-Held Securities	-	-	-	235,639	-	235,639
Gain on Extinguishment of Long-Term Debt - Paycheck Protection Program	-	-	-	107,572	-	107,572
Total Nonoperating Activities	(90,829)	-	(90,829)	270,252	-	270,252
Increase (Decrease) in Net Assets	1,323,714	(30,615)	1,293,099	607,537	118,643	726,180
Net Assets, Beginning of Year	4,103,938	547,086	4,651,024	3,496,401	428,443	3,924,844
Net Assets, End of Year	\$ 5,427,652	\$ 516,471	\$ 5,944,123	\$ 4,103,938	\$ 547,086	\$ 4,651,024

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

For the Year Ended September 30

2022

	Program Services			General and Administrative	Fundraising	Total
	Madagascar Healthcare Services	Research	Total Program Services			
Salaries and Related Program Operations	\$ 2,166,837	\$ 370,157	\$ 2,536,994	\$ 194,411	\$ 163,302	\$ 2,894,707
Travel, Relocation and Housing	1,721,279	42,886	1,764,165	75,481	5,621	1,845,267
Office Expenses	389,468	27,638	417,106	39,282	44,868	501,256
Professional Fees	263,118	15,888	279,006	62,296	44,179	385,481
Occupancy	160,400	32,250	192,650	57,598	3,661	253,909
Depreciation	99,452	4,393	103,845	36,322	1,762	141,929
Recruitment and Training	62,993	6,786	69,779	16,142	472	86,393
Other Expense	57,306	1,312	58,618	12,742	565	71,925
	1,217	40	1,257	427	12	1,696
Total	\$ 4,922,070	\$ 501,350	\$ 5,423,420	\$ 494,701	\$ 264,442	\$ 6,182,563

For the Year Ended September 30

2021

	Program Services			General and Administrative	Fundraising	Total
	Madagascar Healthcare Services	Research	Total Program Services			
Salaries and Related	\$ 2,165,094	\$ 308,420	\$ 2,473,514	\$ 106,807	\$ 171,886	\$ 2,752,207
Program Operations	2,039,108	169,919	2,209,027	48,305	2,301	2,259,633
Travel, Relocation and Housing	231,676	8,546	240,222	6,725	477	247,424
Office Expenses	299,645	19,167	318,812	33,918	16,277	369,007
Professional Fees	195,346	30,595	225,941	35,631	18,923	280,495
Occupancy	106,933	4,434	111,367	24,651	2,017	138,035
Depreciation	87,803	5,740	93,543	9,379	447	103,369
Recruitment and Training	11,384	117	11,501	925	53	12,479
Other Expense	5,541	45	5,586	351	17	5,954
Total	\$ 5,142,530	\$ 546,983	\$ 5,689,513	\$ 266,692	\$ 212,398	\$ 6,168,603

For the Years Ended September 30	2022	2021
Cash Flows from Operating Activities:		
Increase in Net Assets	\$ 1,293,099	\$ 726,180
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	86,393	103,369
Gain on Sale of Investments in Privately-Held Securities	-	(235,639)
Loss on Disposal of Property and Equipment	-	18,119
Gain on Extinguishment of Long-Term Debt - Paycheck Protection Program	-	(107,572)
Change in Contributions Receivable	478,480	(697,592)
Change in Prepaid Goods and Supplies	(12,729)	(219,511)
Change in Prepaid Expenses and Other Current Assets	37,699	16,417
Change in Accounts Payable	30,558	58,302
Change in Accrued Expenses	(54,824)	145,723
Net Cash Provided by (Used in) Operating Activities	1,858,676	(192,204)
Cash Flows from Investing Activities:		
Acquisition of Property and Equipment	(89,299)	(43,460)
Maturity of Certificates of Deposit	25,200	500
Change in Other Assets	159	57
Proceeds from Sale of Investments in Privately-Held Securities	-	345,898
Net Cash (Used in) Provided by Investing Activities	(63,940)	302,995
Net Increase in Cash and Cash Equivalents	1,794,736	110,791
Cash and Cash Equivalents, Beginning of Year	3,484,005	3,373,214
Cash and Cash Equivalents, End of Year	\$ 5,278,741	\$ 3,484,005

Supplemental Disclosure of Noncash Investing Activities:

During the year ended September 30, 2021, the Organization disposed of property and equipment with an original cost of \$27,704 and accumulated depreciation of \$9,585, resulting in a loss on disposal in the amount of \$18,119.

1. Organization and Summary of Significant Accounting Policies:

Nature of Organization: PIVOT Works, Inc. (the Organization) is a nonprofit organization incorporated on August 16, 2013 under the laws of the Commonwealth of Massachusetts. The Organization provides healthcare services in Madagascar. In Madagascar, the Organization combines a moral agenda of rights-based healthcare with the practical goals of Health System Strengthening (HSS) at three critical levels of the health system: community health workers, health centers and district hospitals. Substantial resources are dedicated to strengthening and maintaining essential health system infrastructure, such as medical facilities, equipment, personnel, ambulances and dispensaries.

The Organization also has a research program that focuses on measuring the disease burden in the population outside of the health facilities. In some instances, the research efforts are also directed to basic science questions that have long-term potential to contribute to a basic understanding of underlying causes of poverty and disease.

Basis of Presentation: The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification (ASC) and Accounting Standards Updates (ASU) of the Financial Accounting Standards Board (FASB).

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors. Net assets without donor restrictions include net assets designated by the board for specific purposes.

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 or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Measure of Operations: The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing healthcare and research services and activities. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Fair Value Measurements: The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

1. Organization and Summary of Significant Accounting Policies (Continued):

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Foreign Currency Reporting: Foreign currency transaction gains and losses result from exchange rate fluctuations on transactions denominated in a currency other than the Organization's functional currency. The foreign currency transaction gain (loss) is recorded in other income in the accompanying statements of activities.

Revenue Recognition: Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Revenue represents amounts derived from donated goods and services, and contributions.

Revenue is recognized when control of the goods and services provided is transferred to the Organization's customers and in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods and services using the following steps: 1) identification of the contract, or contracts with a customer, 2) identification of performance obligations in the contract, 3) determination of the transaction price, 4) allocation of the transaction price to the performance obligations in the contract and 5) recognition of revenue when or as the Organization satisfies the performance obligations.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long contributed assets must be used are recorded as net assets with donor restrictions. Otherwise, the contributions are recorded as net assets without donor restrictions.

Contributions of services are reported as revenue and expenses without donor restrictions at the fair value of the service received only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. Contributions of goods and space to be used in program operations are reported as revenue and expenses without donor restrictions at the time the goods or space is received.

The Organization must determine whether a contribution (or a promise to give) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. The Organization cannot consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

1. Organization and Summary of Significant Accounting Policies (Continued):

Cash and Cash Equivalents: The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization considers such highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Certificates of Deposit: The Organization's cash management program also provides for investment of excess cash in certificates of deposits with an original maturity of greater than three months when purchased.

Investments: The Organization accounts for donated investments in privately held securities in companies where its equity interest is below 20% and the Organization cannot exercise significant influence over the company, under the cost method. Investment income or loss on investments in publicly traded companies (including realized and unrealized gains and losses on investments, interest and dividends) is included in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Concentrations of Credit Risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash, cash equivalents, certificates of deposit and contributions receivable. The Organization maintains its cash, cash equivalents and certificates of deposit with high-credit quality financial institutions. The Organization believes it is not exposed to any significant losses due to credit risk on cash, cash equivalents and certificates of deposit. Contributions receivable are carried at amounts based upon management's judgment of potential defaults. Management identifies troubled receivables balances by assessing of the donor's credit worthiness. As of September 30, 2022 and 2021, management has determined all receivables are collectible and an allowance for doubtful accounts is not necessary.

Property and Equipment: Property and equipment are recorded at cost on the date of acquisition. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, as follows:

Furniture and Fixtures	5 Years
Motor Vehicles	5 Years
Computer Software	3 Years

Impairment of Long-Lived Assets: It is required that long-lived assets be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. As of September 30, 2022 and 2021, the Organization has determined that there have been no significant events or changes in circumstances that would trigger impairment testing of the Organization's long-lived assets.

Functional Allocation of Expenses: The costs of providing the Organization's program and other activities have been summarized on a functional basis in the statements of activities. Expenses related directly to program services or supporting activities are charged directly while other expenses that are common to several functions are allocated based on management's estimates, among major classes of programs services and supporting activities.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and Related	Time and Effort
Occupancy	Employee Headcount

1. Organization and Summary of Significant Accounting Policies (Continued):

Income Taxes: The Organization is a nonprofit Organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Organization's exempt function. The Organization may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Organization's exempt function. As of September 30, 2022 and 2021, management believes that the Organization has not generated any unrelated business taxable income.

The Organization assesses the recording of uncertain tax positions by evaluating the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the financial statements. The Organization's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its statements of activities. The Organization has not recognized any liabilities for uncertain tax positions or unrecognized benefits as of September 30, 2022 and 2021. The Organization does not expect any material change in uncertain tax benefits within the next 12 months.

Use of Estimates: Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance with GAAP. Actual results experienced by the Organization may differ from those estimates.

Reclassifications: The Organization reclassified prepaid goods and supplies in the amount of \$512,149 from prepaid expenses and other current assets in the accompanying statements of financial position as of September 31, 2021 to conform with the presentation of the statements of financial position as of September 30, 2022.

The Organization also reclassified certain expense allocations on the accompanying statements of functional expenses for the year ended September 30, 2021 to conform with the presentation of the statements of functional expenses for the year ended September 30, 2022.

Subsequent Events: Management has evaluated subsequent events spanning the period from September 30, 2022 through January 27, 2023, the date the financial statements were available to be issued.

2. Availability and Liquidity:

The following reflects the Organization's financial assets as of September 30, 2022 and 2021, reduced by amounts not available for general use within one year of September 30, 2022 and 2021 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year and Period, Respectively:	2022	2021
Cash and Cash Equivalents	\$ 5,278,741	\$ 3,484,005
Contributions Receivable	441,883	920,363
Certificate of Deposit	-	25,200
Total Financial Assets at End of Year and Period, Respectively	5,720,624	4,429,568
Less: Amounts Unavailable for General Expenditures within One Year:		
Due to Contractual or Donor-Imposed Restriction:		
Restricted by Donor with Time or Purpose Restrictions	516,471	547,086
Board Designations:		
Board Designated Capital Fund and Emergency Reserve	267,685	180,063
	784,156	727,149
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	\$ 4,936,468	\$ 3,702,419

As part of 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 may come due.

3. Contributions Receivable:

Contributions receivable as of September 30, 2022 and 2021 consists of the following:

	<u>2022</u>	<u>2021</u>
Receivable in Less than One Year	\$ 441,883	\$ 657,863
Receivable in One to Five Years	-	262,500
	<u>\$ 441,883</u>	<u>\$ 920,363</u>

4. Conditional Contributions:

During June 2021, the Organization became party to two conditional grants totaling \$750,000. The grants are expected to be paid over a two-year period in the amount of \$375,000 per year, beginning in 2021 and going through 2022. Since these grants represented a conditional promise to give, they were not recorded as contribution revenue until donor conditions were substantially met. As of each of the years ended September 30, 2022 and 2021, \$375,000 of these grants were collected, subject to conditions of the grants. As of September 30, 2022, all funds have been recognized and none of these conditional grants remain.

5. Investments:

During the year ended September 30, 2022, the Organization received donated stock of a publicly traded company valued at \$60,117 and sold the stock for gross proceeds of \$67,554. For the year ended September 30, 2022, The Organization recognized contributions of \$67,554 in the accompanying statements of activities. For the year ended September 30, 2022, management determined that the gain on the settlement was deemed immaterial to the financial statements.

At various dates between December 2015 and May 2017, the Organization received donated shares of closely-held Series B preferred stock of a privately-held company. As of September 30, 2020, the cost basis of the Series B preferred stock amounted to \$110,259. During January 2021, the Organization sold the shares of Series B preferred stock for cash proceeds of \$345,898, resulting in gain of \$235,639, which is included in the accompanying statements of activities for the year ended September 30, 2021.

6. Prepaid Goods and Supplies:

The Organization purchases and receives certain goods and supplies to be distributed into the Organization program activities. The Organization records the receipts of goods as prepaid goods in the accompanying statements of financial position and expenses when such goods are donated to specific programs. As of September 30, 2022 and 2021, prepaid goods and supplies amounted to \$524,878 and \$512,149, respectively, and are included in prepaid goods and supplies in the accompanying statements of financial position.

7. Property and Equipment:

Property and equipment as of September 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Motor Vehicles	\$ 604,566	\$ 599,868
Furniture and Fixtures	365,156	326,951
Computer Software	59,135	12,739
	<u>1,028,857</u>	<u>939,558</u>
Less: Accumulated Depreciation	<u>860,853</u>	<u>774,460</u>
	<u>\$ 168,004</u>	<u>\$ 165,098</u>

Depreciation expense for the years ended September 30, 2022 and 2021 amounted to \$86,393 and \$103,369, respectively.

8. Long-Term Debt - Paycheck Protection Program:

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was enacted and signed into law to provide certain aid and stimulus to the U.S. economy. The Organization qualifies as a small business under the CARES Act and submitted a loan application with a qualified lender for funding under the Paycheck Protection Program (PP), administered by the Small Business Association (ASA).

On April 10, 2020, the Organization's application with the lender was approved and as a result, the Organization obtained a loan (PP Loan) in the amount of \$107,572. The PP Loan bore fixed interest at 1.00% per annum, which began accruing from the date of the loan, and was set to mature on April 10, 2022. The PP loan was unsecured and guaranteed by the ASA. The PP Loan was eligible to be forgiven provided the Organization satisfied certain conditions and upon approval by the lender and the ASA. The PP Loan provided for the deferral of payments until the ASA had determined the forgiveness amount, at which time, any remaining PP loan amount would have required equal monthly payments of principal plus accrued interest in an amount sufficient to have repaid the remaining PP Loan balance by the maturity date. On June 2, 2021, the Organization obtained from the ASA notification of forgiveness of the entire PP loan balance in the amount of \$107,572, which was recorded to nonoperating activities as a gain on extinguishment of long-term debt - paycheck protection program in the accompanying statements of activities. Accrued interest on the PP Loan was determined by management to be immaterial to the financial statements.

The ASA reserves the right to audit any PP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PP loan documentation for six years after the PP loan was forgiven or repaid in full and to provide that documentation to the ASA upon request.

9. Net Assets without Donor Restrictions:

Net assets without donor restrictions as of September 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Available for Operations	\$ 4,991,963	\$ 3,758,777
Board Designated:		
Capital Fund	267,685	150,063
Emergency Reserve	-	30,000
Net Investment in Property and Equipment	<u>168,004</u>	<u>165,098</u>
	<u>\$ 5,427,652</u>	<u>\$ 4,103,938</u>

10. Net Assets with Donor Restrictions:

Net assets with donor restrictions as of September 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Subject to Expenditure for Specified Purpose:		
Community Health	\$ 279,088	\$ 279,722
Emergency Response	92,518	-
Tuberculosis	47,184	77,059
COVID-19 Modeling	33,064	60,694
Support to Field Staff	24,893	21,009
Science Support	23,503	89,641
Staff Development	10,417	14,583
Infrastructure Projects	5,804	4,378
Total Purpose Restrictions	<u>516,471</u>	<u>547,086</u>
Total Net Assets with Donor Restrictions	<u>\$ 516,471</u>	<u>\$ 547,086</u>

11. Net Assets Released from Restriction:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors or by the passage of time. Net assets released from restriction during the years ended September 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Community Health	\$ 375,635	\$ 258,824
Infrastructure Projects	108,574	84,665
Science Support	70,542	36,248
Emergency Response	66,542	-
Oxygen Project	51,396	-
COVID-19 Modeling	32,630	31,951
Tuberculosis	29,875	22,941
Support to Field Staff	16,115	3,992
Staff Development	4,167	15,829
Last Mile Expansion and Research	-	232,831
Community Maternal and Child Health	-	5,855
	<u>\$ 755,476</u>	<u>\$ 693,136</u>

12. Economic Dependency:

Related Party Concentrations: During each of the years ended September 30, 2022 and 2021, the Organization generated a substantial portion of its contributions from a family foundation related to two members of the Organization's Board of Directors. Contributions from this foundation approximated 29% and 23% of the Organization's total contributions for the years ended September 30, 2022 and 2021, respectively.

Other Concentrations: During the year ended September 30, 2022, the Organization generated 27% of its contributions from one donor.

As of September 30, 2022 and 2021, contributions receivable from three and four donors represented approximately 88% and 92% of the Organization's total contributions receivable, each respectively.

13. Operating Leases:

At various times during the year ended September 30, 2022, the Organization entered into noncancelable lease agreements for office space in Madagascar which expire at various times through January 2026. During the year ended September 30, 2022, rent expense incurred under these agreements amounted to \$50,437.

Future minimum lease payments due under these noncancelable lease agreements as of September 30, 2022 are as follows:

Year Ending September 30,	
2023	\$ 35,191
2024	16,374
2025	15,898
2026	<u>3,533</u>
	<u>\$ 70,996</u>

14. Indemnifications:

In the ordinary course of business, the Organization enters into various agreements containing standard indemnification provisions. The Organization's indemnification obligations under such provisions are typically in effect from the date of execution of the applicable agreement through the end of the applicable statute of limitations. The aggregate maximum potential future liability of the Organization under such indemnification provisions is uncertain. As of September 30, 2022 and 2021, no amounts have been accrued related to such indemnification provisions.