



BANDA HEALTH

Financial Statements
With Independent Accountants' Review Report

December 31, 2021 and 2020

BANDA HEALTH

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Banda Health
Monument, Colorado

We have reviewed the accompanying financial statements of Banda Health, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Banda Health and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Colorado Springs, Colorado
July 18, 2022

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BANDA HEALTH

Statements of Financial Position

	December 31,	
	2021	2020
ASSETS:		
Cash	\$ 256,714	\$ 143,898
Prepaid expenses and other assets	-	1,190
Total Assets	<u>\$ 256,714</u>	<u>\$ 145,088</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ -	\$ 1,760
Total liabilities	<u>-</u>	<u>1,760</u>
Net assets:		
Without donor restrictions	255,674	142,288
With donor restrictions	1,040	1,040
Total net assets	<u>256,714</u>	<u>143,328</u>
Total Liabilities and Net Assets	<u>\$ 256,714</u>	<u>\$ 145,088</u>

See accompanying notes and independent accountants' review report

BANDA HEALTH

Statements of Activities

	Year Ended December 31,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 248,590	\$ -	\$ 248,590	\$ 128,828	\$ -	\$ 128,828
Gift-in-kind services	143,760	-	143,760	149,896	-	149,896
Other income	1,397	-	1,397	213	-	213
Total Support and Revenue	393,747	-	393,747	278,937	-	278,937
NET ASSETS RELEASED:						
Purpose restrictions	-	-	-	2,162	(2,162)	-
EXPENSES:						
Program services	262,624	-	262,624	157,620	-	157,620
Supporting activities:						
General and administrative	17,580	-	17,580	20,156	-	20,156
Fund-raising	157	-	157	357	-	357
	17,737	-	17,737	20,513	-	20,513
Total Expenses	280,361	-	280,361	178,133	-	178,133
Change in Net Assets	113,386	-	113,386	102,966	(2,162)	100,804
Net Assets, Beginning of Year	142,288	1,040	143,328	39,322	3,202	42,524
Net Assets, End of Year	\$ 255,674	\$ 1,040	\$ 256,714	\$ 142,288	\$ 1,040	\$ 143,328

See accompanying notes and independent accountants' review report

BANDA HEALTH

Statements of Cash Flows

	Year Ended December 31,	
	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 113,386	\$ 100,804
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Net change in operating assets and liabilities:		
Prepaid expenses and other assets	1,190	(1,190)
Accounts payable	<u>(1,760)</u>	<u>(1,291)</u>
Net Cash Provided by Operating Activities	<u>112,816</u>	<u>98,323</u>
Net Change in Cash	112,816	98,323
Cash, Beginning of Year	<u>143,898</u>	<u>45,575</u>
Cash, End of Year	<u>\$ 256,714</u>	<u>\$ 143,898</u>

See accompanying notes and independent accountants' review report

BANDA HEALTH

Notes to Financial Statements

December 31, 2021 and 2020

1. NATURE OF ORGANIZATION:

Banda Health (BH) is transforming healthcare for low-resource patients by empowering clinics in very low-income communities with powerful IT solutions that improve clinical capacity and automate business and clinical processes.

Seventy-one clinics in economically vulnerable communities in East Africa and one hospital in Niger have implemented Banda Go, BH's clinic management solution. Patients' limited ability to pay means that these healthcare facilities must minimize expenses to stay in business. Banda Go helps them do this by cost-effectively streamlining their business and patient care processes. This includes transforming inventory and cash-flow control and accounting, tracking patient care in real time, reducing government reporting preparation times from days to minutes, eliminating stockouts, and improving financial sustainability. Low-margin clinics have more time, more resources, and more information available as they care for their vulnerable patient populations.

BH is operated as a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), and comparable state laws. However, BH is subject to federal income tax on any unrelated business taxable income. BH is not a private foundation under Section 509(a) of the IRC. Gift-in-kind services from seconded missionaries and contributions are BH's primary sources of support and revenue.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BH maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

CASH

Cash consists of checking accounts. The checking account balances, at times, may exceed federally insured limit. As of December 31, 2021 and 2020, amounts held in cash accounts exceeded federally insured limits by approximately \$8,000 and \$0, respectively. BH has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash.

NET ASSETS

Net assets without donor restrictions are those amounts currently available at the discretion of the board of directors for use in BH's operations.

Net assets with donor restrictions are those amounts restricted by donors for various ministry projects and programs. As of December 31, 2021 and 2020, all net assets with donor restrictions consisted of amounts restricted for board expenses.

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Notes to Financial Statements

December 31, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, AND EXPENSES

Contributions are recorded when made, which may be when cash or other assets are received or unconditionally promised. Contributions restricted by the donor for a specific purpose are recorded as income in the net assets with donor restrictions class of net assets until funds have been expended by BH for the purposes specified. Upon satisfaction of the restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from purpose restrictions.

BH partners with SIM International and its member bodies whereby funds are raised for BH projects and SIM employees are seconded to work on those projects under the supervision and management of BH. Not for Profit Entities (Topic 958) of the Financial Accounting Standards Board (FASB) Accounting Standards Codification requires recording the value of donated services that create or enhance nonfinancial assets or require specialized skills. Accordingly, BH recorded seconded staff services that meet these requirements. During the years ended December 31, 2021 and 2020, BH received donated services from seconded staff totaling \$143,760 and \$149,896, respectively.

Also during the years ended December 31, 2021 and 2020, SIM International and its member bodies received support totaling \$65,151 and \$70,236, respectively, for projects on which BH and these organizations partner. These amounts include support for software development, project management, and customer relationship management activities. SIM International and its member bodies received these donations directly from donors and BH does not have control over them; therefore, these amounts are not included within the financial statements.

Other income consists of miscellaneous receipts and is recognized when earned.

Expenses are recognized when incurred, in accordance with the accrual basis of accounting.

3. LIQUIDITY AND FUNDS AVAILABLE:

As of December 31, 2021 and 2020, financial assets consist of cash totaling \$256,714 and \$143,898, respectively. Management did not identify any items not available for general expenditure due to contractual or donor-imposed restrictions within one year of the statements of financial position date. Thus, as of December 31, 2021 and 2020, financial assets available to meet cash needs for general expenditures within one year totaled \$256,714 and \$143,898, respectively. Under the arrangement previously disclosed in Note 2, funds as of December 31, 2021 and 2020 available for the projects on which SIM International and its member bodies and BH partner totaled \$84,163 and \$101,182, respectively.

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Notes to Financial Statements

December 31, 2021 and 2020

4. FUNCTIONAL EXPENSES:

The costs of providing the various program services and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. These expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include personnel and labor, donor development, professional services, and other expenses. Personnel and labor and professional services are allocated based on estimates of time and effort donated by missionaries with specialized skill. Donor development and other expenses are allocated based on the underlying purpose of the expense or on overall time spent and effort exerted on various programs. The following tables present the functional allocation of expenses for the years ended December 31, 2021 and 2020.

	For the Year Ended December 31, 2021			
	Supporting Activities:			
Program Services	General & Administrative	Fund-raising	Total	
Personnel and labor	\$ 143,775	\$ -	\$ -	\$ 143,775
Grants	110,000	-	-	110,000
Professional services	-	15,528	-	15,528
Software project	8,598	-	-	8,598
Board expenses	-	113	-	113
Office and other expenses	251	749	-	1,000
Insurance	-	1,190	-	1,190
Donor development	-	-	157	157
	<u>\$ 262,624</u>	<u>\$ 17,580</u>	<u>\$ 157</u>	<u>\$ 280,361</u>

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Notes to Financial Statements

December 31, 2021 and 2020

4. FUNCTIONAL EXPENSES, continued:

	For the Year Ended December 31, 2020			
	Program Services	Supporting Activities:		Total
		General & Administrative	Fund-raising	
Personnel and labor	\$ 149,896	\$ -	\$ -	\$ 149,896
Grants	-	-	-	-
Professional services	-	15,414	-	15,414
Software project	7,347	-	-	7,347
Board expenses	-	2,162	-	2,162
Office and other expenses	42	1,452	-	1,494
Insurance	-	1,128	-	1,128
Donor development	-	-	357	357
Staff development	335	-	-	335
	\$ 157,620	\$ 20,156	\$ 357	\$ 178,133

5. RELATED PARTY TRANSACTIONS:

BH receives donations from members of its board of directors. During the years ended December 31, 2021 and 2020, board members contributed approximately \$5,000 and \$15,000, respectively, to BH.

BH contracts with an organization with which it shares board members. BH paid approximately \$10,000 for services from this organization for each of the years ended December 31, 2021 and 2020, respectively.

6. SUPPORT AND REVENUE CONCENTRATION:

During the years ended December 31, 2021 and 2020, BH received contributions from two sources totaling approximately \$181,000 and \$76,000, respectively. These gifts accounted for approximately 72% and 52% of total support and revenue less gift-in-kind services for the years ended December 31, 2021 and 2020, respectively.

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7. RISKS AND UNCERTAINTIES:

In March of 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the world. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of BH for future periods. The BH management and governance teams regularly monitor and adapt to the economic and operational implications of local and global factors on our target beneficiaries as well as our funding partners.

8. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through July 18, 2022, which is the date the financial statements were available to be issued.