

TOUCH HEALTH, INC.
FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

TOUCH HEALTH, INC.

CONTENTS

	<u>Page</u>
<u>Independent Auditors' Report</u>	1-2
<u>Financial Statements</u>	
Statements of Financial Position at September 30, 2024 and 2023	3
Statements of Activities for the Years Ended September 30, 2024 and 2023	4
Statement of Functional Expenses for the Year Ended September 30, 2024	5
Statement of Functional Expenses for the Year Ended September 30, 2023	6
Statements of Cash Flows for the Years Ended September 30, 2024 and 2023	7
Notes to Financial Statements	8-15



INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Touch Health, Inc.
New York, New York

Opinion

We have audited the accompanying financial statements of Touch Health, Inc., which comprise the statements of financial position at September 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Touch Health, Inc. at September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Touch Health, Inc.'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 Touch Health, Inc.'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.

Grassi & Co., CPAs, P.C.

GRASSI & CO., CPAs, P.C.

New York, New York
March 26, 2025

TOUCH HEALTH, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 724,543	\$ 1,297,266
Contributions and grants receivable, net (Note 3)	2,187,868	3,003,361
Accounts receivable (Note 3)	-	40,392
Advances receivable (Note 3)	170,920	137,245
Prepaid and other assets	86,512	53,351
Fixed assets, net	<u>2,427</u>	<u>4,349</u>
 TOTAL ASSETS	 <u>\$ 3,172,270</u>	 <u>\$ 4,535,964</u>
 <u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 66,289	\$ 27,829
Refundable advances	<u>-</u>	<u>7,337</u>
 Total Liabilities	 <u>66,289</u>	 <u>35,166</u>
 CONTINGENCIES		
NET ASSETS:		
Without donor restrictions	802,223	785,025
With donor restrictions (Note 5)	<u>2,303,758</u>	<u>3,715,773</u>
 Total Net Assets	 <u>3,105,981</u>	 <u>4,500,798</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 3,172,270</u>	 <u>\$ 4,535,964</u>

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

TOUCH HEALTH, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE:						
Revenue and other support:						
Contributions	\$ 672,161	\$ 1,942,626	\$ 2,614,787	\$ 1,212,426	\$ 3,485,735	\$ 4,698,161
Government grants	809,544	-	809,544	640,739	-	640,739
Donated goods and services	138,486	-	138,486	163,158	-	163,158
Loss on uncollectible receivables	-	(310,846)	(310,846)	-	-	-
Other income	82,754	-	82,754	50,717	-	50,717
Net assets released from restrictions (Note 5)	3,043,795	(3,043,795)	-	2,699,840	(2,699,840)	-
Total Revenue and Other Support	4,746,740	(1,412,015)	3,334,725	4,766,880	785,895	5,552,775
EXPENSES:						
Program services:						
Grants and program activities (Note 4)	3,691,762	-	3,691,762	3,561,791	-	3,561,791
Supporting services:						
Management and general	433,569	-	433,569	687,909	-	687,909
Fundraising	604,211	-	604,211	607,674	-	607,674
Total Expenses	4,729,542	-	4,729,542	4,857,374	-	4,857,374
CHANGE IN NET ASSETS	17,198	(1,412,015)	(1,394,817)	(90,494)	785,895	695,401
NET ASSETS, BEGINNING OF YEAR	785,025	3,715,773	4,500,798	875,519	2,929,878	3,805,397
NET ASSETS, END OF YEAR	\$ 802,223	\$ 2,303,758	\$ 3,105,981	\$ 785,025	\$ 3,715,773	\$ 4,500,798

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

TOUCH HEALTH, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Program Services	Supporting Services			Total
	Grants and Program Activities	Management and General	Fundraising	Total Supporting Services	
Grants (Note 4)	\$ 1,444,325	\$ -	\$ -	\$ -	\$ 1,444,325
Donated goods and services	111,486	27,000	-	27,000	138,486
Salaries and related expenses	1,563,747	141,657	513,898	655,555	2,219,302
Travel	74,327	27,910	24,270	52,180	126,507
Professional and consulting fees	472,279	135,739	12,080	147,819	620,098
Occupancy	5,818	13,267	-	13,267	19,085
Telephone	546	6,790	48	6,838	7,384
Printing, publications and postage	575	618	-	618	1,193
Office supplies and other miscellaneous	18,627	69,324	53,915	123,239	141,866
Equipment and maintenance	32	2,206	-	2,206	2,238
Depreciation	-	1,922	-	1,922	1,922
Insurance	-	4,973	-	4,973	4,973
Bad debt expense	-	2,163	-	2,163	2,163
TOTAL EXPENSES	\$ 3,691,762	\$ 433,569	\$ 604,211	\$ 1,037,780	\$ 4,729,542

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

TOUCH HEALTH, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Program Services	Supporting Services			Total
	Grants and Program Activities	Management and General	Fundraising	Total Supporting Services	
Grants (Note 4)	\$ 1,685,936	\$ -	\$ -	\$ -	\$ 1,685,936
Donated goods and services	85,020	78,138	-	78,138	163,158
Salaries and related expenses	1,373,149	268,543	527,554	796,097	2,169,246
Travel	56,901	25,187	23,427	48,614	105,515
Professional and consulting fees	325,961	173,552	-	173,552	499,513
Occupancy	11,225	37,708	949	38,657	49,882
Telephone	427	4,232	31	4,263	4,690
Printing, publications and postage	12,807	790	4,199	4,989	17,796
Office supplies and other miscellaneous	5,471	62,153	39,296	101,449	106,920
Equipment and maintenance	4,894	1,965	-	1,965	6,859
Depreciation	-	3,169	-	3,169	3,169
Insurance	-	4,757	-	4,757	4,757
Bad debt expense	-	27,715	-	27,715	27,715
Other special events	-	-	12,218	12,218	12,218
TOTAL EXPENSES	\$ 3,561,791	\$ 687,909	\$ 607,674	\$ 1,295,583	\$ 4,857,374

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

TOUCH HEALTH, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (1,394,817)	\$ 695,401
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Loss on uncollectible receivables	310,846	-
Depreciation	1,922	3,169
Bad debt expense	2,163	27,715
Changes in assets:		
Contributions and grants receivable	502,484	314,456
Accounts receivable	40,392	(18,815)
Advances receivable	(33,675)	122,820
Prepaid and other assets	(33,161)	62,369
Changes in liabilities:		
Accounts payable and accrued expenses	38,460	(62,977)
Refundable advances	(7,337)	(132,906)
	(572,723)	1,011,232
NET CHANGE IN CASH AND CASH EQUIVALENTS	(572,723)	1,011,232
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,297,266	286,034
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 724,543	\$ 1,297,266

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

TOUCH HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

Note 1 - Nature of Operations

Touch Health, Inc. ("Touch Health"), formerly known as Touch Foundation, Inc., is a not-for-profit public charity organization formed under the laws of the State of Connecticut that began operations in August 2004. Effective January 30, 2024, Touch Foundation, Inc. changed its name to Touch Health, Inc. This name change was approved by the Board of Directors and the Secretary of State of the State of Connecticut.

Touch Health's primary purpose is working to save lives and relieve human suffering, and it seeks to achieve this goal by strengthening healthcare in sub-Saharan Africa, providing better access to care, and improving the quality of local health systems. Touch Health designs and implements solutions based on a rigorous data-driven, problem-solving approach. Its programs are efficient, locally led and tailored to the environment in which it operates, and it seeks measurable and enduring impact. Touch Health seeks to encourage the adoption of its tested solutions by the global health community and pursues opportunities to replicate its successful models across the world. Its primary sources of funding are contributions and government grants.

Touch Health qualifies as a tax-exempt, not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code, and as a not-for-profit corporation in Connecticut. Accordingly, no provision for federal or state income taxes is required.

Note 2 - Summary of Significant Accounting Policies

Adoption of ASU No. 2016-13

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Management of Credit Losses on Financial Instruments*. This ASU revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. During 2019, the FASB issued additional ASUs amending certain aspects of ASU No. 2016-13.

On October 1, 2023, Touch Health adopted the new accounting standard and all of the related amendments using the modified retrospective method. There was no impact in initially applying the new credit loss standard to its accounts receivables and to the opening balance of net assets.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

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

TOUCH HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with initial maturities when acquired of three months or less.

Allowance for Doubtful Accounts

Touch Health determines whether an allowance for doubtful accounts should be provided for its contributions and grants receivable. Such estimates are based on management's assessment of the aged basis of the receivables, current economic conditions, and historical information. Receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables. Bad debt expense is adjusted based upon management's assessment of the sufficiency of the allowance to cover future credit losses. At September 30, 2024 and 2023, management has determined that no allowance for doubtful accounts was necessary.

Accounts Receivable and Allowance for Credit Losses

Touch Health carries its accounts receivable at cost less an allowance in order to adjust accounts receivable to its estimated net realizable value. Touch Health estimates the allowance based on a review of outstanding receivables, historical collection information, current receivables aging, and management's assessment of current conditions and reasonable and supportable expectations of future conditions. Accounts receivable are written off against the allowance when they are determined to be uncollectible. Touch Health does not accrue interest on past due receivables. At September 30, 2024 and 2023, management has determined that no allowance for credit losses was necessary.

Fixed Assets

Fixed assets are recorded at cost. Depreciation of fixed assets is provided over the estimated useful lives of the assets utilizing the straight-line method.

Government Grants and Refundable Advances

Government grants are recorded as revenues without donor restrictions to the extent that expenses have been incurred for the purposes specified by the grantors. Government grants are recognized as Touch Health meets the conditions prescribed by the grant and incurs eligible expenses under the grant. As the conditions are met, Touch Health simultaneously releases the government grants and reflects them as without donor restrictions. To the extent monies received exceed eligible expenses, Touch Health records refundable advances. Grant activities and outlays are subject to audited acceptance by the granting agencies and, as a result of such audits, adjustments could be required.

Net Assets Without Donor Restrictions

Net assets without donor restrictions include assets having no restriction as to use or purpose imposed by donors and are therefore available for use in carrying out the operations of Touch Health.

TOUCH HEALTH, INC.
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2024 AND 2023

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Net Assets With Donor Restrictions

Net assets with donor restrictions include assets subject to donor-imposed stipulations that may or will be met, either by actions of Touch Health and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions and Grants

Contributions and grants are provided to Touch Health either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts - with or without donor restrictions. The value recorded for each contribution and grant is recognized as follows:

<u>Nature of Gift</u>	<u>Value Recognized</u>
<u>Conditional gifts, with or without restriction</u>	
Gifts that depend on Touch Health overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e., the donor-imposed barrier is met
<u>Unconditional gifts, with or without restriction</u>	
Received at date of gift - cash and other assets	Fair value
Received at date of gift - property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue without donor restrictions.

TOUCH HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Donated Goods and Services

Donated goods and services which represent contributions of nonfinancial assets are recorded at their fair values in the year received. Contributions of services are recognized if the services create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations.

During the year ended September 30, 2024, Touch Health recognized \$138,486 in contributions of nonfinancial assets.

Nonfinancial Asset	Amount	Usage in Programs/Activities	Donor Restriction	Fair Value Techniques
Professional services	\$ 138,486	Grant and Program Activities and Management and General	None	Estimated based on industry pricing for similar services

During the year ended September 30, 2023, Touch Health recognized \$163,158 in contributions of nonfinancial assets.

Nonfinancial Asset	Amount	Usage in Programs/Activities	Donor Restriction	Fair Value Techniques
Professional services	\$ 163,158	Grant and Program Activities and Management and General	None	Estimated based on industry pricing for similar services

Accounting for Uncertainty in Income Taxes

Touch Health has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Touch Health is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Touch Health believes it is no longer subject to income tax examinations prior to 2021.

Functional Expenses

The costs of providing Touch Health's services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses such as salaries and related expenses are allocated on a time and effort basis. Expenses such as grants and supplies are directly charged to program expenses. Expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as square footage and time and effort.

Concentration of Credit Risk

Touch Health maintains cash balances in several financial institutions. Such balances are insured by the Federal Deposit Insurance Corporation for up to \$250,000 per institution. From time to time, Touch Health's balances may exceed these limits.

TOUCH HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

Note 3 - Receivables

Touch Health's receivables at September 30, 2024 and 2023 were comprised of the following:

	<u>2024</u>	<u>2023</u>
Less than one year	\$ 2,109,544	\$ 2,190,832
One to five years	<u>262,811</u>	<u>1,025,290</u>
	2,372,355	3,216,122
Less: Discount to net present value (with rates ranging from 3.66% to 3.98%)	<u>13,567</u>	<u>35,124</u>
	<u><u>\$ 2,358,788</u></u>	<u><u>\$ 3,180,998</u></u>

At September 30, 2024, receivables from four donors accounted for approximately 80% of the total receivable balance. Two donors and one U.S. government agency accounted for approximately 53% of contributions and government grant revenue for the year ended September 30, 2024.

At September 30, 2023, receivables from four donors accounted for approximately 83% of the total receivable balance. Three donors and one U.S. government agency accounted for approximately 77% of contributions and government grant revenue for the year ended September 30, 2023.

Included in contributions and grants receivable reported on the statements of financial position are amounts due from members of the Board of Directors totaling \$412,811 and \$502,811 as of September 30, 2024 and 2023, respectively.

Note 4 - Grant Expenses

Grant expenses for the year ended September 30, 2024 consisted of the following:

	<u>Grant Expenses</u>
a) Touch Foundation Tanzania ("Touch TZ")	<u><u>\$ 1,444,325</u></u>

Grant expenses for the year ended September 30, 2023 consisted of the following:

	<u>Grant Expenses</u>
a) Touch Foundation Tanzania ("Touch TZ")	\$ 1,640,936
b) Clinton Health Access Initiative ("CHAI")	<u>45,000</u>
	<u><u>\$ 1,685,936</u></u>

TOUCH HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

Note 4 - Grant Expenses and Grants Payable (cont'd.)

A description of each of the grants for the years ended September 30, 2024 and 2023 is as follows:

- a) Touch TZ was formed to help Touch Health meet its mission of improving healthcare in Africa, starting in Tanzania, by increasing and improving the quality and effectiveness of human resources for health (“HRH”) and by improving healthcare facilities and healthcare delivery systems. To enhance the efficiency of its program operations, Touch Health began to administer aspects of its program through Touch TZ in 2012, a relationship formalized in an agreement signed between the two entities in October 2013. This includes making and administering grants to Tanzanian grantees, overseeing the performance of those grantees, and providing technical assistance to grantees and others in Tanzania. Touch Health provides bookkeeping and other services to Touch TZ.

Touch TZ is registered in the United Republic of Tanzania. Under the governing documents of Touch Health, four of Touch TZ’s six voting members currently serve on Touch Health’s Board of Directors. Under U.S. GAAP, Touch Health is not required to consolidate Touch TZ in the financial statements.

- b) In August 2019, Touch Health entered into a contract with CHAI to be responsible for the lower-level facility and community interventions component for the implementation of the *m-mama* program in the Kingdom of Lesotho, and putting in place aspects of the emergency referral and transportation system across the country. This includes enrolling community drivers, setting up dispatch centers, and liaising with communities and local authorities.

Note 5 - Net Assets With Donor Restrictions

Net assets with donor restrictions at September 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
M-Mama Program	\$ 1,331,241	\$ 2,344,300
Health Technology Management	25,999	48,168
FBO/Private Practice Program	332,503	90,902
MediFIKIA Program	51,897	505,209
Watato Care	522,320	727,194
CEO Roundtable Tanzania	39,798	-
	<u>\$ 2,303,758</u>	<u>\$ 3,715,773</u>

TOUCH HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

Note 5 - Net Assets With Donor Restrictions (cont'd.)

Net assets with donor restrictions were released from restrictions during the years ended September 30, 2024 and 2023 by incurring expenses satisfying the following:

	<u>2024</u>	<u>2023</u>
M-Mama Program	\$ 2,322,195	\$ 2,487,683
Health Technology Management	22,169	1,832
FBO/Private Practice Program	58,399	85,728
MediFIKIA Program	187,312	101,791
Watato Care	407,081	22,806
CEO Roundtable Tanzania	46,639	-
	<u>\$ 3,043,795</u>	<u>\$ 2,699,840</u>

Note 6 - Employee Benefit Plan

Touch Health sponsors a 401(k) profit-sharing plan for all eligible employees. Contributions to the plan are determined pursuant to a formula. Foreign employees not eligible for the 401(k) profit-sharing plan receive their retirement contribution from Touch Health as a direct payment. Total contributions made on behalf of the employees amounted to approximately \$50,000 for each of the years ended September 30, 2024 and 2023, respectively.

Note 7 - Contingencies

Pursuant to Touch Health’s contractual relationships with certain funding sources, governmental and outside agencies have the right to examine the books and records of Touch Health involving transactions relating to these contracts. The accompanying financial statements make no provisions for possible audit adjustments that may arise from such examinations.

The Small Business Administration (“SBA”) may undertake a review of a Paycheck Protection Program (“PPP”) loan of any size greater than \$150,000 during the six-year period following forgiveness or repayment of the loan. If selected, the review would include the loan forgiveness application, as well as whether Touch Health met the eligibility requirements of the PPP and received the proper loan amount. In April 2020, Touch Health received a PPP loan in the amount of \$245,900. Touch Health received full forgiveness of this PPP loan in May 2021. Touch Health is subject to an SBA review until May 2027. Whether Touch Health will be selected for SBA review, as well as the timing and outcome, is not yet known.

TOUCH HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

Note 8 - Available Resources and Liquidity

Touch Health manages its liquidity and financial resources with a level of prudence that emphasizes financial soundness and stability in order to maintain adequate liquid assets to fund near-term operating needs. The following reflects Touch Health's financial assets at September 30, 2024 and 2023, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

	<u>2024</u>	<u>2023</u>
Financial Assets:		
Cash and cash equivalents	\$ 724,543	\$ 1,297,266
Contributions and grants receivable, net	2,187,868	3,003,361
Accounts receivable	-	40,392
Advances receivable	170,920	137,245
Total financial assets	<u>3,083,331</u>	<u>4,478,264</u>
Less: Contractual or donor-imposed restrictions:		
Receivables due in more than one year	(249,244)	(990,166)
Donor-imposed purpose restricted net assets to be spent in more than one year	<u>(2,054,514)</u>	<u>(2,725,607)</u>
Total contractual or donor-imposed restrictions	<u>(2,303,758)</u>	<u>(3,715,773)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 779,573</u>	<u>\$ 762,491</u>

Note 9 - Subsequent Events

Touch Health has evaluated all events or transactions that occurred after September 30, 2024 through March 26, 2025, which is the date that the financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure.