PROJECT HEALTHY CHILDREN, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

PROJECT HEALTHY CHILDREN, INC. AND SUBSIDIARIES

CONTENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Project Healthy Children, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of Project Healthy Children, Inc. (a nonprofit organization) and Subsidiaries, which comprise the consolidated statements of financial position as of September 30, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

Marcum LLP

Boston, Massachusetts
July 13, 2022

PROJECT HEALTHY CHILDREN, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2021 AND 2020

	2021	2020
Assets		
Cash	$ 9,056,003	$ 968,011
Accounts receivable, net of allowance for doubtful accounts of $0 in 2021 and $20,000 in 2020	--	4,747
Inventory	721,687	384,804
Employee cash advances	5,843	--
Prepaid expenses and other current assets	397,314	61,806
Total Current Assets	10,180,847	1,419,368
Fixed Assets, Net of Accumulated Depreciation	1,073,542	664,459
Other Assets		
Security deposits	13,957	13,322
Total Assets	$ 11,268,346	$ 2,097,149
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 307,668	$ 69,897
Total Liabilities	307,668	69,897
Net Assets		
Without donor restrictions	10,960,678	1,792,441
With donor restrictions	--	234,811
Total Net Assets	10,960,678	2,027,252
Total Liabilities and Net Assets	$ 11,268,346	$ 2,097,149

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

PROJECT HEALTHY CHILDREN, INC. AND SUBSIDAIRIES

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021			2020		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Public Support and Revenue						
Public support:						
Contributions	$ 11,989,462	$ --	$ 11,989,462	$ 1,875,850	$ 84,811	$ 1,960,661
Other revenues:						
Sales of fortification supplies	494,976	--	494,976	586,378	--	586,378
Interest income	12,446	--	12,446	3,889	--	3,889
Total other revenues	507,422	--	507,422	590,267	--	590,267
Net assets released from restrictions	234,811	(234,811)	--	25,000	(25,000)	--
Total Public Support and Revenue	12,731,695	(234,811)	12,496,884	2,491,117	59,811	2,550,928
Expenses						
Program expense:						
Food fortification	2,963,869	--	2,963,869	2,126,658	--	2,126,658
Supporting activities:						
General and administration	509,270	--	509,270	103,425	--	103,425
Fundraising	90,319	--	90,319	85,044	--	85,044
Total supporting activities expense	599,589	--	599,589	188,469	--	188,469
Total Expenses	3,563,458	--	3,563,458	2,315,127	--	2,315,127
Changes in Net Assets	9,168,237	(234,811)	8,933,426	175,990	59,811	235,801
Net Assets - Beginning of Year	1,792,441	234,811	2,027,252	1,616,451	175,000	1,791,451
Net Assets - End of Year	$ 10,960,678	$ --	$ 10,960,678	$ 1,792,441	$ 234,811	$ 2,027,252

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

PROJECT HEALTHY CHILDREN, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021					2020				
	Program Services	Supporting Services				Program Services	Supporting Services			
	Food Fortification	General and Adminstration	Fundraising	Total Supporting Services	Total Expenses	Food Fortification	General and Adminstration	Fundraising	Total Supporting Services	Total Expenses
Cost of goods sold - premix	$ 872,454	$ --	$ --	$ --	$ 872,454	$ 748,769	$ --	$ --	$ --	$ 748,769
Overseas payroll and payroll taxes	806,369	--	--	--	806,369	510,474	--	--	--	510,474
Consultant and professional fees	262,356	172,591	66,845	239,436	501,792	110,018	86,830	55,550	142,380	252,398
Depreciation	135,726	101,997	--	101,997	237,723	225,514	2,166	--	2,166	227,680
Rent and facilities	189,283	15,444	--	15,444	204,727	112,163	--	--	--	112,163
Research and development	159,536	14,912	--	14,912	174,448	1,514	--	--	--	1,514
Recruiting and training	161,601	--	--	--	161,601	48,448	--	350	350	48,798
Payroll and related costs - U.S. based	158,543	--	--	--	158,543	79,954	--	--	--	79,954
Information technology	58,304	21,035	12,034	33,069	91,373	30,335	3,382	15,140	18,522	48,857
Travel	39,313	33,500	11,440	44,940	84,253	53,479	6,592	14,004	20,596	74,075
Fleet	31,591	27,830	--	27,830	59,421	44,349	--	--	--	44,349
Employee benefits	45,994	9,631	--	9,631	55,625	46,711	--	--	--	46,711
Other miscellaneous	--	32,110	--	32,110	32,110	6,947	3	--	3	6,950
Office supplies	9,249	22,963	--	22,963	32,212	14,057	--	--	--	14,057
Equipment and software	6,999	24,160	--	24,160	31,159	31,961	--	--	--	31,961
Communications	12,540	10,957	--	10,957	23,497	12,560	1,130	--	1,130	13,690
Memberships and fees	5,675	13,125	--	13,125	18,800	8,833	246	--	246	9,079
Insurance	4,195	9,015	--	9,015	13,210	3,982	3,076	--	3,076	7,058
Materials - fortification devices	3,973	--	--	--	3,973	6,713	--	--	--	6,713
Health kit and mask costs	168	--	--	--	168	9,877	--	--	--	9,877
Bad debt	--	--	--	--	--	20,000	--	--	--	20,000
	$ 2,963,869	$ 509,270	$ 90,319	$ 599,589	$ 3,563,458	$ 2,126,658	$ 103,425	$ 85,044	$ 188,469	$ 2,315,127

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

PROJECT HEALTHY CHILDREN, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
Cash Flows from Operating Activities		
Changes in net assets	$ 8,933,426	$ 235,801
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	237,723	227,680
(Decrease) increase in allowance for uncollectible accounts	(20,000)	20,000
Increase (decrease) in reserve for obsolete inventory	50,288	(63,713)
(Increase) decrease in assets:		
Accounts receivable	24,747	(24,747)
Unconditional promises to give	--	25,000
Inventory	(387,171)	173,761
Employee cash advances	(5,843)	646
Prepaids and other current assets	(335,508)	185,576
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	237,771	(109,002)
Total adjustments	(197,993)	435,201
Net Cash Provided by Operating Activities	8,735,433	671,002
Cash Flows from Investing Activities		
Purchase of fixed assets	(646,806)	(208,250)
Security deposits	(635)	10,165
Net Cash Used in Investing Activities	(647,441)	(218,415)
Net Increase in Cash	8,087,992	452,587
Cash, Beginning of Year	968,011	515,424
Cash, End of Year	$ 9,056,003	$ 968,011

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

NOTE 1 - NATURE OF THE ORGANIZATION

Project Healthy Children, Inc. (the "Organization") is a not-for-profit organization which was organized in 2004. The Organization provides policy development and advocacy, education, and technical and operational support for food fortification programs that improve the health of people around the world. Work is conducted primarily in Tanzania, Rwanda and other African countries. In April, 2018, the policy development and advocacy group of the Organization was combined with a unit of the Center for Disease Control so that the Organization could focus on the Sanku direct small scale food fortification programs in Tanzania and other countries.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The consolidated financial statements of Project Healthy Children, Inc. are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues and support are recognized when earned and expenses and losses are recognized when incurred, regardless of the timing of cash flows.

BASIS OF PRESENTATION AND CONSOLIDATION

In December 2020, the Organization formed a single-member LLC, PHC International Holdings LLC (“PHC Holdco”). PHC Holdco holds investments in international operations as the Organization expands.

In January 2021, the Organization formed a Tanzanian for-profit Corporation, Sanku-Project Healthy Children Tanzania Limited (“Sanku TZ), for the purpose of operating all Tanzanian activities.

The consolidated financial statements include the accounts of the Organization and its’ subsidiaries, PHC Holdco and Sanku TZ. All intercompany transactions and balances have been eliminated in consolidation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ADOPTION OF RECENTLY ISSUED ACCOUNTING STANDARDS

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* ("ASC 606"). The update clarifies the principles for recognizing revenue. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The requirements of ASC 606 will result in changes to the presentation and disclosure of revenue and potentially the timing of when transactions are recorded. ASC 606 as amended, was initially effective for annual reporting periods beginning after December 15, 2018, however, in June 2020, the FASB issued ASU 2020-05, *Effective Dates for Certain Entities*, which provided an additional one year extension of the effective date for entities that had not yet issued their financial statements as of this issuance of ASU 2020-05. The Organization adopted ASC 606 on October 1, 2020. The results of applying ASC 606 did not have a material impact on the financial position, changes in net assets, cash flows business processes, controls or systems of the Organization.

FINANCIAL STATEMENT PRESENTATION

Project Healthy Children, Inc. has presented its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for not-for-profit organizations.

Under this guidance, the Organization is required to report information regarding its consolidated financial position and activities according to two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) based upon the existence or absence of donor-imposed stipulations.

To ensure observance of limitations and restrictions that may be placed on the use of resources available to the Organization, its accounts are maintained in the following net asset categories:

NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions represent those assets that are not subject to donor-imposed stipulations or releases from donor restricted net assets designated for stipulated activities or programs. Donor-restricted contributions whose restrictions are met in the same reporting period are also classified as net assets without donor restrictions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL STATEMENT PRESENTATION (CONTINUED)

NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions represent those assets that are subject to explicit or implicit donor-imposed stipulations that may or will be met whether by actions of the Organization and/or the passage of time. When the restriction expires, the net assets are reclassified to net assets without donor restrictions. Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specific date, or for particular programs or services. Other donors impose restrictions, which are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. There are no net assets with donor restrictions that are required to be held in perpetuity.

CASH AND CASH EQUIVALENTS

For purposes of the consolidated statements of cash flows, the Organization considers all highly-liquid short-term deposits with original maturities of three months or less as cash equivalents.

ACCOUNTS RECEIVABLE, NET

Accounts receivable are stated at the amount management expects to collect from outstanding balances. On a periodic basis, management evaluates its accounts receivable for collectability based on a history of past write-offs and collections and current credit conditions. Based on management's assessment of the outstanding balances, it has recorded an allowance for uncollectible accounts of $0 and $20,000 as of September 30, 2021 and 2020, respectively.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using an appropriate discount rate commensurate with the risks involved. Amortization of the discount, if any is included in contribution revenue in the consolidated statements of activities and changes in net assets. Unconditional promises to give are stated at the amount management expects to collect from outstanding balances. An allowance for uncollectible contributions receivable is 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. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACCOUNTS RECEIVABLE, NET (CONTINUED)

The Organization does not have any outstanding grants receivable or unconditional promises to give as of September 30, 2021 and 2020, respectively.

INVENTORY

Inventory consists of purchased bags and premix for resale, and is valued at net realizable value on first-in, first-out basis.

FIXED ASSETS, NET

Fixed assets are stated at cost at the date of acquisition or fair value at the date of donation, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets, ranging from three to five years.

Purchases are determined to be capital expenditures based on the Organization's policy of capitalizing assets acquired at a cost (or, if donated, at fair value) exceeding $1,000 and an economic life in excess of one year. Those items which are not determined to be capital expenditures are charged to expense as incurred. Expenditures that significantly increase asset values or extend useful lives are capitalized.

Upon retirement, sale or other disposition of fixed assets, the cost and accumulated depreciation are eliminated from the accounts, and gains or losses are included in the consolidated statements of activities and changes in net assets.

USE OF ESTIMATES

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DONATED EQUIPMENT AND SERVICES

Donated equipment is recorded as a contribution at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions 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 contributions with donor restrictions. Absent 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. The Organization reclassifies net assets with donor restrictions to net assets without donor restriction at that time. During the years ended September 30, 2021 and 2020, the Organization did not receive any donated equipment. Donated services, if any, are computed at the value that contributed services requiring specialized skill represent to the comparable compensation that would be paid if the Organization were charged for these services. During the years ended September 30, 2021 and 2020, the Organization did not receive any donated services that qualified for recognition in the consolidated financial statements.

CONTRIBUTIONS

Unconditional contributions, including unconditional promises to give, are recognized as revenues and other support in the period received or pledged.

Unconditional contributions of assets other than cash are recorded at their estimated fair value. 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. The Organization reports gifts of cash and other assets as support with donor restrictions 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 restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

Conditional promises to give are not recognized until they become unconditional, that is, at the time when the condition on which they depend are substantially met.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OTHER REVENUE

Other revenue consists primarily of income from sales of inventory. Ordinarily, all inventory is sold on a cash-upon-delivery basis, at which time the related revenue is recognized in the consolidated statements of activities and changes in net assets. In response to the COVID-19 pandemic, the Organization extended credit to certain customers and recognized revenue from sales of inventory at the time of delivery to the customer.

COMPENSATED ABSENCES

Employees are entitled to paid time off ("PTO") depending on length of service and other factors. The Organization recognizes the cost of compensated absence as it is earned by the employee. Accumulated unpaid PTO totaled approximately $24,000 and $21,000 as of September 30, 2021 and 2020, respectively and is included in accounts payable and accrued expenses in the consolidated statements of financial position.

RESEARCH AND DEVELOPMENT COSTS

The costs of research, development and product improvement are charged to expense as incurred. Total research and development costs included in program services was $174,448 and $1,514 for the years ended September 30, 2021 and 2020, respectively.

INCOME TAX STATUS

Project Healthy Children, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). The Organization, however, is subject to the tax on unrelated business income, if any such income exists. The Organization had no unrelated business income during the years ended September 30, 2021 and 2020.

Sanku TZ is a for-profit company and pays taxes as appropriate in Tanzania. Sanku TZ incurred a loss through September 30, 2021 and did not have any significant taxes payable to the Tanzania Revenue Authority.

Project Healthy Children, Inc. recognizes and measures its unrecognized tax positions and assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax positions is adjusted when new information is available, or when an event occurs that requires a change. Interest and penalties associated with unrecognized tax positions, if any, would be classified as interest expense and additional income taxes, respectively, in the consolidated statements of activities and changes in net assets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAX STATUS (CONTINUED)

The Organization did not identify any uncertain tax positions at September 30, 2021 or 2020. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any periods pending or in progress.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the Organization's programs and activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets and consolidated statements of functional expenses. Salaries, wages, fringe benefits and certain other expenses are allocated based upon employee hours. Expenses that can be identified with a program or support service are allocated directly to that program or support service according to their natural expenditure classification.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 13, 2022, the date the consolidated financial statements were available to be issued and has determined that no subsequent events have occurred that would affect the information presented in the accompanying consolidated financial statements or require additional disclosure, except as disclosed below.

In November 2021, the Organization formed a Kenyan Corporation, Sanku-Project Healthy Children Kenya Limited ("Sanku KE"), that will operate all Kenyan activities.

NOTE 3 - EMPLOYEE CASH ADVANCES

Employees who work in or travel to the rural countries of Tanzania, Kenya and other remote areas are given cash advances because often there are no credit card transactions available in those locations. Once the money is spent, the employees submit receipts to the Tanzania office and the corresponding expenses are recorded in the consolidated statements of activities and changes in net assets.

NOTE 4 – FIXED ASSETS, NET

A summary of fixed assets at September 30 is as follows:

	2021	2020
Furniture and fixtures	$ 94,324	$ 29,336
Equipment	1,401,491	976,247
Computer equipment	63,696	29,396
Vehicles	279,110	156,884
	1,838,621	1,191,863
Less: Accumulated depreciation	765,079	527,404
Equipment, net	$ 1,073,542	$ 664,459

Total depreciation expense for the years ended September 30, 2021 and 2020 was $237,723 and $227,680, respectively.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at September 30:

	2021	2020
Subject to expenditure for specific purpose:		
Expansion of food fortification services	$ --	$ 234,811
	$ --	$ 234,811

During the years ended September 30, 2021 and 2020, net assets with donor restrictions of $234,811 and $25,000, respectively, were released from restriction for satisfaction of purpose of restriction.

NOTE 6 - OPERATING LEASES

In July 2018, the Organization entered into a lease agreement for building space in Rwanda. The term of the lease was for one year, renewable annually, and was renewed in July 2019. The Organization exited this lease agreement in July 2020.

In May 2018, the Organization entered into a lease agreement for property in Morogoro. The original term of the lease was for six months, expiring in November 2018, with annual options for one-year extensions. The extended term of the lease expired November 2020. The Organization currently rents this property on a month-to-month basis.

In May 2018, the Organization entered into a two-year lease agreement for warehouse space in Dar es Salaam. The lease expired in July 2020 and required all rent to be paid in full by June 2018. The Organization currently rents this space on a month-to-month basis.

In January 2018, the Organization entered into a two year lease agreement for warehouse space in Tanzania at a rate of $1,658 per month. The lease expired December 30, 2019. The Organization currently rents this space on a month-to-month basis.

In April 2019, the Organization entered into a one year lease agreement for warehouse space in Tanzania at a rate of $1,652 per month. The lease expired April 11, 2020. The Organization currently rents this space on a month-to-month basis.

In December 2019, the Organization entered into a one-year lease agreement for warehouse space in Dar es Saleem at a rate of $3,600 per month. The lease expired December 2020. The lease is renewable for an additional two-year period.

In July 2021, the Organization entered into a one-year lease agreement for warehouse space in Mikocheni at a rate of $2,950 per month. The lease expires on June 30, 2022 and is renewable for an additional one-year period.

In July 2021, the Organization entered into a one-year lease agreement for office space in Mikocheni at a rate of $751 per month. The lease expires on June 30, 2022 and is renewable for an additional one-year period.

Rent expense for the years ended September 30, 2021 and 2020 was approximately $173,000 and $102,000, respectively.

NOTE 7 - RELATED PARTY TRANSACTIONS

During the years ended September 30, 2021 and 2020, various board members and members of management made direct contributions to the Organization in the amount of $11,872 and $20,000, respectively.

NOTE 8 - CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at a financial institution located in Massachusetts. Accounts are insured by the Federal Deposit Insurance Corporation up to $250,000. Bank deposit amounts may, at times, exceed federally insured limits. The Organization also maintains cash deposits at financial institutions in Tanzania, which are uninsured. Management does not believe that it is exposed to significant risk with respect to cash, as balances in Tanzanian accounts are closely monitored and transferred to the financial institution in Massachusetts on a routine basis.

NOTE 9 – LIQUIDITY AND FUNDS AVAILABLE

The following reflects the Organization’s financial assets as of the consolidated statements of financial position dates, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the consolidated statements of financial position dates.

	2021	2020
Financial assets at year end		
Cash	$ 9,056,003	$ 968,011
Accounts receivable, net	--	4,747
Subtotal	9,056,003	972,758
Less:		
Amounts subject to donor restrictions	--	(234,811)
	$ 9,056,003	$ 737,947

The Organization is substantially supported by contributions. The contributions received may require resources to be used in a particular manner or in a future period. Because of these restrictions, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year.

NOTE 9 – LIQUIDITY AND FUNDS AVAILABLE (CONTINUED)

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 10 – RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. The Organization continues to monitor the outbreak of COVID-19 and the related business and travel restrictions and changes in behavior intended to reduce its spread. As of the date the financial statements were available to be issued, no specific material adverse matters have been identified or are estimable.