

PIVOT Works, Inc.

Financial Statements

September 30, 2024 and 2023

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7



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, 2024 and 2023, 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, 2024 and 2023, 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

Tewksbury, Massachusetts
April 25, 2025

September 30	2024	2023
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 4,546,776	\$ 4,576,504
Current Portion of Contributions Receivable	1,004,291	200,426
Prepaid Goods and Supplies	337,424	371,989
Prepaid Expenses and Other Current Assets	135,584	66,832
Total Current Assets	6,024,075	5,215,751
Contributions Receivable, Net of Current Portion and Discount	418,140	-
Property and Equipment, Net of Accumulated Depreciation	225,733	238,210
Operating Lease Right-of-Use Assets	206,209	198,836
Total Assets	\$ 6,874,157	\$ 5,652,797
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	\$ 289,649	\$ 426,643
Accrued Expenses	291,216	206,542
Current Portion of Operating Lease Liabilities	39,804	25,890
Total Current Liabilities	620,669	659,075
Operating Lease Liabilities, Net of Current Portion	166,071	173,816
Total Liabilities	786,740	832,891
Net Assets:		
Net Assets without Donor Restrictions	4,502,735	4,664,298
Net Assets with Donor Restrictions	1,584,682	155,608
Total Net Assets	6,087,417	4,819,906
Total Liabilities and Net Assets	\$ 6,874,157	\$ 5,652,797

Statements of Activities
PIVOT Works, Inc.
For the Years Ended September 30
2024
2023

	<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	\$ 5,636,376	\$ 2,553,502	\$ 8,189,878	\$ 6,324,018	\$ 117,500	\$ 6,441,518
Other Income	6,955	-	6,955	9,631	-	9,631
Net Assets Released from Restriction	1,124,428	(1,124,428)	-	478,363	(478,363)	-
Total Revenue and Other Support	6,767,759	1,429,074	8,196,833	6,812,012	(360,863)	6,451,149
Operating Expenses:						
Program Services	5,939,509	-	5,939,509	6,695,772	-	6,695,772
General and Administrative	807,068	-	807,068	796,375	-	796,375
Fundraising	253,395	-	253,395	175,174	-	175,174
Total Operating Expenses	6,999,972	-	6,999,972	7,667,321	-	7,667,321
(Decrease) Increase in Net Assets from Operations	(232,213)	1,429,074	1,196,861	(855,309)	(360,863)	(1,216,172)
Nonoperating Activities:						
Interest Income	81,153	-	81,153	46,154	-	46,154
Foreign Currency Transaction (Loss) Gain	(10,503)	-	(10,503)	45,801	-	45,801
Total Nonoperating Activities	70,650	-	70,650	91,955	-	91,955
(Decrease) Increase in Net Assets	(161,563)	1,429,074	1,267,511	(763,354)	(360,863)	(1,124,217)
Net Assets, Beginning of Year	4,664,298	155,608	4,819,906	5,427,652	516,471	5,944,123
Net Assets, End of Year	\$ 4,502,735	\$ 1,584,682	\$ 6,087,417	\$ 4,664,298	\$ 155,608	\$ 4,819,906

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

Statements of Functional Expenses

PIVOT Works, Inc.

For the Year Ended September 30

2024

2023

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Related Benefits, and Payroll								
Taxes	\$ 2,270,631	\$ 316,702	\$ 163,045	\$ 2,750,378	\$ 2,398,562	\$ 319,458	\$ 121,580	\$ 2,839,600
Program Operations	2,315,972	79,897	38	2,395,907	2,727,922	2,876	529	2,731,327
Professional Fees	443,724	149,048	16,603	609,375	705,162	227,973	2,173	935,308
Travel, Relocation and Housing	533,866	46,206	21,733	601,805	370,571	31,508	9,138	411,217
Office Expenses	161,035	151,511	49,134	361,680	291,582	146,807	39,900	478,289
Occupancy	158,768	42,115	2,438	203,321	127,459	45,001	1,518	173,978
Depreciation	55,513	21,589	404	77,506	62,531	18,547	279	81,357
Other Expense	-	-	-	-	11,983	4,205	57	16,245
Total	<u>\$ 5,939,509</u>	<u>\$ 807,068</u>	<u>\$ 253,395</u>	<u>\$ 6,999,972</u>	<u>\$ 6,695,772</u>	<u>\$ 796,375</u>	<u>\$ 175,174</u>	<u>\$ 7,667,321</u>

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

For the Years Ended September 30	2024	2023
Cash Flows from Operating Activities:		
Increase (Decrease) in Net Assets	\$ 1,267,511	\$ (1,124,217)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash		
Provided by (Used in) Operating Activities:		
Depreciation	77,506	81,357
Discount on Contributions Receivable	56,236	-
Change in Operating Lease Right-of-Use Assets	137,069	(164,593)
Change in Contributions Receivable	(1,278,241)	241,457
Change in Prepaid Goods and Supplies	34,565	152,889
Change in Prepaid Expenses, Other Current Assets, and Other Assets	(68,752)	15,650
Change in Accounts Payable	(136,994)	152,854
Change in Accrued Expenses	84,674	(71,534)
Change in Operating Lease Liabilities	(138,273)	165,463
Net Cash Provided by (Used in) Operating Activities	35,301	(550,674)
Net Cash Used in Investing Activities:		
Acquisition of Property and Equipment	(65,029)	(151,563)
Net Decrease in Cash and Cash Equivalents	(29,728)	(702,237)
Cash and Cash Equivalents, Beginning of Year	4,576,504	5,278,741
Cash and Cash Equivalents, End of Year	\$ 4,546,776	\$ 4,576,504

Supplemental Disclosure of Noncash Investing Activities:

During the years ended September 30, 2024 and 2023, the Organization disposed of fully depreciated property and equipment with an original cost of \$728,570 and \$9,016, respectively.

1. Organization and Summary of Significant Accounting Policies:

Nature of Organization: PIVOT Works, Inc. (the Organization or "Pivot") is a nonprofit organization incorporated on August 16, 2013 under the laws of the Commonwealth of Massachusetts.

Pivot's Mission: Pivot's mission is to save lives, transform health systems, and catalyze global change. Pivot is a Madagascar-based organization working in partnership with the government to transform the local health system and provide a model for the integration of service delivery and science to meet the needs of the most vulnerable populations with the aim of reducing maternal and child mortality.

Madagascar Health Services: Pivot works in the Vatovavy region of Madagascar, with a vision to advance Universal Health Coverage. In order to do so, the Organization's district model approach ensures the integration of care at all three critical levels of the health system: community health, primary health care facilities and district referral hospitals. The Organization's priority programs include:

- Human Resources for Health: to have responsive, motivated, well trained health workforce implementing maternal and child health programs;
- Enhanced Community Health: professionalized community health workers equipped with mobile technology;
- Social Protection: removal of user fees and social programs for vulnerable and targeted populations;
- Integrated Transformative Research: advance an evidence based model that is responsive to local needs.

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).

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

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.

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 nonoperating activities 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 contributions.

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.

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

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.

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.

Concentrations of Credit Risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash, cash equivalents, and contributions receivable. The Organization maintains its cash and cash equivalents with high-credit quality financial institutions. The Organization believes it is not exposed to any significant losses due to credit risk on cash and cash equivalents. Contributions receivable are carried at amounts based upon management's judgment of potential defaults. Management identifies troubled receivables balances by assessing the donor's credit worthiness. As of September 30, 2024 and 2023, 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:

Motor Vehicles	5 Years
Furniture and Fixtures	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, 2024 and 2023, 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.

Leases: The Organization determines if an arrangement is a lease at inception. An arrangement is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. The Organization reassesses its determination if the terms and conditions of the arrangement are changed. Leases are classified at the commencement date, the date on which the lessor makes the underlying asset available to the lessee, as either operating or finance leases based on the economic substance of the lease.

Lease right-of-use (ROU) assets and related lease liabilities are recognized on the statements of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term, and the corresponding lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Lease ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The Organization determines the present value of lease payments using the implicit rate when readily determinable. When the implicit rate is not readily determinable, the Company has made the private company election to utilize a risk-free discount rate for a period comparable with that of the lease term for all classes of underlying assets.

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

Lease ROU assets also include any lease payments made at or before commencement date, net of lease incentives, and initial direct costs incurred. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option.

ROU assets are assessed for impairment in accordance with the Organization's long-lived asset policy. The Organization reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with ASC 842.

The Organization has elected not to apply the recognition requirements to all leases with an original term of 12 months or less, for which the Organization is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, lease payments for short-term leases are recognized on a straight-line basis over the lease term.

For operating leases, lease expense for lease payments is recognized on a straightline basis over the lease term. For finance leases, lease expense includes amortization expense of the ROU asset recognized on a straightline basis over the lease term and interest expense recognized on the finance lease liability.

Operating leases are included in operating lease ROU assets and current and noncurrent operating lease liabilities on the accompanying statements of financial position as of September 30, 2024 and 2023. As of September 30, 2024 and 2023, the Organization had no finance leases.

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 Benefits, and Payroll Taxes	Time and Effort
Occupancy	Employee Headcount

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, 2024 and 2023, 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, 2024 and 2023. 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.

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

Reclassifications: The Organization reclassified certain expense allocations on the accompanying statements of functional expenses for the year ended September 30, 2023 to conform with the presentation of the statements of functional expenses for the year ended September 30, 2024.

Subsequent Events: Management has evaluated subsequent events spanning the period from September 30, 2024 through April 25, 2025, 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, 2024 and 2023, reduced by amounts not available for general use within one year of September 30, 2024 and 2023 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2024	2023
Cash and Cash Equivalents	\$ 4,546,776	\$ 4,576,504
Contributions Receivable	1,422,431	200,426
Total Financial Assets at End of Year	5,969,207	4,776,930
Less: Amounts Unavailable for General Expenditures within One Year:		
Due to Contractual or Donor-Imposed Restriction:		
Restricted by Donor with Time or Purpose Restrictions	1,584,682	155,608
	1,584,682	155,608
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	\$ 4,384,525	\$ 4,621,322

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. Fair Value Measurements:

Assets measured at fair value on a recurring basis as of September 30, 2024 are as follows:

	Fair Value Measurements at September 30, 2024			
	Totals	Level 1	Level 2	Level 3
Cash Equivalents:				
Money Market Mutual Fund	\$ 2,442,812	\$ 2,442,812	\$ -	\$ -

The Organization did not have any such accounts as of September 30, 2023. Fair value measurements for cash equivalents are based on quoted market prices in active markets. There have been no changes in the fair value methodologies used for the years ended September 30, 2024 and 2023.

4. Contributions Receivable:

Contributions receivable as of September 30, 2024 and 2023 consists of the following:

	2024	2023
Receivable in Less than One Year	\$ 1,004,291	\$ 200,426
Receivable in One to Five Years	474,376	-
	<u>1,478,667</u>	<u>200,426</u>
Less: Discount	56,236	-
	<u>\$ 1,422,431</u>	<u>\$ 200,426</u>

Long-term contributions receivable have been discounted by the Organization using a risk-adjusted rate based on the daily treasury yield curves. As of September 30, 2024, the risk adjusted rate used by the Organization amounted to 3.00%.

5. 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, 2024 and 2023, prepaid goods and supplies amounted to \$337,424 and \$371,989, respectively, and are included in prepaid goods and supplies in the accompanying statements of financial position.

6. Property and Equipment:

Property and equipment as of September 30, 2024 and 2023 consist of the following:

	2024	2023
Motor Vehicles	\$ 231,835	\$ 703,941
Furniture and Fixtures	220,702	404,153
Computer Software	55,326	63,310
	<u>507,863</u>	<u>1,171,404</u>
Less: Accumulated Depreciation	282,130	933,194
	<u>\$ 225,733</u>	<u>\$ 238,210</u>

Depreciation expense for the years ended September 30, 2024 and 2023 amounted to \$77,506 and \$81,357, respectively.

7. Leasing Arrangements:

The Organization leases office space in Madagascar under operating lease arrangements, which expire on various dates through December 1, 2030, including two new lease arrangements entered into during the year ended September 30, 2024. Certain leases required fixed monthly payments and another requires escalating monthly payments.

The Organization's leases all contain options for automatic renewal of four years if the Organization does not cancel the lease. The likelihood that the Organization will allow the automatic renewal of these options is reasonably certain.

7. Leasing Arrangements (Continued):

Leases with an initial term of 12 months or less are not recorded on the statements of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term.

Operating lease right-of-use assets and lease liabilities as of September 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Right-of-Use Assets:		
Operating Leases	<u>\$ 206,209</u>	<u>\$ 198,836</u>
Lease Liabilities:		
Current	\$ 39,804	\$ 25,890
Long-Term	<u>166,071</u>	<u>173,816</u>
Total Lease Liabilities	<u>\$ 205,875</u>	<u>\$ 199,706</u>

The components and classification of lease expense for the years ended September 30, 2024 and 2023 are as follows:

<u>Component</u>	<u>Classification</u>	<u>2024</u>	<u>2023</u>
Operating Lease Expense	Program Services, General and Administrative, and Fundraising	\$ 39,364	14,542
Short-Term Lease Expense	Program Services, General and Administrative, and Fundraising	<u>8,315</u>	<u>20,460</u>
Total Lease Expense		<u>\$ 47,679</u>	<u>\$ 35,002</u>

The weighted average remaining lease term and discount rate for operating leases as of September 30, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Weighted Average Remaining Lease Term:	5.35 Years	6.91 Years
Weighted Average Discount Rate:	4.13%	4.09%

7. Leasing Arrangements (Continued):

Future minimum operating lease payments as of September 30, 2024 are as follows:

<u>Year Ending September 30,</u>	
2025	\$ 47,369
2026	47,369
2027	40,228
2028	33,087
2029	33,087
Thereafter	<u>27,598</u>
Total Future Minimum Lease Payments	228,738
Less: Present Value Discount	<u>22,863</u>
Present Value of Lease Liabilities	205,875
Less: Current Portion	<u>39,804</u>
Long-Term Portion	<u>\$ 166,071</u>

Cash flow information for the years ended September 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Cash Paid for Amounts Included in Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	<u>\$ 20,409</u>	<u>\$ 13,645</u>
Operating Lease Right-of-Use Assets Obtained in Exchange for Operating Lease Liabilities	<u>\$ 144,442</u>	<u>\$ 145,993</u>

8. Net Assets without Donor Restrictions:

Net assets without donor restrictions as of September 30, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Available for Operations	\$ 4,277,002	\$ 4,426,088
Net Investment in Property and Equipment	<u>225,733</u>	<u>238,210</u>
	<u>\$ 4,502,735</u>	<u>\$ 4,664,298</u>

9. Net Assets with Donor Restrictions:

Net assets with donor restrictions as of September 30, 2024 and 2023 consist of the following:

	2024	2023
Subject to Expenditure for Specified Purpose:		
Community Health	\$ 125,550	\$ -
Emergency Response	79,906	142,983
One Health	71,457	-
Maternal and Reproductive Health	64,005	9,831
Tuberculosis	-	2,794
Total Purpose Restrictions	<u>340,918</u>	<u>155,608</u>
Subject to Passage of Time	<u>1,243,764</u>	-
Total Net Assets with Donor Restrictions	<u>\$ 1,584,682</u>	<u>\$ 155,608</u>

10. 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, 2024 and 2023 consist of the following:

	2024	2023
Passage of Time	\$ 950,000	\$ -
Emergency Response	63,077	17,035
One Health	54,538	-
Maternal and Reproductive Health	45,826	40,169
Community Health	8,194	279,088
Tuberculosis	2,793	44,391
COVID-19 Modeling	-	33,064
Support to Field Staff	-	24,893
Science Support	-	23,503
Staff Development	-	10,417
Infrastructure Projects	-	5,803
	<u>\$ 1,124,428</u>	<u>\$ 478,363</u>

11. Economic Dependency:

Related Party Concentrations: During each of the years ended September 30, 2024 and 2023, 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 26% and 24% of the Organization's total contributions for the years ended September 30, 2024 and 2023, respectively.

Other Concentrations: During the years ended September 30, 2024 and 2023, the Organization generated 26% and 24%, respectively, of its contributions from one donor.

As of September 30, 2024 and 2023, contributions receivable from two donors represented approximately 77% and 89% of the Organization's total contributions receivable, each respectively.

12. 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, 2024 and 2023, no amounts have been accrued related to such indemnification provisions.