

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED AUGUST 30, 2021 AND 2020
and
SUPPLEMENTARY INFORMATION**

**with
INDEPENDENT AUDITORS' REPORT**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	3-4
Consolidated Statements of Financial Position	5
Consolidated Statements of Activities	6-7
Consolidated Statements of Functional Expenses	8-9
Consolidated Statements of Cash Flows	10
Notes to Consolidated Financial Statements	11-19
Supplementary Information	
Consolidating Statement of Financial Position	21
Consolidating Statement of Activities	22



INDEPENDENT AUDITORS' REPORT

Board of Directors
Task Force for Global Health, Inc. and Subsidiary

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Task Force for Global Health, Inc. and Subsidiary (collectively, the "Organization"), which comprise the consolidated statement of financial position as of August 31, 2021 and 2020, 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.

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 audits 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 Organization'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 Organization'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 Task Force for Global Health, Inc. and Subsidiary as of August 31, 2021 and 2020, 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.

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 and Howard

November 30, 2021

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 36,238,598	\$ 26,666,556
Investments	10,575,386	10,267,560
Grants, contracts and other receivables	4,141,520	3,766,415
Prepaid expenses	311,536	375,624
Prepaid vaccines	1,628,643	1,982,212
Property and equipment, net	<u>23,545,366</u>	<u>24,903,202</u>
 Total Assets	 <u>\$ 76,441,049</u>	 <u>\$ 67,961,569</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 3,992,274	\$ 3,806,089
Accrued absences	456,510	401,734
Payroll liabilities	4,016,946	1,767,631
Other accrued liabilities	944,945	1,135,363
Deferred revenue	1,628,643	1,982,212
Interest rate swap liability	301,805	496,860
Bond payable	<u>5,425,000</u>	<u>5,775,000</u>
 Total Liabilities	 <u>16,766,123</u>	 <u>15,364,889</u>
 Net Assets		
Without donor restrictions	29,014,379	27,164,362
With donor restrictions	<u>30,660,547</u>	<u>25,432,318</u>
 Total Net Assets	 <u>59,674,926</u>	 <u>52,596,680</u>
 Total Liabilities and Net Assets	 <u>\$ 76,441,049</u>	 <u>\$ 67,961,569</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 ACTIVITIES
YEAR ENDED AUGUST 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Gains and Other Support			
Program support	\$ 941,143	\$ 47,849,309	\$ 48,790,452
Indirect cost recovery revenue	8,425,135	-	8,425,135
Investment revenue, net	508,357	78,632	586,989
Interest income	41,167	93,837	135,004
Other revenue	881,875	21,670	903,545
Gifts-in-kind	-	846,866,932	846,866,932
Net assets released from restrictions	<u>897,879,972</u>	<u>(897,879,972)</u>	<u>-</u>
 Total revenue, gains and other support	 <u>908,677,649</u>	 <u>(2,969,592)</u>	 <u>905,708,057</u>
Expenses:			
Program	897,338,289	-	897,338,289
Supporting services:			
Fundraising	142,580	-	142,580
General and administrative	<u>9,075,414</u>	<u>-</u>	<u>9,075,414</u>
 Total expenses	 <u>906,556,283</u>	 <u>-</u>	 <u>906,556,283</u>
Other Losses:			
Change in value of interest rate swap	<u>(81,162)</u>	<u>-</u>	<u>(81,162)</u>
 Change in Net Assets	 2,040,204	 (2,969,592)	 (929,388)
Net Assets, Beginning of Year	<u>25,124,158</u>	<u>28,401,910</u>	<u>53,526,068</u>
Net Assets, End of Year	<u>\$ 27,164,362</u>	<u>\$ 25,432,318</u>	<u>\$ 52,596,680</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 FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2020**

	<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	\$ 5,964,302	\$ 418,330	\$ 88,749	\$ 1,455,397	\$ 2,618,085	\$ 10,087,417	\$ -	\$ 871,854	\$ -	\$ -	\$ 21,504,134
Center for Vaccine Equity	1,722,269	18,973	101,253	159,489	660,518	2,551,632	-	5,161,770	-	27,125	10,403,029
Neglected Tropical Diseases	<u>7,338,958</u>	<u>342,770</u>	<u>73,665</u>	<u>1,140,317</u>	<u>885,621</u>	<u>7,734,666</u>	<u>-</u>	<u>1,075,322</u>	<u>-</u>	<u>846,839,807</u>	<u>865,431,126</u>
Total Program Expense	15,025,529	780,073	263,667	2,755,203	4,164,224	20,373,715	-	7,108,946	-	846,866,932	897,338,289
Supporting services:											
Fundraising	119,697	-	108	-	25	22,628	-	122	-	-	142,580
General and Administrative	<u>5,417,485</u>	<u>646,063</u>	<u>190,752</u>	<u>124,898</u>	<u>143,859</u>	<u>396,094</u>	<u>302,339</u>	<u>419,898</u>	<u>1,434,026</u>	<u>-</u>	<u>9,075,414</u>
Total Expenses	<u>\$ 20,562,711</u>	<u>\$ 1,426,136</u>	<u>\$ 454,527</u>	<u>\$ 2,880,101</u>	<u>\$ 4,308,108</u>	<u>\$ 20,792,437</u>	<u>\$ 302,339</u>	<u>\$ 7,528,966</u>	<u>\$ 1,434,026</u>	<u>\$ 846,866,932</u>	<u>\$ 906,556,283</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, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 7,078,246	\$ (929,388)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,357,835	1,434,026
Change in value of interest rate swap	(195,055)	81,162
Net realized and unrealized gains on investments, net	(585,281)	(292,401)
Reinvestment of interest and dividends	(246,990)	(294,588)
Changes in operating assets and liabilities:		
Grants, contracts and other receivables	(375,105)	2,849,925
Prepaid expenses	64,089	251,510
Prepaid vaccines	353,569	(1,982,212)
Accounts payable	186,185	732,392
Accrued absences	54,776	50,948
Payroll liabilities	2,249,315	265,852
Other accrued liabilities	(190,418)	(152,312)
Deferred revenue	(353,569)	1,982,212
Net Cash Provided by Operating Activities	<u>9,397,597</u>	<u>3,997,126</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	-	(33,229)
Sales of investments	524,445	-
Net Cash Provided (Required) by Investing Activities	<u>524,445</u>	<u>(33,229)</u>
Cash Flows from Financing Activities:		
Payment on bond payable	(350,000)	(350,000)
Net Cash Required by Financing Activities	<u>(350,000)</u>	<u>(350,000)</u>
Change in Cash and Cash Equivalents	9,572,042	3,613,897
Cash and Cash Equivalents, Beginning of Year	<u>26,666,556</u>	<u>23,052,659</u>
Cash and Cash Equivalents, End of Year	<u>\$ 36,238,598</u>	<u>\$ 26,666,556</u>
<u>Supplemental Cash Flow Information:</u>		
Cash paid for interest:	<u>\$ 290,126</u>	<u>\$ 302,339</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, 2021 AND 2020**

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").

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.
- 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, 2021 and 2020, 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.

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The Organization has experienced a disruption of normal business operations caused from COVID-19. The overall impact cannot be determined through the date of this report; however, it is reasonably possible that changes in risks in the near term could occur which could result in a material change to the consolidated financial statements.

Revenues and Revenue Recognition

Contributions, grants and government support is 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, 2021 and 2020.

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 and \$1,982,212 relating to cost reimbursable grants that is included in deferred revenue on the consolidated statements of financial position as of August 31, 2021 and 2020, respectively. The funds were used to prepay for vaccines. The revenue and qualifying expenditures will occur in the following fiscal year.

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are recorded at cost at 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, 2018.

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.

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.

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	2021			
	<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>
	2020			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Certificates of Deposit	\$ -	\$ 3,041,550	\$ -	\$ 3,041,550
Bonds	-	4,192,624	-	4,192,624
Equities	<u>3,033,386</u>	<u>-</u>	<u>-</u>	<u>3,033,386</u>
Total Investments	<u>\$ 3,033,386</u>	<u>\$ 7,234,174</u>	<u>\$ -</u>	<u>\$ 10,267,560</u>
Liabilities				
Interest rate swap	<u>\$ -</u>	<u>\$ 496,860</u>	<u>\$ -</u>	<u>\$ 496,860</u>

The components of investment revenue as of August 31, 2021 and 2020 is as follows:

	2021		2020	
	<u>Without Donor</u>	<u>With Donor</u>	<u>Without Donor</u>	<u>With Donor</u>
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>
Realized and unrealized gain (loss)	\$ 622,293	\$ 17,449	\$ 358,440	\$ (14,018)
Dividends and Interest	164,177	82,813	184,513	110,075
Investment fee	<u>(39,589)</u>	<u>(14,872)</u>	<u>(34,596)</u>	<u>(17,425)</u>
	<u>\$ 746,881</u>	<u>\$ 85,390</u>	<u>\$ 508,357</u>	<u>\$ 78,632</u>

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at August 31:

	<u>2021</u>	<u>2020</u>
Furniture and fixtures	\$ 1,719,074	\$ 1,719,074
Automobiles	120,665	120,665
Office equipment	1,456,619	1,456,619
Land	2,135,100	2,135,100
Building - 330 W. Ponce de Leon Ave.	20,094,760	20,094,760
Building - 325 Swanton Way	<u>6,116,822</u>	<u>6,116,822</u>
	31,643,040	31,643,040
Less accumulated depreciation	<u>(8,097,674)</u>	<u>(6,739,838)</u>
	<u>\$ 23,545,366</u>	<u>\$ 24,903,202</u>

NOTE D – BOND PAYABLE

The Organization's bond payable consists of the following at August 31:

	<u>2021</u>	<u>2020</u>
\$7,000,000 bond payable with a financial institution, principal payable in varying amounts through maturity at December 1, 2036, subject to annual redemptions. The bond is secured by the land and building located at 330 W. Ponce de Leon Ave., Decatur, GA. Interest rate on the bond is variable and had an effective rate of 1.99% at August 31, 2021.	<u>\$ 5,425,000</u>	<u>\$ 5,775,000</u>

The aggregate maturities on the bond payable are as follows for the years ending August 31:

2022	\$ 350,000
2023	350,000
2024	350,000
2025	350,000
2026	350,000
Thereafter	<u>3,675,000</u>
	<u>\$ 5,425,000</u>

The bond payable 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, 2021 and 2020, the Organization was in compliance with the covenants.

**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020**

NOTE D – BOND PAYABLE (Continued)

The Organization utilizes an interest rate swap to manage interest rate exposure of the underlying debt. Interest rate swaps generally involve the exchange of fixed and floating interest rate payment obligations without the exchange of underlying principal amounts. The Organization entered into an interest rate swap with a financial institution effective January 7, 2019 which terminates on December 1, 2036. Under the terms of the swap agreement, the Organization will pay the financial institution a fixed rate of 4.88% on the contractual notional amount. The financial institution will pay the Organization a variable rate based on the benchmark of 1 month LIBOR plus 1.90% (1.99% at August 31, 2021). At inception the swap agreement had a contractual notional amount of \$6,300,000, which is used to express volume of the transaction, but does not represent cash flows.

NOTE E – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2021</u>	<u>2020</u>
Health System Strengthening	\$ 6,066,805	\$ 3,732,099
Center for Vaccine Equity	4,186,022	8,959,711
Neglected Tropical Diseases	<u>20,407,720</u>	<u>12,740,508</u>
	<u>\$ 30,660,547</u>	<u>\$ 25,432,318</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, 2021, and 2020, the amount of indirect cost fee revenue collected totaled \$10,396,675 and \$8,425,135, respectively, and was recorded as without donor restrictions revenue in the accompanying consolidated statements of activities.

NOTE G – GIFTS-IN-KIND

Gifts-in-kind revenue consists of medicine donated by three pharmaceutical companies to GHS for distribution in Albania, Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Colombia, Congo, Cote d'Ivoire, Democratic Republic of the Congo, Eritrea, Ethiopia, Guinea, Guinea Bissau, Kenya, Kiribati, Laos, Mali, Malawi, Moldova, Mongolia, Morocco, Mozambique, Nepal, Niger, Nigeria, Pakistan, Senegal, Sierra Leone, South Sudan, Sudan, Tanzania, Uganda, Vanuatu, Vietnam, Yemen, Zambia, Zanzibar 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, 2021 and 2020, values for the donated medicine were \$961,202,345 and \$846,866,932, respectively.

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

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, 2021 and 2020, resulting in payments into the fringe benefit pool totaling \$4,911,830 and \$4,174,587, 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. Future minimum rental income under operating leases for these leases will be approximately \$639,000 for 2022. Rental income in 2021 and 2020 from these two leases was approximately \$639,000. One of the lease agreements will expire 12/31/2021.

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.

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, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 36,238,598	\$ 26,666,556
Investments	10,575,386	10,267,560
Grants, contracts and other receivables	<u>4,141,520</u>	<u>3,766,415</u>
	50,955,504	40,700,531
Less those unavailable for general expenditures within one year, due to:		
Donor imposed restrictions	<u>(30,660,547)</u>	<u>(25,432,318)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 20,294,957</u>	<u>\$ 15,268,213</u>

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE K – LIQUIDITY (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. 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.

SUPPLEMENTARY INFORMATION

TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2021

ASSETS

	<u>Task Force</u>	<u>GHS</u>	<u>Consolidated Total</u>
Cash and cash equivalents	\$ 36,238,598	\$ -	\$ 36,238,598
Investments	10,575,386	-	10,575,386
Grants, contracts and other receivables	4,141,520	-	4,141,520
Prepaid expenses	311,536	-	311,536
Prepaid vaccines	1,628,643	-	1,628,643
Property and equipment, net	<u>23,545,366</u>	-	<u>23,545,366</u>
 Total Assets	 <u>\$ 76,441,049</u>	 <u>\$ -</u>	 <u>\$ 76,441,049</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 3,992,274	\$ -	\$ 3,992,274
Accrued absences	456,510	-	456,510
Payroll liabilities	4,016,946	-	4,016,946
Other accrued liabilities	944,945	-	944,945
Deferred revenue	1,628,643	-	1,628,643
Interest rate swap liability	301,805	-	301,805
Bond payable	<u>5,425,000</u>	-	<u>5,425,000</u>
 Total Liabilities	 16,766,123	 -	 16,766,123
 Net Assets			
With Donor Restrictions	29,014,379	-	29,014,379
Without Donor Restrictions	<u>30,660,547</u>	-	<u>30,660,547</u>
 Total Net Assets	 <u>59,674,926</u>	 -	 <u>59,674,926</u>
 Total Liabilities and Net Assets	 <u>\$ 76,441,049</u>	 <u>\$ -</u>	 <u>\$ 76,441,049</u>

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

	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	\$ 233,177	\$ 69,161,783	\$ 69,394,960	\$ -	\$ -	\$ -	\$ 233,177	\$ 69,161,783	\$ 69,394,960
Indirect cost recovery revenue	10,396,675	-	10,396,675	-	-	-	10,396,675	-	10,396,675
Investment revenue, net	746,881	85,390	832,271	-	-	-	746,881	85,390	832,271
Interest income	-	28,047	28,047	-	-	-	-	28,047	28,047
Other revenue	774,181	32,668	806,849	-	-	-	774,181	32,668	806,849
Gifts-in-kind	-	-	-	-	961,202,345	961,202,345	-	961,202,345	961,202,345
Net assets released from restrictions	64,079,659	(64,079,659)	-	961,202,345	(961,202,345)	-	1,025,282,004	(1,025,282,004)	-
Total revenue, gains and other support	76,230,573	5,228,229	81,458,802	961,202,345	-	961,202,345	1,037,432,918	5,228,229	1,042,661,147
Expenses:									
Program	63,994,789	-	63,994,789	961,202,345	-	961,202,345	1,025,197,134	-	1,025,197,134
Supporting services:									
Fundraising	21,649	-	21,649	-	-	-	21,649	-	21,649
General and administrative	10,559,173	-	10,559,173	-	-	-	10,559,173	-	10,559,173
Total expenses	74,575,611	-	74,575,611	961,202,345	-	961,202,345	1,035,777,956	-	1,035,777,956
Other Gains:									
Change in value of interest rate swap	195,055	-	195,055	-	-	-	195,055	-	195,055
Change in Net Assets	1,850,017	5,228,229	7,078,246	-	-	-	1,850,017	5,228,229	7,078,246
Net Assets, Beginning of Year	27,164,362	25,432,318	52,596,680	-	-	-	27,164,362	25,432,318	52,596,680
Net Assets, End of Year	\$ 29,014,379	\$ 30,660,547	\$ 59,674,926	\$ -	\$ -	\$ -	\$ 29,014,379	\$ 30,660,547	\$ 59,674,926