

**SEED GLOBAL HEALTH AND AFFILIATES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

**SEED GLOBAL HEALTH AND AFFILIATES
FOR THE YEAR ENDED MARCH 31, 2023**

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Consolidated Financial Statements:	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities and Changes in Net Assets	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7 - 15

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Seed Global Health and Affiliates (a nonprofit organization), which comprise the consolidated statement of financial position as of March 31, 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Seed Global Health and Affiliates as of March 31, 2023, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Adoption of New Accounting Pronouncement

As discussed in Note 2 to the financial statements, Seed Global Health and Affiliates adopted Accounting Standards Codification Topic 842, *Leases*, as of April 1, 2022, using the modified retrospective method. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial 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 consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Seed Global Health and Affiliates's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Seed Global Health and Affiliates'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.



Braintree, Massachusetts
February 5, 2024

SEED GLOBAL HEALTH AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2023

ASSETS

Cash and cash equivalents	\$ 12,106,702
Contributions receivable, net	4,277,585
Prepaid expenses and other assets	146,005
Operating lease right-of-use asset	109,700
Property and equipment, net	<u>19,832</u>
TOTAL ASSETS	\$ <u>16,659,824</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 92,931
Accrued expenses	268,740
Operating lease liability	126,222
Deferred revenue	<u>51,697</u>
Total liabilities	<u>539,590</u>
Net assets:	
Without donor restrictions	3,126,113
With donor restrictions	<u>12,994,121</u>
Total net assets	<u>16,120,234</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>16,659,824</u>

See accompanying notes to consolidated financial statements.

SEED GLOBAL HEALTH AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities:			
Revenue and support:			
Foundation and corporate contributions	\$ 617,650	\$ 6,992,962	\$ 7,610,612
Individual contributions	502,040	-	502,040
In-kind contributions	34,248	-	34,248
Program service fees	96,303	-	96,303
Net assets released from donor restrictions	9,014,162	(9,014,162)	-
Total revenue and support	10,264,403	(2,021,200)	8,243,203
Expenses:			
Program	6,875,652	-	6,875,652
Administrative and general	784,485	-	784,485
Fundraising	1,066,191	-	1,066,191
Total expenses	8,726,328	-	8,726,328
Changes in net assets from operating activities	1,538,075	(2,021,200)	(483,125)
Non-operating activities:			
Foreign currency exchange loss	(9,547)	(154,017)	(163,564)
Changes in net assets from non-operating activities	(9,547)	(154,017)	(163,564)
Changes in net assets	1,528,528	(2,175,217)	(646,689)
Net assets - beginning	1,597,585	15,169,338	16,766,923
NET ASSETS - ENDING	\$ 3,126,113	\$ 12,994,121	\$ 16,120,234

See accompanying notes to consolidated financial statements.

SEED GLOBAL HEALTH AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2023

	Program	Administrative and General	Fundraising	Total
Educator and other employee compensation and related	\$ 3,765,191	\$ 490,164	\$ 553,714	\$ 4,809,069
Other program and operation cost	758,812	57,856	126,814	943,482
Consulting	558,425	147,709	223,478	929,612
Travel	812,744	1,711	73,604	888,059
Office related	555,345	49,605	48,823	653,773
Occupancy	413,187	36,340	38,551	488,078
Depreciation	<u>11,948</u>	<u>1,100</u>	<u>1,207</u>	<u>14,255</u>
TOTAL EXPENSES	<u>\$ 6,875,652</u>	<u>\$ 784,485</u>	<u>\$ 1,066,191</u>	<u>\$ 8,726,328</u>

See accompanying notes to financial statements.

**SEED GLOBAL HEALTH AND AFFILIATES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023**

Operating activities:	
Changes in net assets	\$ (646,689)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	14,255
Non cash lease expense	16,522
Changes in operating assets and liabilities:	
Contributions receivable	3,980,793
Prepaid expenses and other assets	27,428
Accounts payable	53,730
Accrued expenses	(50,962)
Deferred revenue	<u>51,697</u>
Net cash provided by operating activities	<u>3,446,774</u>
Net increase in cash and cash equivalents	3,446,774
Cash and cash equivalents - beginning	<u>8,659,928</u>
CASH AND CASH EQUIVALENTS - ENDING	<u><u>\$ 12,106,702</u></u>
Supplemental schedule for non-cash investing and financing activities:	
Operating lease liabilities and right-of-use assets recognized in connection with implementation of ASC 842 on April 1, 2022	<u><u>\$ 371,131</u></u>

See accompanying notes to consolidated financial statements.

**SEED GLOBAL HEALTH AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

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 958 *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 March 31, 2023, 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 YEAR ENDED MARCH 31, 2023

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 March 31, 2023.

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
Machinery and equipment	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, including the Organization's right-of-use assets, in accordance with the FASB ASC Topic 360 *Property, Plant and Equipment*. The FASB ASC Topic 360 *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 March 31, 2023, the Organization has determined that no long-lived assets are impaired.

SEED GLOBAL HEALTH AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Organization leases office space in Boston, Massachusetts under an operating lease that expires in September 2023. The Organization determines if an arrangement is a lease at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease. For leases with a lease term of 12 months or less (a "short-term" lease), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the consolidated statement of financial position.

Lease terms include the noncancellable portion of the underlying leases along with any reasonably certain lease periods associated with available renewal periods, termination options and purchase options. The Organization has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices. The Organization uses the risk-free discount rate when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments.

Certain leases contain fixed and determinable escalation clauses for which the Organization recognizes rental expense under these leases on the straight-line basis over the lease terms, which includes the period of time from when the Organization takes possession of the leased space and the cumulative expense recognized on the straight-line basis in excess of the cumulative payments is included in other non-current liabilities through 2022 prior to the adoption of Topic 842. The lease agreements do not contain any material residual value guarantees or material restrictive covenants. In connection with the adoption of ASC 842 as of April 1, 2022, the Organization reclassified deferred rent liability of \$45,843 to the right-of-use asset. In the fiscal year ended March 31, 2022, in accordance with ASC 840, a deferred rent obligation was recorded and amortized to income over the lease term as a reduction of expense. Leases with an initial term of 12 months or less are not recorded on the statement of financial position; the Organization recognizes lease expense for these leases on a straight-line basis over the lease term.

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.

SEED GLOBAL HEALTH AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

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 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.

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.

SEED GLOBAL HEALTH AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$163,564 during the year ended March 31, 2023. \$154,016 of the total foreign currency translation loss resulted from the receipt of a foreign donation during the year ended March 31, 2023. These 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 March 31, 2023, cash held in foreign bank accounts totaled \$143,110.

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 the year ended March 31, 2023.

The Organization accounts for uncertain tax positions in accordance with FASB ASC Topic 740 *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.

**SEED GLOBAL HEALTH AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Implemented Accounting Pronouncements

Leases - In February 2016, FASB issued Accounting Standards Update ("ASU") No. 2016 - 02, *Leases* (Topic 842) ("ASC 842"), as amended, which requires the recording of operating lease right-of-use assets and lease liabilities and the expanded disclosure for operating and finance leasing arrangements. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the consolidated statement of activities and changes in net assets. The Organization adopted ASC 842 under the modified retrospective method on April 1, 2022.

The Organization adopted the package of practical expedients available at transition that retained the lease classification under ASC 840 and initial direct costs for any leases that existed prior to adoption of the standard. Contracts entered into prior to adoption were not reassessed for leases or embedded leases. The Organization made the accounting policy elections to not recognize short-term leases on the consolidated statement of financial position and to utilize the risk-free discount rate when the rate implicit in the lease is not readily determinable.

In addition, at the date of initial application, the Organization recorded operating lease right-of-use assets and aggregate operating lease liabilities in the amount of \$371,131.

Recently Issued But Not Yet Effective Accounting Pronouncements

Credit Losses - In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses* (Topic 326), which requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost. ASU 2016 - 13 is effective for nonprofit organizations for fiscal years beginning after December 15, 2022, including interim periods within those annual reporting periods. The Organization is currently evaluating the impact of the new standard on its consolidated financial statements and related disclosures.

Subsequent Events

The Organization has evaluated all events subsequent to the consolidated statement of financial position date of March 31, 2023, through the date which the consolidated financial statements were available to be issued, February 5, 2024, and has determined that there are no subsequent events that require disclosure under FASB ASC Topic 855 *Subsequent Events*, except for those disclosed in Note 9.

NOTE 3. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets as of March 31, 2023:

Cash and cash equivalents	\$ 12,106,702
Contributions receivable, net	<u>4,277,585</u>
Total financial assets	16,384,287
Less financial assets with donor restrictions	<u>(12,994,121)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 3,390,166</u>

**SEED GLOBAL HEALTH AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

NOTE 3. AVAILABILITY AND LIQUIDITY (CONTINUED)

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% - 4.48%. Unconditional contributions receivable at March 31, 2023, are as follows:

Contributions receivable	\$ 4,370,983
Less unamortized discount	<u>93,398</u>
Net contributions receivable	<u>\$ 4,277,585</u>
Gross contributions:	
Receivable in less than one year	\$ 2,148,661
Receivable in one to five years	<u>2,222,322</u>
	<u>\$ 4,370,983</u>

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of March 31, 2023:

Leasehold improvements	\$ 48,261
Motor vehicles	24,793
Machinery and equipment	12,019
Website and development	<u>5,993</u>
	91,066
Less accumulated depreciation	<u>(71,234)</u>
Property and equipment, net	<u>\$ 19,832</u>

NOTE 6. NET ASSETS

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

Program specific	\$ 7,755,210
Country specific	2,547,630
Time restricted	2,454,628
Policy	121,742
African union partnership	<u>114,911</u>
Total net assets with donor restrictions	<u>\$ 12,994,121</u>

**SEED GLOBAL HEALTH AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

NOTE 6. NET ASSETS (CONTINUED)

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 year ended March 31, 2023, consisted of the following:

Purpose restricted	\$ 6,679,073
African union partnership	985,089
Time restricted	<u>1,350,000</u>
Total net assets released from donor restrictions	<u>\$ 9,014,162</u>

Net assets without donor restrictions for the year ended March 31, 2023, are as follows:

Undesignated	\$ 3,116,113
Board designated	<u>10,000</u>
	<u>\$ 3,126,113</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.

NOTE 7. IN-KIND CONTRIBUTIONS

The value of in-kind donations for the year ended March 31, 2023, is as follows:

Legal services	\$ <u>34,248</u>
Total	<u>\$ 34,248</u>

Donations of legal services are valued at the number of hours worked and hourly rate charged by the law firm for services performed.

NOTE 8. CONCENTRATION OF REVENUE

For the year ended March 31, 2023, three donors accounted for 64% of the Organization's total foundation, corporate and individual contribution revenue. Contributions receivable due from these donors at March 31, 2023, was \$2,000,000.

NOTE 9. COMMITMENTS

The Organization has a lease agreement for office space in Boston, Massachusetts which expires in September 2023. Rent expense related to this office space for the year ended March 31, 2023 was \$215,380. In September 2023, the Organization entered into an operating lease agreement for office space on a month-to-month basis with monthly payments of \$12,001.

The Organization also leases housing space for educators abroad and short term office space for country offices. During the year ended March 31, 2023, rent expense related to these leases amounted to \$184,488

**SEED GLOBAL HEALTH AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

NOTE 9. COMMITMENTS (CONTINUED)

Maturities of the operating lease liabilities as of March 31, 2023, is as follows:

<u>Years ended March 31:</u>	<u>Amount</u>
2024	\$ <u>127,100</u>
Total minimum lease payments	127,100
Less interest	<u>878</u>
Present value of operating lease liabilities	\$ <u><u>126,222</u></u>

Supplemental cash flow information related to leases was as follows:

Cash paid for amount included in measurement of lease liabilities:

Operating cash flows from operating leases	\$ <u><u>251,100</u></u>
--------------------------------------------	--------------------------

Average lease terms and discount rates were as follows:

Weighted-average remaining lease term:	
Operating leases	0.50
Weighted-average discount rate:	
Operating leases	2.38 %

In October 2023, the Organization entered into a new lease agreement for office space in Boston, Massachusetts which is a month-to-month lease. The monthly rental payment under the lease agreement is \$12,001.

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 year ended March 31, 2023, were \$35,912.