

**SEED GLOBAL HEALTH AND AFFILIATES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

**SEED GLOBAL HEALTH AND AFFILIATES
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Seed Global Health and Affiliates
Boston, Massachusetts

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Seed Global Health and Affiliates (the "Organization"), which comprise the consolidated statements of financial position as of September 30, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Seed Global Health and Affiliates as of September 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


CERTIFIED PUBLIC ACCOUNTANTS

Braintree, Massachusetts
August 1, 2022

SEED GLOBAL HEALTH AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 5,526,302	\$ 5,073,313
Contributions receivable, net	11,838,743	7,823,129
Prepaid expenses and other assets	209,165	62,996
Property and equipment, net	<u>28,997</u>	<u>40,850</u>
TOTAL ASSETS	<u>\$ 17,603,207</u>	<u>\$ 13,000,288</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$ 131,631	\$ 115,648
Accrued expenses	326,115	457,429
Note payable - Paycheck Protection Program	-	415,400
Deferred revenue	<u>30,000</u>	<u>26,000</u>
Total liabilities	<u>487,746</u>	<u>1,014,477</u>
Net assets:		
Without donor restrictions	1,735,934	1,551,961
With donor restrictions	<u>15,379,527</u>	<u>10,433,850</u>
Total net assets	<u>17,115,461</u>	<u>11,985,811</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 17,603,207</u>	<u>\$ 13,000,288</u>

See accompanying notes to consolidated financial statements.

SEED GLOBAL HEALTH AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities:						
Revenue and support:						
Foundation and corporate contributions	\$ 435,999	\$ 10,888,331	\$ 11,324,330	\$ 163,408	\$ 9,501,114	\$ 9,664,522
Individual contributions	273,645	-	273,645	344,525	-	344,525
In-kind contributions	58,332	-	58,332	150,818	-	150,818
Program service fees	68,000	-	68,000	75,000	-	75,000
Net assets released from donor restrictions	<u>5,836,083</u>	<u>(5,836,083)</u>	<u>-</u>	<u>5,219,366</u>	<u>(5,219,366)</u>	<u>-</u>
Total revenue and support	<u>6,672,059</u>	<u>5,052,248</u>	<u>11,724,307</u>	<u>5,953,117</u>	<u>4,281,748</u>	<u>10,234,865</u>
Expenses:						
Program	5,824,431	-	5,824,431	4,966,300	-	4,966,300
Administrative and general	606,265	-	606,265	494,271	-	494,271
Fundraising	<u>470,767</u>	<u>-</u>	<u>470,767</u>	<u>516,251</u>	<u>-</u>	<u>516,251</u>
Total expenses	<u>6,901,463</u>	<u>-</u>	<u>6,901,463</u>	<u>5,976,822</u>	<u>-</u>	<u>5,976,822</u>
Changes in net assets from operating activities	<u>(229,404)</u>	<u>5,052,248</u>	<u>4,822,844</u>	<u>(23,705)</u>	<u>4,281,748</u>	<u>4,258,043</u>
Non-operating activities:						
Forgiveness of Paycheck Protection						
Program note payable	415,400	-	415,400	-	-	-
Foreign currency exchange gain/(loss)	<u>(2,023)</u>	<u>(106,571)</u>	<u>(108,594)</u>	<u>47,877</u>	<u>-</u>	<u>47,877</u>
Changes in net assets from non-operating activities	<u>413,377</u>	<u>(106,571)</u>	<u>306,806</u>	<u>47,877</u>	<u>-</u>	<u>47,877</u>
Changes in net assets	183,973	4,945,677	5,129,650	24,172	4,281,748	4,305,920
Net assets - beginning	<u>1,551,961</u>	<u>10,433,850</u>	<u>11,985,811</u>	<u>1,527,789</u>	<u>6,152,102</u>	<u>7,679,891</u>
NET ASSETS - ENDING	<u><u>\$ 1,735,934</u></u>	<u><u>\$ 15,379,527</u></u>	<u><u>\$ 17,115,461</u></u>	<u><u>\$ 1,551,961</u></u>	<u><u>\$ 10,433,850</u></u>	<u><u>\$ 11,985,811</u></u>

See accompanying notes to consolidated financial statements.

SEED GLOBAL HEALTH AND AFFILIATES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021			
	<u>Program</u>	<u>Administrative and General</u>	<u>Fundraising</u>	<u>Total</u>
Educator and other employee compensation and related	\$ 3,715,900	\$ 445,559	\$ 362,518	\$ 4,523,977
Consulting	549,528	54,834	39,379	643,741
Other operation cost	441,036	73,279	42,094	556,409
Travel	501,103	317	136	501,556
Occupancy	295,686	31,348	25,910	352,944
Other program costs	310,958	-	25	310,983
Depreciation	<u>10,220</u>	<u>928</u>	<u>705</u>	<u>11,853</u>
TOTAL EXPENSES	<u>\$ 5,824,431</u>	<u>\$ 606,265</u>	<u>\$ 470,767</u>	<u>\$ 6,901,463</u>
	2020			
	<u>Program</u>	<u>Administrative and General</u>	<u>Fundraising</u>	<u>Total</u>
Educator and other employee compensation and related	\$ 3,156,390	\$ 333,940	\$ 399,171	\$ 3,889,501
Consulting	430,380	100,786	42,529	573,695
Travel	474,622	16,482	10,367	501,471
Other operation cost	353,226	21,811	37,937	412,974
Other program costs	298,535	-	-	298,535
Occupancy	243,235	20,655	25,523	289,413
Depreciation	<u>9,912</u>	<u>597</u>	<u>724</u>	<u>11,233</u>
TOTAL EXPENSES	<u>\$ 4,966,300</u>	<u>\$ 494,271</u>	<u>\$ 516,251</u>	<u>\$ 5,976,822</u>

See accompanying notes to consolidated financial statements.

**SEED GLOBAL HEALTH AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Operating activities:		
Changes in net assets	\$ 5,129,650	\$ 4,305,920
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	11,853	11,233
Forgiveness of Paycheck Protection Program note payable	(415,400)	-
Changes in operating assets and liabilities:		
Contributions receivable	(4,015,614)	(3,249,409)
Prepaid expenses and other assets	(146,169)	(40,713)
Accounts payable	15,983	(66,906)
Accrued expenses	(131,314)	217,532
Deferred revenue	<u>4,000</u>	<u>26,000</u>
Net cash provided by operating activities	<u>452,989</u>	<u>1,203,657</u>
Investing activities:		
Purchase of property and equipment	<u>-</u>	<u>(24,793)</u>
Financing activities:		
Proceeds from Paycheck Protection Program note payable	<u>-</u>	<u>415,400</u>
Net increase in cash and cash equivalents	452,989	1,594,264
Cash and cash equivalents - beginning	<u>5,073,313</u>	<u>3,479,049</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 5,526,302</u>	<u>\$ 5,073,313</u>

See accompanying notes to consolidated financial statements.

SEED GLOBAL HEALTH AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 1. ORGANIZATION

Seed Global Health is a nonprofit organization established in 2011 under the laws of the Commonwealth of Massachusetts. Seed Global Health's mission is to educate a rising generation of health professionals and health educators, bolstering the pipeline of healthcare providers who have local knowledge and deep ties to the region. By teaching local health professionals, entire communities and countries can benefit from the ripple effect created when more skilled clinicians are better prepared to care for the population and serve as educators themselves for and alongside their local peers. These skilled professionals also become leaders in their health system, advocating for better health in a positive feedback loop.

Seed Global Health maintains certain corporate structures in the counties in which they do business. Seed Global Health controls the activities of Seed Global Health Uganda Limited, Seed Global Health Malawi Limited, Seed Global Health Zambia Limited, and Seed Global Health Sierra Leone (the "Affiliates"), which were formed in Uganda, Malawi, Zambia and Sierra Leone respectively, in order to comply with country laws and regulations to transfer funding to support Seed Global Health's operations in the specified countries. These entities are wholly owned subsidiaries of Seed Global Health.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements include the accounts and transactions of Seed Global Health, Seed Global Health Uganda Limited, Seed Global Health Malawi Limited, Seed Global Health Zambia Limited, and Seed Global Health Sierra Leone (collectively the "Organization"). The consolidated financial statements of the Organization have been prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All significant intercompany transactions and accounts have been eliminated in consolidation.

Financial Statement Presentation

The Organization follows the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Subtopic Presentation of Financial Statements of Not-for-Profit Entities. Net assets, revenues, expenses, gains and losses are classified based in the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

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 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, where by the donor had stipulated the funds be maintained in perpetuity. As of September 30, 2021 and 2020, the Organization did not have net assets with donor restrictions that were perpetual in nature.

SEED GLOBAL HEALTH AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and highly liquid investments with original maturities of three months or less.

Contributions Receivable

Contributions receivable represents grants and unconditional contributions awarded to the Organization for which collection is expected in the upcoming fiscal years. Management has evaluated the collectability of grants and contributions receivable and determined the receivables are fully collectible at September 30, 2021 and 2020.

Property and Equipment

Property and equipment purchased for use by the Organization is recorded at cost or fair value, if received by donation, at the time such property and equipment are received. Expenditures in the nature of normal repairs and maintenance are expensed as incurred. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis as follows:

<u>Description</u>	<u>Years</u>
Leasehold improvements	7
Website and development	3
Motor Vehicles	5

The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$5,000.

Impairment of Long-Lived Assets

The Organization accounts for the valuation of long-lived assets in accordance with the FASB ASC Topic *Property, Plant and Equipment*. The FASB ASC Topic *Property, Plant and Equipment* requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the 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 estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. At September 30, 2021 and 2020, the Organization has determined that no long-lived assets are impaired.

SEED GLOBAL HEALTH AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Program Services

The Organization follows FASB ASC Topic 606, *Revenue from Contracts with Customers* ("Topic 606"). Revenue is measured based on the consideration specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. Under Topic 606, the Organization recognizes revenue when it satisfies performance obligations by transferring control over a product or service to a customer. Program service fees are offered throughout the year by the Organization, and are recognized over time as services are rendered. The Organization's services represent a bundle of services that are not capable of being distinct and as such, are treated as a single performance obligation that is satisfied as the services are rendered. The Organization determines the transaction price based on contractually agreed upon rates, adjusted for variable consideration, if any.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable can be provided based upon management's judgment of potential defaults. The determination includes such factors as prior collection history, type of contribution and nature of fundraising activity.

Contributions received with donor-imposed restrictions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the consolidated statement of activities and changes in net assets as net assets released from donor restrictions.

Contributions of services that create or enhance non-financial assets or that require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The fair market value of equipment and services donated by hospitals, doctors, technology and legal firms is reflected in the consolidated financial statements.

Deferred Revenue

Deferred revenue includes program service fee payments received in advance of the services rendered. Program service revenues are recognized over time as income as services are rendered. Deferred revenue totaled \$30,000 and \$26,000 at September 30, 2021 and 2020, respectively. There was no deferred revenue at September 30, 2019.

SEED GLOBAL HEALTH AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Disaggregation of Revenue

The Organization provides program services to healthcare partnerships and receives grants and contributions. The Organization's viability is dependent on the strength of the economy and its ability to collect funds related to these revenue sources.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities and changes in net assets. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services based on actual or estimated usage. Educator and other employee compensation and related, consulting, travel and other operation cost expenses are allocated based on time and effort spent on each function. Occupancy and depreciation are allocated on a square footage basis.

Foreign Currency Translation

The foreign currency transaction loss resulting from exchange rate fluctuations on transactions denominated in a currency other than the functional currency totaled \$108,594 during the year ended September 30, 2021. \$106,571 of the total foreign currency translation loss resulted from the receipt of a foreign donation during the year ended September 30, 2021. The foreign currency transaction gain resulting from exchange rate fluctuations on transactions denominated in a currency other than the functional currency totaled \$47,877 during the year ended September 30, 2020. These gains and losses have been reported separately in the accompanying statements of activities and changes in net assets.

Concentration of Credit Risk

Financial instruments that expose the Organization to credit risk consist primarily of cash. The Organization maintains its cash in bank deposit accounts, both in the United States and Africa. Cash accounts maintained in foreign countries are not federally insured and amounts held in U.S. banks may, at times, exceed insured limits. The Organization has not experienced any losses in such accounts. The Organization maintains its cash in highly rated financial institutions and management believes it is not exposed to significant credit risk on cash. At September 30, 2021 and 2020 cash held in foreign bank accounts totaled \$80,153 and \$87,670, respectively.

Income Taxes

The Organization is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the "IRC") and accordingly, no provision for income taxes has been recorded in the accompanying consolidated financial statements. The Organization is subject to federal and state income taxes on unrelated business income, if any. The Organization files informational tax returns as required by the IRC.

Seed Global Health Uganda Limited, Seed Global Health Malawi, Seed Global Health Zambia Limited, and Seed Global Health Sierra Leone Limited may be responsible for certain local taxes in their respective countries. There are no material amounts incurred for local taxes in 2021 and 2020.

SEED GLOBAL HEALTH AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (continued)

The Organization accounts for uncertain tax positions in accordance with FASB ASC Topic *Income Taxes*. The Topic prescribes a recognition threshold and measurement process for consolidated financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. The Topic also provides guidance on recognition, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Management believes that the Organization has no material uncertain tax positions.

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from activities considered to be of a more unusual or nonrecurring nature.

Recently Issued But Not Yet Effective Accounting Pronouncements

In-kind Contributions - In September 2020, FASB issued Accounting Standards Update ("ASU") No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* ("ASU 2020-07"), which is intended to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. This ASU is effective for annual periods beginning after June 15, 2021, with early adoption permitted. The Organization is evaluating the effect that ASU 2020-07 will have on its consolidated financial statements and related disclosures.

Leases - In February 2016, the FASB issued ASU No. 2016-02, *Leases* ("ASU 2016-02"). This update requires all leases with a term greater than 12 months to be recognized on the statement of financial position through a right-of-use asset and a lease liability and enhanced disclosures regarding the amount, timing, and uncertainty of cash flows arising from leases. In July 2018, the FASB issued ASU No. 2018-10, *Codification Improvements to Topic 842* and ASU No. 2018-11, *Leases: Targeted Improvements* which provided narrow amendments to clarify how to apply certain aspects of the new leases standard and options regarding transition. The standard requires either a modified retrospective transition approach with application in all comparative periods presented, or an alternative transition method, which permits the Organization to use its effective date as the date of initial application without restating the comparative period financial statements and recognizing any cumulative effect adjustment to the opening consolidated statement of financial position. In June 2020, the FASB issued ASU No. 2020-05 *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)*. ASU 2020-05 amended the effective date for ASU 2016-02 and related amendments. ASU 2016-02, as amended, is effective for fiscal years beginning after December 15, 2021. The Organization is evaluating the effect that ASU 2016-02 will have on its consolidated financial statements and related disclosures.

SEED GLOBAL HEALTH AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The Organization has evaluated all events subsequent to the consolidated statement of financial position date of September 30, 2021, through the date which the consolidated financial statements were available to be issued, August 1, 2022, and has determined that there are no subsequent events that require disclosure under FASB ASC Topic *Subsequent Events*.

NOTE 3. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets as of September 30, 2020:

Cash and cash equivalents	\$ 5,526,302
Contributions receivable, net	<u>11,838,743</u>
Total financial assets	17,365,045
Less financial assets with donor restrictions	<u>(15,379,527)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,985,518</u>

The Organization's goal is generally to maintain readily available assets to meet three month's of general expenditures. General expenditures are defined by the Organization as programmatic and administrative expenses which are not covered by grants and contributions which are specified for various programs or other purposes. As part of management's liquidity plan, cash is maintained in checking and certificates of deposit accounts and is readily available for use.

NOTE 4. CONTRIBUTIONS RECEIVABLE

Contributions receivable represent unconditional gifts to be received in future periods and are discounted to their present value based on anticipated payment streams. The discount rates related to contributions receivable range from 1.69% - 2.68%. Unconditional contributions receivable at September 30, 2021 and 2020, are as follows:

	<u>2021</u>	<u>2020</u>
Contributions receivable	\$ 11,991,150	\$ 7,936,070
Less unamortized discount	<u>152,407</u>	<u>112,941</u>
Net contributions receivable	<u>\$ 11,838,743</u>	<u>\$ 7,823,129</u>
Gross contributions:		
Receivable in less than one year	\$ 5,795,573	\$ 4,842,356
Receivable in one to five years	<u>6,195,577</u>	<u>3,093,714</u>
	<u>\$ 11,991,150</u>	<u>\$ 7,936,070</u>

SEED GLOBAL HEALTH AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of September 30:

	<u>2021</u>	<u>2020</u>
Leasehold improvements	\$ 48,261	\$ 48,261
Vehicles	24,793	24,793
Website and development	<u>5,993</u>	<u>5,993</u>
	79,047	79,047
Less accumulated depreciation	<u>(50,050)</u>	<u>(38,197)</u>
Property and equipment, net	<u>\$ 28,997</u>	<u>\$ 40,850</u>

NOTE 6. NET ASSETS

Net assets with donor restrictions are restricted for the following purposes:

	<u>2021</u>	<u>2020</u>
Program specific	\$ 14,226,976	\$ 7,464,162
Time restricted	885,126	1,170,416
Country specific	212,369	1,300,069
COVID-19	55,056	188,017
Policy	<u>-</u>	<u>311,186</u>
Total net assets with donor restrictions	<u>\$ 15,379,527</u>	<u>\$ 10,433,850</u>

Net assets are released from donor restrictions by the passage of time and incurring expenses or costs satisfying the restricted purpose or by the occurrence of events specified by the donors. Net assets released from donor restrictions during the years ended September 30, 2021 and 2020 totaled \$5,836,083 and \$5,219,366, respectively. Of these amounts, net assets released from donor restrictions as a result of satisfying restricted purposes were \$5,536,083 and \$4,719,366, as of September 30, 2021 and 2020, respectively.

Net assets without donor restrictions for the years ended September 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Undesignated	\$ 1,725,934	\$ 1,551,961
Board designated	<u>10,000</u>	<u>10,000</u>
	<u>\$ 1,735,934</u>	<u>\$ 1,561,961</u>

The board of directors has designated \$10,000 for a general reserve to be considered for investment into a future endowment for the Organization.

SEED GLOBAL HEALTH AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 7. CONCENTRATION OF REVENUE

For the year ended September 30, 2021, one donor's three year revenue commitment accounted for 91% of the Organization's total foundation, corporate and individual contribution revenue. Contributions receivable due from this donor at September 30, 2021 was \$9,000,000. For the year ended September 30, 2020, two donors accounted for 75% of the Organization's total foundation, corporate and individual contribution revenue. Contributions receivable due from these donors at September 31, 2020 was \$4,200,000.

NOTE 8. NOTE PAYABLE - PAYCHECK PROTECTION PROGRAM

On April 27, 2020, the Organization received loan proceeds of \$415,400 under the Paycheck Protection Program ("PPP"). The PPP, which was established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times certain average monthly payroll expenses of the qualifying business. The loan and accrued interest, or a portion thereof, may be forgiven after eight weeks so long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent, mortgage interest and utilities, and maintains its payroll levels, as defined by the PPP. At least 60% of the amount forgiven must be attributable to payroll costs, as defined by the PPP.

U.S. GAAP does not contain authoritative accounting standards for forgivable loans provided by governmental entities. Absent authoritative accounting standards, interpretative guidance issued and commonly applied by financial statement preparers allow for the selection of accounting policies amongst acceptable alternatives. Based on the facts and circumstances, the Organization has determined it most appropriate to account for the PPP loan proceeds under the debt model. Under the debt model, the Organization recognizes the proceeds received as debt, recognizes periodic interest expense in the period in which the interest accrues at the stated interest rate and defers recognition of any potential forgiveness of the loan principal or interest until the period in which the Organization has been legally released from its obligation by the lender. The Organization deemed the debt model to be the most appropriate accounting policy for this arrangement as the underlying PPP loan is a legal form of debt and there are significant contingencies outside of the control of the Organization mainly related to the third-party approval process for forgiveness.

The Organization applied for PPP loan forgiveness and received approval from the Small Business Administration ("SBA") in June 2021. For the year ended September 30, 2021, the Organization has recorded \$415,400 of forgiveness on the accompanying statements of activities and changes in net assets as "Forgiveness of Paycheck Protection Program loan". If it is determined that the Organization was not eligible to receive the PPP Loans or that the Organization has not adequately complied with the rules, regulations and procedures applicable to the SBA's Loan Program, the Organization could be subject to penalties and could be required to repay the amounts previously forgiven.

SEED GLOBAL HEALTH AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 9. RENT

The Organization has a lease agreement for office space in Boston, Massachusetts which expires in April 2023. The Organization also leases housing space for educators abroad and short term office space for country offices. Rental payments for the years ended September 30, 2021 and 2020 were \$343,661 and \$282,011, respectively.

Minimum lease commitments under the office lease agreement for each fiscal year ended September 30 is as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 248,000
2023	<u>254,200</u>
	<u>\$ 502,200</u>

NOTE 10. RETIREMENT PLAN

The Organization offers a qualified defined contribution retirement plan (the "Plan") for all eligible employees. The Plan is designed in accordance with the provisions of Section 401(k) of the Internal Revenue Code. Contributions are made by the Plan participants based on participant elections. Under the Plan, employees may contribute up to the IRS indexed maximum amount for each calendar year. In addition, the Organization makes matching contributions to the plan up to 4% of the employees' salaries. The Organization's contributions for the years ended September 30, 2021 and 2020 were \$52,420 and \$36,394, respectively.