

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED AUGUST 30, 2022 AND 2021
and
SUPPLEMENTARY INFORMATION**

**with
INDEPENDENT AUDITORS' REPORT**

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INDEPENDENT AUDITORS' REPORT

Board of Directors

Task Force for Global Health, Inc. and Subsidiary

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Task Force for Global Health, Inc. and Subsidiary (collectively, the "Organization"), which comprise the consolidated statements of financial position as of August 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Task Force for Global Health, Inc. and Subsidiary as of August 31, 2022 and 2021, 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 audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated 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 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date of this report.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. This schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Smith + Howard

December 7, 2022

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 37,727,493	\$ 36,238,598
Investments	25,062,393	10,575,386
Grants, contracts and other receivables	7,241,826	4,141,520
Prepaid expenses	835,474	311,536
Prepaid vaccines	-	1,628,643
Property and equipment, net	<u>23,888,723</u>	<u>23,545,366</u>
 Total Assets	 <u>\$ 94,755,909</u>	 <u>\$ 76,441,049</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 4,437,518	\$ 3,992,274
Accrued absences	518,027	456,510
Payroll liabilities	5,311,525	4,016,946
Other accrued liabilities	2,028,363	944,945
Deferred revenue	-	1,628,643
Interest rate swap liability	-	301,805
Credit facilities	<u>6,613,381</u>	<u>5,425,000</u>
 Total Liabilities	 <u>18,908,814</u>	 <u>16,766,123</u>
 Net Assets		
Without donor restrictions	30,932,517	29,014,379
With donor restrictions	<u>44,914,578</u>	<u>30,660,547</u>
 Total Net Assets	 <u>75,847,095</u>	 <u>59,674,926</u>
 Total Liabilities and Net Assets	 <u>\$ 94,755,909</u>	 <u>\$ 76,441,049</u>

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

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Gains and Other Support			
Program support	\$ 230,446	\$ 91,010,084	\$ 91,240,530
Indirect cost recovery revenue	12,563,392	-	12,563,392
Capital campaign	-	-	-
Investment loss, net	(735,036)	(257,792)	(992,828)
Interest income	-	38,638	38,638
Other revenue	607,787		607,787
Gifts-in-kind	-	632,371,996	632,371,996
Net assets released from restrictions	<u>708,908,895</u>	<u>(708,908,895)</u>	<u>-</u>
 Total revenue, gains and other support	 <u>721,575,484</u>	 <u>14,254,031</u>	 <u>735,829,515</u>
 Expenses:			
Program	708,895,526	-	708,895,526
Supporting services:			
Fundraising	130,741	-	130,741
General and administrative	<u>10,631,079</u>	<u>-</u>	<u>10,631,079</u>
 Total expenses	 <u>719,657,346</u>	 <u>-</u>	 <u>719,657,346</u>
 Other Gains:			
Change in value of interest rate swap	<u>-</u>	<u>-</u>	<u>-</u>
 Change in Net Assets	 1,918,138	 14,254,031	 16,172,169
Net Assets, Beginning of Year	<u>29,014,379</u>	<u>30,660,547</u>	<u>59,674,926</u>
Net Assets, End of Year	<u>\$ 30,932,517</u>	<u>\$ 44,914,578</u>	<u>\$ 75,847,095</u>

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

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Gains and Other Support			
Program support	\$ 233,177	\$ 69,161,783	\$ 69,394,960
Indirect cost recovery revenue	10,396,675	-	10,396,675
Investment revenue, net	746,881	85,390	832,271
Interest income	-	28,047	28,047
Other revenue	774,181	32,668	806,849
Gifts-in-kind	-	961,202,345	961,202,345
Net assets released from restrictions	<u>1,025,282,004</u>	<u>(1,025,282,004)</u>	<u>-</u>
 Total revenue, gains and other support	 <u>1,037,432,918</u>	 <u>5,228,229</u>	 <u>1,042,661,147</u>
 Expenses:			
Program	1,025,197,134	-	1,025,197,134
Supporting services:			
Fundraising	21,649	-	21,649
General and administrative	<u>10,559,173</u>	<u>-</u>	<u>10,559,173</u>
 Total expenses	 <u>1,035,777,956</u>	 <u>-</u>	 <u>1,035,777,956</u>
 Other Gains:			
Change in value of interest rate swap	<u>195,055</u>	<u>-</u>	<u>195,055</u>
 Change in Net Assets	 1,850,017	 5,228,229	 7,078,246
Net Assets, Beginning of Year	<u>27,164,362</u>	<u>25,432,318</u>	<u>52,596,680</u>
Net Assets, End of Year	<u>\$ 29,014,379</u>	<u>\$ 30,660,547</u>	<u>\$ 59,674,926</u>

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

**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2022**

	<u>Personnel Costs</u>	<u>Office Expense</u>	<u>Communications</u>	<u>Meeting Costs</u>	<u>Travel</u>	<u>Consultants</u>	<u>Interest</u>	<u>Other</u>	<u>Depreciation</u>	<u>(Gifts-In-Kind) Medication</u>	<u>Total</u>
Health System Strengthening	\$ 8,400,352	\$ 384,778	\$ 60,315	\$ 784,820	\$ 629,423	\$ 14,785,109	\$ -	\$ 1,305,502	\$ -	\$ -	\$ 26,350,299
Center for Vaccine Equity	4,685,755	167,531	171,143	501,182	1,825,886	6,262,388	-	19,907,806	-	-	33,521,691
Neglected Tropical Diseases	<u>8,040,710</u>	<u>163,701</u>	<u>127,078</u>	<u>499,986</u>	<u>538,248</u>	<u>6,369,479</u>	<u>-</u>	<u>912,338</u>	<u>-</u>	<u>632,371,996</u>	<u>649,023,536</u>
Total Program Expense	21,126,817	716,010	358,536	1,785,988	2,993,557	27,416,976	-	22,125,646	-	632,371,996	708,895,526
Supporting services:											
Fundraising	85,889	16,285	-	529	-	28,038	-	-	-	-	130,741
General and Administrative	<u>6,972,759</u>	<u>731,706</u>	<u>192,155</u>	<u>227,969</u>	<u>119,909</u>	<u>633,241</u>	<u>246,264</u>	<u>352,988</u>	<u>1,154,088</u>	<u>-</u>	<u>10,631,079</u>
Total Expenses	<u>\$ 28,185,465</u>	<u>\$ 1,464,001</u>	<u>\$ 550,691</u>	<u>\$ 2,014,486</u>	<u>\$ 3,113,466</u>	<u>\$ 28,078,255</u>	<u>\$ 246,264</u>	<u>\$ 22,478,634</u>	<u>\$ 1,154,088</u>	<u>\$ 632,371,996</u>	<u>\$ 719,657,346</u>

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

**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2021**

	<u>Personnel Costs</u>	<u>Office Expense</u>	<u>Communications</u>	<u>Meeting Costs</u>	<u>Travel</u>	<u>Consultants</u>	<u>Interest</u>	<u>Other</u>	<u>Depreciation</u>	<u>(Gifts-In-Kind) Medication</u>	<u>Total</u>
Health System Strengthening	\$ 7,521,406	\$ 674,275	\$ 168,553	\$ 195,308	\$ 523,670	\$ 15,975,499	\$ -	\$ 2,156,342	\$ -	\$ -	\$ 27,215,053
Center for Vaccine Equity	2,920,476	37,761	33,407	42,096	857,981	3,082,450	-	15,616,659	-	-	22,590,830
Neglected Tropical Diseases	<u>7,649,485</u>	<u>318,356</u>	<u>96,042</u>	<u>168,831</u>	<u>108,085</u>	<u>4,571,893</u>	<u>-</u>	<u>1,276,214</u>	<u>-</u>	<u>961,202,345</u>	<u>975,391,251</u>
Total Program Expense	18,091,367	1,030,392	298,002	406,235	1,489,736	23,629,842	-	19,049,215	-	961,202,345	1,025,197,134
Supporting services:											
Fundraising	2,014	-	-	276	-	16,021	-	3,338	-	-	21,649
General and Administrative	<u>5,933,170</u>	<u>883,937</u>	<u>179,220</u>	<u>85,619</u>	<u>34,596</u>	<u>898,342</u>	<u>290,126</u>	<u>896,328</u>	<u>1,357,835</u>	<u>-</u>	<u>10,559,173</u>
Total Expenses	<u>\$ 24,026,551</u>	<u>\$ 1,914,329</u>	<u>\$ 477,222</u>	<u>\$ 492,130</u>	<u>\$ 1,524,332</u>	<u>\$ 24,544,205</u>	<u>\$ 290,126</u>	<u>\$ 19,948,881</u>	<u>\$ 1,357,835</u>	<u>\$ 961,202,345</u>	<u>\$ 1,035,777,956</u>

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

**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
YEARS ENDED AUGUST 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 16,172,169	\$ 7,078,246
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,154,088	1,357,835
Change in value of interest rate swap	(212,305)	(195,055)
Net realized and unrealized (gains) losses on investments, ne	1,278,196	(585,281)
Reinvestment of interest and dividends	(285,368)	(246,990)
Changes in operating assets and liabilities:		
Grants, contracts and other receivables	(3,100,306)	(375,105)
Prepaid expenses	(523,938)	64,089
Prepaid vaccines	1,628,643	353,569
Accounts payable	445,244	186,185
Accrued absences	61,517	54,776
Payroll liabilities	1,294,579	2,249,315
Other accrued liabilities	1,083,418	(190,418)
Deferred revenue	<u>(1,628,643)</u>	<u>(353,569)</u>
Net Cash Provided by Operating Activities	<u>17,367,294</u>	<u>9,397,597</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	(1,497,445)	-
Purchases of investments, net	(15,479,835)	-
Sales of investments	<u>-</u>	<u>524,445</u>
Net Cash Provided (Required) by Investing Activities	<u>(16,977,280)</u>	<u>524,445</u>
Cash Flows from Financing Activities:		
Proceeds from borrowings on credit facilities	1,363,381	-
Payment on credit facilities	(175,000)	(350,000)
Interest rate swap settlement	<u>(89,500)</u>	<u>-</u>
Net Cash Provided (Required) by Financing Activities	<u>1,098,881</u>	<u>(350,000)</u>
Change in Cash and Cash Equivalents	1,488,895	9,572,042
Cash and Cash Equivalents, Beginning of Year	<u>36,238,598</u>	<u>26,666,556</u>
Cash and Cash Equivalents, End of Year	<u>\$ 37,727,493</u>	<u>\$ 36,238,598</u>
<u>Supplemental Cash Flow Information:</u>		
Cash paid for interest:	<u>\$ 246,264</u>	<u>\$ 290,126</u>

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

**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021**

NOTE A – NATURE OF ORGANIZATION AND PRINCIPLES OF CONSOLIDATION

The Task Force for Global Health, Inc. (the "Task Force"), incorporated on May 5, 1986, is a nonprofit corporation, funded by various organizations. The Task Force solves large-scale health problems affecting populations through three impact areas: health system strengthening, center for vaccine equity, and neglected tropical diseases. These impact areas include programs such as pandemic preparedness, polio eradication, field epidemiology training, public health informatics, health workforce development, and medical surplus recovery.

The accompanying consolidated financial statements include the financial position and operating results of the Task Force's subsidiary organization, Global Health Solutions, Inc. ("GHS"). GHS was incorporated in the State of Georgia on September 22, 2005 for the purpose of supporting the Task Force's global health projects. GHS is organized under Section 501(c)(3) of the Internal Revenue Code. All significant intra-organizational accounts and transactions have been eliminated. GHS and Task Force are together referred to herein as the "Organization."

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("GAAP").

Adoption of New Accounting Standard

During the year ended August 31, 2022, the Organization adopted Accounting Standards Update ("ASU") 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The ASU improves transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations through enhancements to presentation and disclosure. ASU 2020-07 was issued to address certain stakeholders' concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by not-for-profits, as well as the amount of those contributions used in an entity's programs and other activities. The Organization applied ASU 2020-07 on a retrospective basis.

Net Assets

The Organization's net assets and its support and revenues are classified based on the existence or absence of donor-imposed restrictions using the following net asset classifications:

- Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

- Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that such resources be maintained in perpetuity. As of August 31, 2022 and 2021, the Organization did not have any net assets maintained in perpetuity.

Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, the Organization considers highly liquid investments, except for those held for long-term investment, with maturities of three months or less to be cash and cash equivalents.

Risks and Uncertainties

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and grants, contracts, and other receivables. At times, cash and cash equivalent balances exceed federally insured amounts. The Organization believes it reduces risks associated with balances in excess of federally insured amounts by maintaining its cash with major financial institutions with sound financial standing. Management continually monitors receivable balances and believes that its exposure to credit risk is limited. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying consolidated financial statements.

Revenues and Revenue Recognition

Contributions, grants, and government support are included in the consolidated statement of activities as program support.

Contributions and Grants

Contributions and grants of cash and services are recorded as net assets without donor restrictions or net assets with donor restrictions support depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose restriction and reported in the statement of activities as net assets released from restrictions. The Organization recognizes pledges as revenue when received and uses discounting for recording long-term pledges. Contributions and grants are recognized when the donor makes a promise to give that is in substance, unconditional. Conditional promises to give - that is, those 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. Bad debts are expensed and charged against the allowance account when deemed uncollectible based upon a periodic review of collections. Management has deemed that there is no allowance necessary at August 31, 2022 and 2021.

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Revenue Recognition (Continued)

Government Support

A portion of the Organization's revenue is derived from cost-reimbursable federal contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. The Organization received \$1,628,643 relating to cost-reimbursable grants that is included in deferred revenue on the consolidated statements of financial position as of August 31, 2021. The funds were used to prepay for vaccines. The revenue and qualifying expenditures occurred in the following fiscal year.

Property and Equipment

Property and equipment are recorded at cost at the date of acquisition. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the respective assets (5 to 30 years). Equipment is capitalized if it has a cost of \$5,000 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred.

Income Taxes

The Task Force is exempt from federal and state income taxes under the provisions of Section 501(c)(3) of the United States Internal Revenue Code. The Task Force is a public charity as defined in Section 509(a)(1) and 170(b)(1)(A)(vi) of the United States Internal Revenue Code. GHS is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. GHS is classified as a public charity and is qualified to receive tax deductible bequests, devises, transfers and gifts under Section 2055, 2106 or 2522 of the Code. GHS is also categorized as a Type 1 supporting organization under Section 509 (a).

The Organization annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. In the normal course of business, the Organization is subject to examination by the federal and state taxing authorities. In general, the Organization is no longer subject to tax examinations for the tax years ending before August 31, 2019.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis. Accordingly, there are no significant allocations of costs between programs and supporting services.

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through the date of this report, which is the date the consolidated financial statements were available to be issued.

Fair Value Measured on Recurring Basis

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs in which little or no market data exists (Level 3 measurements). The three levels of the fair value hierarchy under GAAP are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;

Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

The interest rate swap consists of a swap contract, which is valued based upon the quoted market value when available or management's estimate in the absence of a readily determinable fair value.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The table below represents fair value measurement hierarchy of the assets and liabilities at fair value as of August 31:

Fair Value Measured on Recurring Basis (Continued)

	<u>2022</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Bank Deposits	\$ 274,905	\$ -	\$ -	\$ 274,905
Certificates of Deposit	-	4,655,526	-	4,655,526
Bonds	-	16,511,363	-	16,511,363
Equities	<u>3,620,599</u>	<u>-</u>	<u>-</u>	<u>3,620,599</u>
Total Investments	<u>\$ 3,895,504</u>	<u>\$ 21,166,889</u>	<u>\$ -</u>	<u>\$ 25,062,393</u>
	<u>2021</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Certificates of Deposit	\$ -	\$ 2,752,183	\$ -	\$ 2,752,183
Bonds	-	3,996,202	-	3,996,202
Equities	<u>3,827,001</u>	<u>-</u>	<u>-</u>	<u>3,827,001</u>
Total Investments	<u>\$ 3,827,001</u>	<u>\$ 6,748,385</u>	<u>\$ -</u>	<u>\$ 10,575,386</u>
Liabilities				
Interest rate swap	<u>\$ -</u>	<u>\$ 301,805</u>	<u>\$ -</u>	<u>\$ 301,805</u>

The components of investment revenue (loss) as of August 31, 2022 and 2021 is as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Realized and unrealized gain (loss)	\$ (873,999)	\$ (349,809)	\$ 622,293	\$ 17,449
Dividends and Interest	179,957	105,411	164,177	82,813
Investment fee	<u>(40,994)</u>	<u>(13,394)</u>	<u>(39,589)</u>	<u>(14,872)</u>
	<u>\$ (735,036)</u>	<u>\$ (257,792)</u>	<u>\$ 746,881</u>	<u>\$ 85,390</u>

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at August 31:

	<u>2022</u>	<u>2021</u>
Furniture and fixtures	\$ 1,719,077	\$ 1,719,074
Automobiles	120,665	120,665
Office equipment	1,470,811	1,456,619
Land	2,135,100	2,135,100
Building/Improvements - 330 W. Ponce de Leon Ave.	21,756,333	20,094,760
Building/Improvements - 325 Swanton Way	<u>5,938,497</u>	<u>6,116,822</u>
	33,140,483	31,643,040
Less accumulated depreciation	<u>(9,251,760)</u>	<u>(8,097,674)</u>
	<u>\$ 23,888,723</u>	<u>\$ 23,545,366</u>

NOTE D – CREDIT FACILITIES

During fiscal year 2017, the Organization obtained a bond payable for \$7,000,000 subject to annual redemptions through maturity in 2036. The interest rate on the bond was variable based on 1 month LIBOR plus 1.90%. The bond was secured by land and a building owned by the Organization. At August 31, 2021, \$5,425,000 was owed on the bond. The Organization utilized an interested rate swap which it entered into in January 2019 that paid the Organization the variable rate described above while the Organization paid the financial institution a fixed rate of 4.88% on the contractual notional amount.

On March 15, 2022, the Organization obtained a credit facility with a total credit limit of \$14,025,000 from which it utilized \$5,254,620 to pay off the outstanding principal and interest on the bond payable and \$89,500 to terminate the swap agreement. The credit facility allows for draws to be made up to the credit limit for construction advances to renovate property owned by the Organization. The credit facility requires monthly interest payments to be made at a fixed rate of 3.99% through the funding deadline, 18 months after closing. Beginning in November 2023, monthly principal and interest payments will be made based on a 25 year amortization of the outstanding balance. In March 2032, the outstanding balance will mature.

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE D – CREDIT FACILITIES (Continued)

The aggregate maturities on the credit facility based on the balance at August 31, 2022 are as follows for the years ending August 31:

2023	\$	-
2024		117,295
2025		162,182
2026		168,783
2027		243,196
Thereafter		<u>5,921,925</u>
	<u>\$</u>	<u>6,613,381</u>

The credit facility contains various covenants, which require the Organization to maintain certain cash balances and meet certain financial ratios as defined in the agreement. At August 31, 2022 and 2021, the Organization was in compliance with the covenants.

NOTE E – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes at August 31:

	<u>2022</u>	<u>2021</u>
Health System Strengthening	\$ 3,288,287	\$ 6,066,805
Center for Vaccine Equity	2,094,381	4,186,022
Neglected Tropical Diseases	<u>39,531,910</u>	<u>20,407,720</u>
	<u>\$ 44,914,578</u>	<u>\$ 30,660,547</u>

NOTE F – INDIRECT COST RECOVERY REVENUE AND EXPENSE

In the normal course of operations, the Organization is responsible for expending certain donated funds as directed by sponsoring organizations. The revenues and related expenses for these transactions have been recorded in the consolidated financial statements of the Organization. In exchange for management of these funds, the Organization is permitted to collect an indirect cost fee from the sponsoring organizations. For the years ended August 31, 2022, and 2021, the amount of indirect cost fee revenue collected totaled \$12,563,392 and \$10,396,675 respectively, and was recorded as without donor restrictions revenue in the accompanying consolidated statements of activities.

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE G – GIFTS-IN-KIND

Gifts-in-kind revenue consists of medicine donated by two pharmaceutical companies to GHS for distribution in Brazil, Brazzaville, Cameroon, Central African Republic, Cote d'Ivoire, Democratic Republic of Congo, Ethiopia, India, Kenya, Kiribati, Madagascar, Malaysia, Mozambique, Myanmar, Nauru, New Caledonia, New Guinea, Niger, Nigeria, South Sudan, Sudan, Tahiti, Tanzania, Uganda, Venezuela, Yemen, Zambia, and Zimbabwe. Donated medicines are recorded at their estimated fair value using the lower of either the value established by the donor or the lowest price provided by selected pharmacies. For the years ended August 31, 2022 and 2021, values for the donated medicine were \$632,371,996 and \$961,202,345, respectively.

NOTE H – BENEFIT PLAN

Substantially all of the Organization's employees are eligible to participate in the 403(b) retirement plan administered by Emory University. After the employee becomes eligible, the Organization makes a basic contribution equal to 6% of an eligible employee's regular salary. By meeting certain requirements and the employee contributing an additional 2%, the Organization will add an additional 3% match. Under the plan, the Organization makes contributions to the Emory University fringe benefits pool from which employer contributions are made. The associated charge, which also includes employee insurance coverage, was approximately 27.25% of gross salaries for employees for the years ended August 31, 2022 and 2021, resulting in payments into the fringe benefit pool totaling \$5,935,852 and \$4,911,830, respectively.

NOTE I – LEASE INCOME

The Organization has two agreements to lease office space in two buildings. The lease agreements are each under one year commitments with 4 additional one year extensions. After February 2022, the Organization did not extend one of the leases. Future minimum rental income under the remaining operating lease will be approximately \$83,000 for 2023. Rental income in 2022 and 2021 from these two leases was approximately \$648,000 and \$639,000, respectively.

NOTE J – CONTINGENCIES

Certain federally funded programs are routinely subject to special audit. Such federal agencies have the authority to determine liabilities as well as to limit, suspend, or terminate the federal programs. Since the Organization does not expect claims to arise as a result of such possible audits, no provision for liabilities, if any, has been provided in the accompanying consolidated financial statements.

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE K – LIQUIDITY

The Organization is substantially supported by contributions with and without donor restrictions. The Organization’s financial assets available for general expenditures, that is, without donor restriction or other restriction limiting their use, within one year of the consolidated statements of financial position as of August 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 37,727,493	\$ 36,238,598
Investments	25,062,393	10,575,386
Grants, contracts and other receivables	<u>7,241,826</u>	<u>4,141,520</u>
	70,031,712	50,955,504
Less those unavailable for general expenditures within one year, due to:		
Donor imposed restrictions	<u>(44,914,578)</u>	<u>(30,660,547)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 25,117,134</u>	<u>\$ 20,294,957</u>

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. In addition, the Organization invests cash in excess of daily requirements in various investments including certificates of deposit, bonds and equities, all of which are able to be liquidated in the event of an unanticipated liquidity needs.

NOTE L – SUBSEQUENT EVENTS

Subsequent to year-end, the Organization has listed a property for sale that has a net book value of \$1,999,155 as of August 31, 2022.

SUPPLEMENTARY INFORMATION

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2022

ASSETS

	<u>Task Force</u>	<u>GHS</u>	<u>Consolidated Total</u>
Cash and cash equivalents	\$ 37,727,493	\$ -	\$ 37,727,493
Investments	25,062,393	-	25,062,393
Grants, contracts and other receivables	7,241,826	-	7,241,826
Prepaid expenses	835,474	-	835,474
Prepaid vaccines	-	-	-
Property and equipment, net	<u>23,888,723</u>	-	<u>23,888,723</u>
 Total Assets	 <u>\$ 94,755,909</u>	 <u>\$ -</u>	 <u>\$ 94,755,909</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 4,437,518	\$ -	\$ 4,437,518
Accrued absences	518,027	-	518,027
Payroll liabilities	5,311,525	-	5,311,525
Other accrued liabilities	2,028,363	-	2,028,363
Deferred revenue	-	-	-
Interest rate swap liability	-	-	-
Bond payable	<u>6,613,381</u>	-	<u>6,613,381</u>
 Total Liabilities	 18,908,814	 -	 18,908,814
 Net Assets			
With Donor Restrictions	30,932,517	-	30,932,517
Without Donor Restrictions	<u>44,914,578</u>	-	<u>44,914,578</u>
 Total Net Assets	 <u>75,847,095</u>	 -	 <u>75,847,095</u>
 Total Liabilities and Net Assets	 <u>\$ 94,755,909</u>	 <u>\$ -</u>	 <u>\$ 94,755,909</u>

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2022

	TASK FORCE			GHS			Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support									
Program support	\$ 230,446	\$ 91,010,084	\$ 91,240,530	\$ -	\$ -	\$ -	\$ 230,446	\$ 91,010,084	\$ 91,240,530
Indirect cost recovery revenue	12,563,392	-	12,563,392	-	-	-	12,563,392	-	12,563,392
Investment revenue, net	(735,036)	(257,792)	(992,828)	-	-	-	(735,036)	(257,792)	(992,828)
Interest income	-	38,638	38,638	-	-	-	-	38,638	38,638
Other revenue	607,787	-	607,787	-	-	-	607,787	-	607,787
Gifts-in-kind	-	-	-	-	632,371,996	632,371,996	-	632,371,996	632,371,996
Net assets released from restrictions	76,536,899	(76,536,899)	-	632,371,996	(632,371,996)	-	708,908,895	(708,908,895)	-
Total revenue, gains and other support	89,203,488	14,254,031	103,457,519	632,371,996	-	632,371,996	721,575,484	14,254,031	735,829,515
Expenses:									
Program	76,523,530	-	76,523,530	632,371,996	-	632,371,996	708,895,526	-	708,895,526
Supporting services:									
Fundraising	130,741	-	130,741	-	-	-	130,741	-	130,741
General and administrative	10,631,079	-	10,631,079	-	-	-	10,631,079	-	10,631,079
Total expenses	87,285,350	-	87,285,350	632,371,996	-	632,371,996	719,657,346	-	719,657,346
Other Gains:									
Change in value of interest rate swap	-	-	-	-	-	-	-	-	-
Change in Net Assets	1,918,138	14,254,031	16,172,169	-	-	-	1,918,138	14,254,031	16,172,169
Net Assets, Beginning of Year	29,014,379	30,660,547	59,674,926	-	-	-	29,014,379	30,660,547	59,674,926
Net Assets, End of Year	\$ 30,932,517	\$ 44,914,578	\$ 75,847,095	\$ -	\$ -	\$ -	\$ 30,932,517	\$ 44,914,578	\$ 75,847,095