



Financial Statements

August 31, 2024

NGUYEN AND ALLIANCE, CPA, INC.

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Independent Auditor's Report

The Board of Directors
Global Strategies
Albany, California

Opinion

We have audited the accompanying financial statements of Global Strategies (the Organization), which comprise the statement of financial position as of August 31, 2024, and the related statements of activities, functional expenses and cash flows for the year 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 August 31, 2024, and the changes in its net assets and its 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 the Organization 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.

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.

Auditor's 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 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 financial statements.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

Nguyen and Alliance CPA

Nguyen and Alliance CPA

Santa Rosa, California
May 12, 2025

Global Strategies
Statement of Financial Position
As of August 31, 2024

Assets

Current assets

Cash and cash equivalents	\$ 271,818
Investments	428,620
Accounts receivable	30,417
Pledges receivable - current portion	254,705
Prepaid expenses and other current assets	<u>61,918</u>
Total current assets	<u>1,047,478</u>

Pledges receivable - noncurrent, net

648,591

Property and equipment, net of accumulated depreciation

2,914

Intangible assets, net of accumulated amortization

703,941

Total noncurrent assets 1,355,446

Total assets \$ 2,402,924

Liabilities and Net Assets

Current liabilities

Accounts payable and accrued expenses	\$ 8,180
Payroll liabilities	8,142
Accrued vacation	<u>23,519</u>
Total liabilities	<u>39,841</u>

Net assets

Without donor restrictions	1,348,659
With donor restrictions	<u>1,014,424</u>
Total net assets	<u>2,363,083</u>

Total liabilities and net assets \$ 2,402,924

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

Global Strategies
Statement of Activities
For the Year Ended August 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other supports			
Grants revenue	\$ 106,325	\$ 1,046,971	\$ 1,153,296
Contributions - financial	244,402	5,000	249,402
Program income	101,937	-	101,937
Contributions - nonfinancial	88,459	-	88,459
Investment return, net	1,924	-	1,924
Other income	550	-	550
Net assets released from restrictions	<u>692,109</u>	<u>(692,109)</u>	<u>-</u>
Total revenues and other supports	<u>1,235,706</u>	<u>359,862</u>	<u>1,595,568</u>
Expenses			
Program services:			
Prevention and care	155,762	-	155,762
Education and training	40,205	-	40,205
Advocacy and outreach	91,521	-	91,521
Health and technology	576,020	-	576,020
Monitoring and evaluation	<u>159,195</u>	<u>-</u>	<u>159,195</u>
Total program services	<u>1,022,703</u>	<u>-</u>	<u>1,022,703</u>
Supportive services:			
General and administrative	225,883	-	225,883
Fundraising and development	<u>51,975</u>	<u>-</u>	<u>51,975</u>
Total supportive services	<u>277,858</u>	<u>-</u>	<u>277,858</u>
Total expenses	<u>1,300,561</u>	<u>-</u>	<u>1,300,561</u>
Changes in net assets	(64,855)	359,862	295,007
Net assets at the beginning of year	<u>1,413,514</u>	<u>654,562</u>	<u>2,068,076</u>
Net assets at end of year	<u><u>\$ 1,348,659</u></u>	<u><u>\$ 1,014,424</u></u>	<u><u>\$ 2,363,083</u></u>

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

Global Strategies
Statement of Functional Expenses
For the Year Ended August 31, 2024

	Program Services						Supportive Services		
	Prevention and Care	Education and Training	Advocacy and Outreach	Health and Technology	Monitoring and Evaluation	Program Services	Fundraising		Total Expenses
							General and Administrative	and Development	
Expenses:									
Salaries and wages	\$ 29,065	\$ 4,005	\$ 56,332	\$ 151,518	\$ 55,367	\$ 296,287	\$ 95,919	\$ 32,239	\$ 424,445
Implementing partner grants	57,980	28,660	10,914	190,840	26,252	314,646	-	-	314,646
Depreciation and amortization	81	12	25	113,881	81	114,080	354	90	114,524
In-country field professionals	15,900	2,992	500	27,088	59,208	105,688	-	-	105,688
Employee benefits and payroll taxes	10,366	955	8,090	35,995	10,754	66,160	23,009	6,641	95,810
Professional fees	2,060	352	301	30,467	591	33,771	53,038	3,837	90,646
Information technology	32,529	396	1,166	4,804	2,517	41,412	7,572	1,297	50,281
Other personnel costs	-	-	287	4,943	263	5,493	26,946	-	32,439
Occupancy	4,485	258	1,079	6,278	3,147	15,247	8,786	1,809	25,842
Other program costs	-	-	-	8,363	-	8,363	-	-	8,363
Insurance	2,238	363	363	1,149	665	4,778	3,011	363	8,152
Dues, subscriptions and fees	-	-	1,000	-	-	1,000	3,516	1,378	5,894
Travel	-	-	5,660	-	-	5,660	-	-	5,660
Office expenses	1,058	171	411	533	350	2,523	1,476	1,040	5,039
Marketing and outreach	-	66	1,051	161	-	1,278	33	3,281	4,592
Conferences and meeting	-	-	2,255	-	-	2,255	2,223	-	4,478
Volunteers	-	-	2,087	-	-	2,087	-	-	2,087
Scholarships awarded	-	1,975	-	-	-	1,975	-	-	1,975
Total expenses	<u>\$ 155,762</u>	<u>\$ 40,205</u>	<u>\$ 91,521</u>	<u>\$ 576,020</u>	<u>\$ 159,195</u>	<u>\$ 1,022,703</u>	<u>\$ 225,883</u>	<u>\$ 51,975</u>	<u>\$ 1,300,561</u>

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

Global Strategies
Statement of Cash Flows
For the Year Ended August 31, 2024

	Increase (decrease) in cash and cash equivalents
Cash Flows from operating activities	
Change in net assets	\$ 295,007
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Depreciation expenses	668
Amortization expenses	113,856
Decrease (increase) in operating assets	
Accounts receivable	(30,417)
Pledges receivable	(573,422)
Prepaid expenses and other current assets	(10,272)
Increase (decrease) in operating liabilities	
Accounts payables and accrued expenses	2,339
Payroll liabilities	(23,033)
Accrued vacation	23,519
Net cash provided (used) by operating activities	<u>(201,755)</u>
Cash flows from investing activities:	
Acquisition of equipment	(3,582)
Acquisition of intangible assets	(91,788)
Acquisition of investments	<u>(1,924)</u>
Net cash provided (used) by investing activities	<u>(97,294)</u>
Net increase (decrease) in cash	(299,049)
Cash and cash equivalents at the beginning of the year	<u>570,867</u>
Cash and cash equivalents at the end of the year	<u><u>\$ 271,818</u></u>

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

Note 1. General

Organization

Global Strategies (the “Organization”) is a nonprofit organization that was formed in 1999. It was originally named Global Strategies for HIV Prevention. Following a merger with the International Pediatric Outreach Project (IPOP) in 2013, the same was changed to Global Strategies. The merged organization changed its mission to: Global Strategies empowers communities in the most neglected areas of the world to improve the lives of women and children through healthcare.

Program Services

Prevention and Care

The Organization provides resources to local implementing partner organizations to deliver healthcare prevention and care services. The projects are tailored to the context and demonstrated needs of the patient population served by the field partner. Current projects are focused on the following areas:

- HIV prevention, voluntary counseling, and HIV testing (VCT)
- Treatment of pregnant women with HIV.
- Post-rape healthcare;
- Newborn care;
- Malnutrition;
- Primary care.

Education and Training

Africa as a region bears more than 24% of the global burden of disease but has access to only 3% of the world’s health workers and less than 1% of the world’s financial resources. The Organization addresses this critical shortage of healthcare workers by investing in a sustainable training model for frontline workers. The Organization works alongside field partners to identify critical needs and the innovative methods to address them, including training, modifying workflow or by facilitating access to essential tools and medications. Current projects are focused on the training of the following:

- Healthcare professionals - Doctors, Nurses, and clinical support staff;
- Community healthcare workers;
- Community leaders;
- Data managers;
- The Organization works alongside field partners to identify and address critical needs in healthcare worker training. Included in this approach is the design and implementation of innovative educational tools.

Public Issue Advocacy and Outreach

The Organization advocates for change by amplifying the voices and needs of those served by the Organization. Current projects include:

- Outreach to key global stakeholders to advocate for improvements in HIV prevention for survivors of sexual violence.
- Advocating for improvements in newborn care, including the care of preterm infants, in humanitarian settings.

Note 1. General (continued)

Program Services (concluded)

Health and Technology

The Organization develops and implements innovative technological solutions that help its partners overcome the challenges of their limited resource settings. The Organization focuses on using simple and scalable technologies that allow healthcare providers to track their outcomes in real-time using cloud-based data collection software and analysis tools. The Organization helps its partners establish baseline data in neonatal mortality rates and stillbirth rates. Additionally, they use technology to track inventory of critical supplies and predict stock needs over time. The Organization also works to bridge the gap between care delivery and data collection by developing software programs that facilitate care delivery while simultaneously collecting data that guides resource allocation. The Organization has also developed its own clinical decision support software, NoviGuide, that has been tested in multiple sites in Africa.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The Organization's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP); therefore, include all support and revenue when earned and all expenditures when incurred, regardless of whether such support and revenue or expenditures were received or paid as of the end of a fiscal period. The Organization may also receive Grants; these grants are recognized as support when earned in accordance with the terms of each grant or agreement.

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 and the provisions of the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide for Not-for-Profit Organizations.

Cash and Cash Equivalents:

For purposes of the financial position and statement of cash flows, the Organization considers all highly liquid investments which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents. The Organization maintains cash balances in a financial institution. Funds are insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. At August 31, 2024, management believes that the carrying amount of cash equivalents approximates fair value because of the short maturity of these financial instruments.

Investments

Investments are recorded at fair market value. Investment return is presented net of investment fees.

Note 2. Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable represent amounts billed but not yet collected. Accounts receivable is stated at the amount management expects to collect from outstanding balances. The Organization uses the direct write-off method is used to account for bad debts in which individual accounts are expensed as they become uncollectible. GAAP requires that accounts receivable be presented net of an allowance for uncollectible accounts. The difference between these two methods is not material to these financial statements.

Pledges Receivable

Pledges receivable represent unconditional promises to give cash or other assets to the Organization in future periods. Pledges receivable are recognized as revenue in the period the promise is made, provided the pledge is considered unconditional and the amount is measurable. Conditional pledges are not recognized as revenue until the conditions are substantially met.

Pledges receivable are reported at their net realizable value, which is the amount the Organization expects to collect. An allowance for uncollectible pledges is established based on historical experience, donor creditworthiness, and other relevant factors.

Pledges receivable that are expected to be collected within one year are classified as current assets, while those expected to be collected beyond one year are classified as non-current assets.

Property and Equipment

Purchased property and equipment are carried at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, which range from three to five years.

Donations of property and equipment are recorded as support at estimated fair value at the time of donations. Such donations are reported without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as contribution with donor restrictions in the statement of activities. In the absence of donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. It is the Organization's policy to capitalize property and equipment over \$1,500.

Normal repairs and maintenance are expensed as incurred whereas significant improvements which materially increase values or extend useful lives are capitalized and depreciated over the remaining estimated useful lives of the related assets.

Upon sale or retirement of depreciable assets, the related cost and accumulated depreciation or amortization are removed from the accounts. Any gain or loss on the sale or retirement is recognized in current operations.

Note 2. Summary of Significant Accounting Policies (continued)

Intangible Assets – NoviGuide

NoviGuide is a comprehensive clinical decision support platform. The components of this software and how those components are used by organizations external to Global Strategies:

1. A back-end design environment, referred to as the 'NoviGuide Algorithm Architect'.
2. A configuration environment for linking pathways (Clinical guidelines) to specific devices, users, protocol variations and languages.
3. Pathways made using the NoviGuide Algorithm Architect. All pathways can be deployed as either web or mobile applications.
4. Dashboards that analyze the use of the pathways. These dashboards can be general dashboards showing overall use or site-specific dashboards showing use of a pathway by a specific client.

The first two of these elements are referred to collectively as the 'platform'. Clients of the Organization (Clients) do not use the platform or have access to it. Instead, the Organization uses the platform to generate pathways (referred to in number 3 above). There are a large number of pathways, but a smaller subset of those pathways are in actual use today. Access to those pathways can be provided as either a mobile application or web application. Clients are charged for access to certain pathways on a subscription basis. The Organization also gives free access to pathways to fulfill their nonprofit mission.

Access to the dashboards is part of what Clients receive as part of a NoviGuide subscription. This is a dynamic process as the Organization seeks Clients for their software.

Today, the use of pathways is as follows:

- NoviGuide Newborn Essentials used by partner organizations in Uganda and DRC (Nakakeeto Foundation & HEAL Africa)
- NoviGuide Aspirin Educator used by Preeclampsia Foundation, English and Spanish versions
- NoviGuide Pediatric Essentials, also called Alrite, used by Seattle Children's Hospital and Makerere Lung Institute in the context of an IRB-approved research study in Uganda

Separate from this use of the pathways, the Organization occasionally gives access to a pathway for the Clients to 'test' for alignment with their own institution protocols. This is distinct from a subscription because the Clients understands that the pathway may not yet be aligned to their standard. It is a pre-step prior to a subscription.

The NoviGuide platform is under continuous iteration as the Organization continues to invest in its development. The pathways in use today -- the neonatal pathways in Africa and the Preeclampsia pathway are complete but do occasionally have small modifications. The Organization estimates the 'platform' to have a life span of 10 years, each NoviGuide module is to not exceed 5 years useful life while other developed software is estimated to have 3 years useful life. The Organization will amortize using the straight-line method.

Fundraising Expenses

Fundraising expenses are recognized when incurred, regardless of the year which they related to.

Note 2. Summary of Significant Accounting Policies (continued)

Revenue Recognition and Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restriction unless use of the contributed asset is specifically restricted by the donor. The Organization reports gifts and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as net assets with donor restrictions until the payment is due unless the contribution is clearly intended to support activities of the current year or is received with permanent donor restrictions. Conditional promises are not recognized until all conditions on which they depend are substantially met.

The Organization has concluded that revenue from federal and state contracts represents conditional contributions, as defined by Accounting Standards Update (“ASU”) 2018-08. As such, revenue on these contracts is generally recognized as contract-related expenditures are made. Contract-related expenditures are considered the best available measure of performance under the terms of the contract.

Donated Services

Donations of services are recognized as contributions in accordance with Accounting Standards Codification (“ASC”) Section 958-605, Not-for-Profit Entities Revenue Recognition, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased if not provided by donation. Donated services are recognized at fair value for the related period. Many individuals volunteer their time and perform a variety of tasks that assist the Organization in support of its programs and fundraising activities; these donated services are not reflected in the financial statements since the services do not require specialized skills.

Functional Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Management and general expense include those expenses that are not directly identifiable with any other specific function but provide the overall support and direction of the Organization.

Note 2. Summary of Significant Accounting Policies (continued)

Functional Expense Allocation (continued)

The expenses that are allocated include the following:

Expense	Method of Allocation
Payroll related expenses	Time and effort
Insurance	Function and usage
Facilities	Assets usage - utilization by square feet
Telephone	Function and usage
Office expenses	Function and usage
Marketing and outreach	Function and usage
Postage and shipping	Function and usage
Depreciation and amortization	Function and usage

Unearned Revenue

Unearned revenue consists of amounts that have been received but not yet earned from leasing the software NoviGuide.

Income Taxes

The Organization is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code and California Revenue and Taxation Code Section 23701d, though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the Internal Revenue Code). The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

The Organization is subject to, Accounting for Uncertainty in Income Taxes, under ASC 740, Income Taxes. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the Organization's tax returns and does not allow recognition of tax positions that do not meet a "more-likely-than-not" threshold of being sustained by the applicable tax authority. The Organization does not believe it has taken any tax positions that would not meet this threshold. The Organization's policy is to reflect interest and penalties related to uncertain tax positions as part of income tax expense, when and if they become applicable.

Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at August 31, 2024.

The Organization's federal and state income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, federal income tax returns have a three-year statute of limitations, and state income tax returns have a four-year statute of limitations.

Note 2. Summary of Significant Accounting Policies (continued)

Net Assets

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. These also may be designated for specific purposes by action of the Board of Directors.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization to meet the stipulations or that become unrestricted at the date specified by the donor or net assets subject to donor-imposed stipulations that are maintained permanently by the Organization. The income from these assets is available for either general operations or specific programs as specified by the donor.

Net Assets Released from Restriction – Net assets with donor restrictions are released to net assets without donor restrictions when the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed.

Management's Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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 dates of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates.

Risk Management

The Organization is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; and natural disasters for which the Organization carries commercial insurance.

Accounting Pronouncements

ASU 2022-03, Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, for entities other than public business entities, effective for fiscal years beginning after December 15, 2024, and interim periods within those fiscal years. The Organization is currently evaluating the impact of this statement on its financial statements.

ASU 2022-05, Financial Services-Insurance (Topic 944): Transition for Sold Contracts, effective date is for fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025, which is consistent with ASU 2020-11. The Organization is currently evaluating the impact of this statement on its financial statements.

Note 2. Summary of Significant Accounting Policies (concluded)

Accounting Pronouncements (continued)

ASU 2023-02, Investments-Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method (a consensus of the Emerging Issues Task Force), for entities other than public business entities, the amendments are effective for fiscal years beginning after December 15, 2024, including interim periods in such years. The Organization is currently evaluating the impact of this statement on its financial statements.

ASU 2023-05, Business Combinations-Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement, effective prospectively for joint venture formations dated on or after January 1, 2025. The Organization is currently evaluating the impact of this statement on its financial statements.

Note 3. Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position dates comprise the following:

As of August 31, 2024:

Cash and cash equivalents	\$ 271,818
Investments	428,620
Accounts receivable	30,417
Pledges receivable	903,296
	<u>1,634,151</u>
Less: fund unavailable for general expenditure within one year due to:	
Pledges receivable, noncurrent	(648,591)
Net assets restricted by donors	<u>(365,833)</u>
Funds available to management to meet expenditures within one year	<u><u>\$ 619,727</u></u>

Note 4. Investments

Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced liquidation. The fair value of the investments is generally based on published market prices and quotations from major investment firms. As of August 31, 2024, the investments are as summarized below:

Investments at Fair Value:

Accounts balances, at beginning of period	\$ 426,696
Transfers in/deposits	-
Dividends and interest	1,924
Realized gains and losses, net of fees	-
Accounts balances, at end of period	<u><u>\$ 428,620</u></u>
Short-term investments - Money market fund	<u><u>\$ 428,620</u></u>

Note 5. Summary of Fair Value Exposure

FASB ASC 820-10 and subsections, Fair Value Measurements and Disclosures clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable.

The Organization has adopted FASB ASC 820-10 for its financial assets and liabilities measured on a recurring and nonrecurring basis.

FASB ASC 820-10 defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e., an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.)
- Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).

The inputs and methodology used for valuing the Organization's financial assets and liabilities are not indicators of the risks associated with those investments.

As of August 31, 2024, the investment balance of \$428,620 and was all classified to be Level 1.

Note 6. Pledges Receivable

For the years ending August 31, 2024, the Organization has remaining uncollected grants receivable totaling \$903,296 from grantors. The current and non-current are as follows:

Pledges receivable, current	\$ 254,705
Less discount	-
Total pledges receivable, current	\$ 254,705
Pledges receivable, noncurrent are expected to be collected as follows:	
As of August 31	
2026	\$ 250,000
2027	250,000
2028	250,000
	750,000
Less discount	(101,409)
Total pledges receivable, noncurrent	\$ 648,591

The current and non-current grants receivable are presented in the statement of financial position as current assets and non-current assets. The net grants receivable was present value of cash flows, net with discount rate using the treasury bond rate for the next five years.

Note 7. Property and Equipment

Property and equipment consist of the following:

As of August 31, 2024:

Furniture and equipment	\$ 13,340
Accumulated depreciation	<u>(10,426)</u>
Total property and equipment, net	<u>\$ 2,914</u>

Depreciation expense for the year ended August 31, 2024, amounted to \$668.

Note 8. Intangible Assets

The Organization's intangible assets at August 31, 2024 consist of:

	<u>Years</u>	<u>2024</u>
Intangible assets not being amortized		
NoviGuide WIP - Glucose Module		\$ 16,707
NoviGuide WIP - Newborn Adv US Module		9,978
Women's STI - Gilead		9,450
Pediatric Essentials - Seattle Cough		<u>25,973</u>
Total intangible assets not being amortized		<u>62,108</u>
Intangible assets being amortized		
NoviGuide Platform	10	660,052
NoviGuide Newborn Essentials	5	229,615
NoviGuide OB Module	5	19,282
Prevention Pack Dashboard	5	<u>24,034</u>
		932,983
Less accumulated amortization		<u>(291,150)</u>
Total intangible assets being amortized		<u>641,833</u>
Total Intangible assets, net		<u>\$ 703,941</u>

NoviGuide is a comprehensive platform for the design, deployment, and monitoring of clinical decision support. Once in use, NoviGuide will be measured for impairment at the end of each fiscal year.

Amortization expense for the year ended August 31, 2024, amounted to \$113,856.

Note 9. Accrued Vacation

The Organization's employees earn between ten to twenty days vacation leave per year up to a maximum of 160 hours. Vacation leave is capped at the annual accrual plus two weeks. Sick leave is earned at a rate of one-half day per bi-monthly pay period up to a maximum of 80 hours. Each employee will earn three floating holidays per year with a cap of five days.

Note 9. Accrued Vacation (continued)

Upon termination, the Organization is obligated to compensate employees for all earned and unused vacation time and floating holidays only. Accumulated unpaid employee vacation benefits are recognized as liabilities of the Organization. The amount of accumulated vacation was \$23,519 as of August 31, 2024.

Note 10. Conditional Promises to Give

Conditional promises to give - that is, grants with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. The following is a roll-forward of conditional grants where future payments are contingent upon meeting specific milestones and incurring expenses related to the projects:

Balance as of September 1, 2023	\$ -
Conditional grants awarded	350,000
Payments received and earned	<u>(4,705)</u>
Balance as of August 31, 2024	<u><u>\$ 345,295</u></u>

Note 11. Leases

The Organization leases its office under a month-to-month operating lease agreement. The lease expires in 90 days' written notice. The rent expense is currently \$1,652 per month.

The total rent expense was \$19,833 for the year ended August 31, 2024.

Note 12. Net Assets with Donor Restrictions

Net assets without donor restriction are those resources that bear no external restrictions and are generally available for use by the Organization. Net assets with donor restriction represent amounts received or committed with donor restriction, which have not been expended for their designated purpose (purpose restricted), amounts for general use in future periods (time restricted), or both.

As of August 31, 2024:

<u>Program Activities</u>	<u>Beginning Balance</u>	<u>Contributions</u>	<u>Releases</u>	<u>Ending Balance</u>
Subject to Expenditure for Specified Purpose				
Program services	\$ 626,601	\$ 1,009,705	\$ (674,583)	\$ 961,723
Capitalized grants	8,051	27,591	-	35,642
Partner grants	<u>19,910</u>	<u>14,675</u>	<u>(17,526)</u>	<u>17,059</u>
Total net assets with donor restrictions	<u><u>\$ 654,562</u></u>	<u><u>\$ 1,051,971</u></u>	<u><u>\$ (692,109)</u></u>	<u><u>\$ 1,014,424</u></u>

Note 13. Contributions of Non-Financial Assets

For the year ended August 31, 2024, contributed nonfinancial assets recognized within the statement of activities include:

	<u>Revenue Recognized</u>	<u>Program Utilization</u>	<u>Donor Restrictions</u>	<u>Valuation</u>
Software - In-kind	\$ 35,478	All	No associated donor restrictions	Estimated fair value based on software license values that would normally be purchased in
Misc Legal Counsel - In-kind	<u>52,981</u>	All	No associated donor restrictions	Estimated standard hourly charges for comparable legal services offered in the US economy.
Total	<u>\$ 88,459</u>			

Note 14. Retirement Plan

The Organization has an IRC 403(b) plan for its employees. There is no age or employment requirement to participate in the elective deferral portion of the plan. To participate in the employer match and employer non-elective contribution portions of the plan, employees need to work one full year (1,000 hours as defined by the plan), be over 21 years of age and they must work more than 20 hours per week. The vesting schedule is 20% in year 2, 40% in year 3, 60% in year 4, 80% in year 5 and 100% in year 6. An employee can make contributions to the plan as allowed by law. The Organization can make discretionary matching contributions for the plan participants. The Organization did not make any contributions to the plan for the year ended August 31, 2024.

Note 15. Commitments and Contingencies

The Organization's grants and contracts are subject to inspection and audit by the appropriate governmental funding agency. The purpose of such audits is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, the Organization has no provisions for the possible disallowance of program costs on its financial statements.

Note 16. Concentrations

Cash and Cash Equivalents

The Organization maintains cash balances with a financial institution. Funds are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At August 31, 2024, the Organization had approximately \$34,286 on deposit in excess of the FDIC insured amount. Management has not experienced any losses related to these balances and believes the risk to be minimal at August 31, 2024.

Note 16. Concentrations (continued)

Major Funding Sources

The Organization receives a substantial amount of revenue for its programs from one foundation. During the year ended August 31, 2024, the Organization received funding in the amount of \$1,250,000. This amounts to 79% of total revenue for the year ended August 31, 2024. The Organization is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Organization carries commercial insurance.

Note 17. Subsequent Events

The Organization evaluated subsequent events through May 12, 2025, the date on which the financial statements were available to be issued.