



## Last Mile Health

Financial Statements  
Years Ended June 30, 2020 and 2019

# **Last Mile Health**

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Financial Statements  
Years Ended June 30, 2020 and 2019

# Last Mile Health

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## Independent Auditor's Report

To the Board of Directors  
Last Mile Health  
Boston, Massachusetts

We have audited the accompanying financial statements of Last Mile Health (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### *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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Last Mile Health as of June 30, 2020 and 2019, 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.

BDO USA, L.L.P.

November 24, 2020

## Financial Statements

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**Last Mile Health**  
**Statements of Financial Position**

<i>June 30,</i>	2020	2019
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 23,784,237	\$ 15,847,015
Investments	2,591,968	-
Contributions receivable, net of long-term	3,156,129	6,753,888
Prepaid expenses and other current assets	218,338	134,781
<b>Total Current Assets</b>	<b>29,750,672</b>	<b>22,735,684</b>
<b>Property and Equipment:</b>		
Property and equipment	1,030,021	915,781
Less accumulated depreciation	(869,809)	(547,191)
<b>Net Property and Equipment</b>	<b>160,212</b>	<b>368,590</b>
<b>Other Assets:</b>		
Long-term contributions receivable	800,000	2,604,533
Security deposit	90,855	22,993
<b>Total Other Assets</b>	<b>890,855</b>	<b>2,627,526</b>
<b>Total Assets</b>	<b>\$ 30,801,739</b>	<b>\$ 25,731,800</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 847,382	\$ 297,154
Accrued payroll and vacation	264,987	207,019
Accrued expenses and other current liabilities	32,525	23,662
Deferred revenue	3,675,000	-
<b>Total Current Liabilities</b>	<b>4,819,894</b>	<b>527,835</b>
<b>Commitments (Notes 7 and 9)</b>		
<b>Net Assets:</b>		
Without donor restrictions	10,736,354	6,764,077
With donor restrictions	15,245,491	18,439,888
<b>Total Net Assets</b>	<b>25,981,845</b>	<b>25,203,965</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 30,801,739</b>	<b>\$ 25,731,800</b>

*See accompanying notes to financial statements.*

**Last Mile Health**  
**Statement of Activities**

<i>Year ended June 30, 2020</i>	Without Donor Restrictions	With Donor Restrictions	Totals
<b>Revenues and Other Support:</b>			
Grant revenue	\$ 11,593,585	\$ 7,775,209	\$ 19,368,794
Contributions	1,017,665	185,094	1,202,759
Interest income	98,509	-	98,509
Net realized and unrealized gain on investments	73,565	-	73,565
Net assets released from restrictions	11,154,700	(11,154,700)	-
<b>Total Revenues and Other Support</b>	<b>23,938,024</b>	<b>(3,194,397)</b>	<b>20,743,627</b>
<b>Expenses:</b>			
Program	15,359,698	-	15,359,698
General and administrative	3,437,535	-	3,437,535
Fundraising	1,168,514	-	1,168,514
<b>Total Expenses</b>	<b>19,965,747</b>	<b>-</b>	<b>19,965,747</b>
<b>Change in Net Assets</b>	<b>3,972,277</b>	<b>(3,194,397)</b>	<b>777,880</b>
<b>Net Assets as of Beginning of Year</b>	<b>6,764,077</b>	<b>18,439,888</b>	<b>25,203,965</b>
<b>Net Assets as of End of Year</b>	<b>\$ 10,736,354</b>	<b>\$ 15,245,491</b>	<b>\$ 25,981,845</b>

*See accompanying notes to financial statements.*



**Last Mile Health**  
**Statement of Activities**

<i>Year ended June 30, 2019</i>	Without Donor Restrictions	With Donor Restrictions	Totals
<b>Revenues and Other Support:</b>			
Grant revenue	\$ 5,688,943	\$ 13,717,459	\$ 19,406,402
Contributions	2,430,244	-	2,430,244
Net assets released from restrictions	7,108,507	(7,108,507)	-
<b>Total Revenues and Other Support</b>	<b>15,227,694</b>	<b>6,608,952</b>	<b>21,836,646</b>
<b>Expenses:</b>			
Program	10,967,106	-	10,967,106
General and administrative	1,338,337	-	1,338,337
Fundraising	1,162,365	-	1,162,365
<b>Total Expenses</b>	<b>13,467,808</b>	<b>-</b>	<b>13,467,808</b>
<b>Change in Net Assets</b>	<b>1,759,886</b>	<b>6,608,952</b>	<b>8,368,838</b>
<b>Net Assets as of Beginning of Year</b>	<b>5,004,191</b>	<b>11,830,936</b>	<b>16,835,127</b>
<b>Net Assets as of End of Year</b>	<b>\$ 6,764,077</b>	<b>\$ 18,439,888</b>	<b>\$ 25,203,965</b>

*See accompanying notes to financial statements.*

**Last Mile Health**  
**Statements of Cash Flows**

<i>Years ended June 30,</i>	<b>2020</b>	<b>2019</b>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 777,880	\$ 8,368,838
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized gain on investments	(73,565)	-
Depreciation and amortization	322,618	345,507
Increase in cash resulting from a change in:		
Contributions receivable	5,402,292	(963,961)
Prepaid expenses and other current assets	(83,557)	(51,542)
Security deposit	(67,862)	-
Accounts payable	550,228	(213,656)
Accrued payroll and vacation	57,968	(4,800)
Accrued expenses and other current liabilities	8,863	(7,967)
Deferred revenue	3,675,000	-
<b>Net Cash Provided by Operating Activities</b>	<b>10,569,865</b>	<b>7,472,419</b>
<b>Cash Flows from Investing Activities:</b>		
Purchases of investments	(2,518,403)	-
Purchases of property and equipment	(114,240)	(78,901)
<b>Net Cash Used in Investing Activities</b>	<b>(2,632,643)</b>	<b>(78,901)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>7,937,222</b>	<b>7,393,518</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>15,847,015</b>	<b>8,453,497</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 23,784,237</b>	<b>\$ 15,847,015</b>

*See accompanying notes to financial statements.*

# Last Mile Health

## Notes to Financial Statements

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### 1. Organization

Last Mile Health (the “Organization”), a 501(c)(3) organization, partners with governments to design, scale, strengthen, and sustain high-quality community health systems, which empower teams of community and frontline health workers to bring life-saving primary healthcare to the world’s most remote communities.

The Organization’s revenue is primarily made up of grant revenue and contributions from donors.

### 2. Summary of Significant Accounting Policies

A summary of the significant accounting policies followed by the Organization in the preparation of the accompanying financial statements is set forth below:

#### *Basis of Presentation*

The accounts of the Organization are maintained on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

#### *Net Assets*

Net assets are classified into with donor restrictions and without donor restrictions, when appropriate, to properly disclose the nature and amount of significant resources that have been restricted in accordance with specified objectives as follows:

#### *Without Donor Restrictions*

Net assets that are not subject to donor-imposed stipulations and may be designated for specific purposes by action of the Board of Directors.

#### *With Donor Restrictions*

Net assets that are subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time.

#### *Use of Estimates*

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

#### *Cash and Cash Equivalents*

Cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less, which are not held for investment purposes.

# Last Mile Health

## Notes to Financial Statements

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### ***Investments***

Investments are reported at fair value, as determined by quoted market prices, in the statements of financial position. Purchases and sales of securities are recorded on a trade-date basis. Interest and dividend income is recorded on the accrual basis. Net appreciation includes the Organization's gains and losses on investments bought and sold, as well as held during the year.

### ***Contributions Receivable***

Unconditional promises to give that are expected to be collected or paid within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected or paid in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contributions receivable. Conditional promises to give are not included in support or expenses until conditions are substantially met.

The Organization provides an allowance for doubtful accounts equal to estimated contribution defaults. The estimated defaults are based on historical collection experience together with a review of the current status of existing receivables. There was no allowance for uncollectible receivables at June 30, 2020 and 2019.

### ***Property and Equipment***

All property and equipment are stated at cost. Major renewals, additions, and betterments greater than \$2,000 are charged to the property accounts, while replacements, maintenance, and repairs less than \$2,000, which do not improve or extend the lives of the respective assets, are expensed in the year incurred.

### ***Depreciation***

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

<i>Asset</i>	<i>Life in Years</i>
Motor vehicles	2-3
Furniture and equipment	3-7

Depreciation expense for the years ended June 30, 2020 and 2019, was \$322,618 and \$345,507, respectively.

### ***Impairment of Long-Lived Assets***

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 360-10-35, *Accounting for the Impairment or Disposal of Long-Lived Assets*, requires the Organization to review long-lived assets, such as property and equipment or intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be

# Last Mile Health

## Notes to Financial Statements

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generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. As of June 30, 2020 and 2019, the Organization did not recognize any impairment.

### ***Non-Cash Contributions***

#### *Donated Materials and Contributed Services*

Contributions of services are recognized in accordance with applicable accounting standards if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services are recorded at their estimated fair value at the date of receipt. Both the non-cash contributions and related expenses are recorded on the statements of activities.

Donated materials are considered to be available for unrestricted use unless specifically restricted by the donor. Donated materials received that are designated for future periods or restricted by the donor for a specific purpose are reported as contributions with donor restrictions. However, if the restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions.

#### *Donated Brand Development*

Advertising and promotional expenditures are expensed as incurred. During the year ended June 30, 2020 and 2019, the Organization incurred promotional expenses of \$-0- and \$325,000, respectively.

### ***Grants and Contributions Revenue***

Grants earned and contributions are recognized as revenue in the year in which the cash has been received from the donor or when a donor pledge is supported by a signed document. If cash is received for a specific grant that is conditional, it is recorded as deferred revenue until the conditions are met.

### ***Income Taxes***

Last Mile Health is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). The Organization is classified by the Internal Revenue Service as other than a private foundation. There are currently no federal or state income tax audits in progress.

Under ASC 740, an organization must recognize the financial statement effects of a tax position taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. The Organization does not believe it has taken any material uncertain tax positions, and accordingly, it has not recorded any liability for unrecognized tax benefits. The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Organization has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. For the years ended June 30, 2020 and 2019, there were no interest or penalties recorded or included in the statements of activities.

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### ***Recent Accounting Pronouncements***

In May 2014, the FASB issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. 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 FASB issued ASU 2015-14, which deferred the effective date for nonpublic entities until annual periods beginning after December 15, 2018. Earlier adoption is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which, among other things, provides a one-year deferral of the effective date of ASC 606 for all privately-held entities that have not yet issued financial statements or made financial statements available. Accordingly, the effective date of Topic 606 for privately-held entities that chose to defer adoption of ASC 606 in accordance with ASU 2020-05 would apply the new revenue standard to annual reporting periods beginning after December 15, 2019. The Organization has elected to defer the adoption of ASC 606 and is currently evaluating the impact of adoption on its financial statements.

In June 2018, FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU was issued to standardize how grants and other contracts received and made are classified across the sector, as either an exchange transaction or a contribution. The standard provides guidance to assist in the determination of whether a transaction is a contribution or an exchange transaction. If the transaction is deemed to be a contribution, the guidance provides factors to consider with regard to whether the contribution is conditional or unconditional. For contributions received, if determined to be an unconditional contributions, the determination will then need to be made as to whether the contribution is restricted. The ASU assists in the determination of the nature of the transaction which then governs the revenue and expense recognition methodology and timing of the transaction. The Organization has adopted ASU 2018-08, which is reflected in these financial statements and did not have a material effect on the financial statements.

### ***Subsequent Events***

The Organization has evaluated subsequent events through November 24, 2020, which is the date the financial statements are available to be issued.

### **3. Concentrations**

Transactions with three and two donors accounted for approximately 68% and 49% of the Organization’s contributions receivable as of June 30, 2020 and 2019, respectively. Transactions with one and two donors accounted for approximately 12% and 30% of the Organization’s revenues and other support for the years ended June 30, 2020 and 2019, respectively.

The Organization has a potential concentration of credit risk in that it maintains deposits with a financial institution in excess of amounts insured by the Federal Deposit Insurance Corporation (“FDIC”). The maximum deposit insurance amount is \$250,000, which is applied per depositor, per insured depository institution for each account ownership category. As of June 30, 2020 and 2019,

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## Notes to Financial Statements

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the Organization had \$20,334,624 and \$14,933,933 in excess of FDIC limits, respectively. These financial institutions have strong credit ratings, and management believes that credit risk related to these accounts is minimal. In addition, the Organization also holds cash deposits in foreign currency accounts totaling \$607,607 and \$214,781 at June 30, 2020 and 2019, respectively.

### 4. Investments

Investment securities are stated at fair value and were comprised of the following at June 30, 2020:

	Cost	Fair Value	Unrealized Fair Value
Common stocks	\$ 2,517,057	\$ 2,591,968	\$ 74,911

There were no investments for the year ended June 30, 2019.

Investment income from investments was comprised of the following components for the years ended June 30:

	2020	2019
Net realized and unrealized gains	\$ 73,565	\$ -

### 5. Fair Value Measurements

The framework for measuring fair value provides 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 (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

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Level 2      Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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## Notes to Financial Statements

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The asset or liability's fair value measurement level, within the fair value hierarchy, is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies at June 30, 2020.

### **Common Stocks**

Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
<b>Common stocks:</b>				
Consumer stocks	\$ 2,590,532	\$ -	\$ -	\$ 2,590,532
Healthcare stocks	1,436	-	-	1,436
<b>Total Investments</b>	<b>\$ 2,591,968</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,591,968</b>

### **6. Contributions Receivable**

Contributions receivable consisted of the following:

<i>June 30,</i>	2020	2019
Total unconditional promises to give, net of discount	\$ 3,956,129	\$ 9,358,421
Less amount due in one year	3,156,129	6,753,888
<b>Long-term Contributions Receivable</b>	<b>\$ 800,000</b>	<b>\$ 2,604,533</b>



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## Notes to Financial Statements

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Future maturities on contributions receivable are as follows:

*Years ending June 30,*

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2021	\$	3,156,129
2022		600,000
2023		100,000
2024		100,000
		<hr/>
		\$ 3,956,129

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During the year ended June 30, 2020, the Organization received a programmatic cancellation notice from a donor. In accordance with GAAP, the \$1,250,000 receivable from that specific donor was written off as bad debt expense. The original donor commitment was made to advance a specific mobile money program for the Liberia National Community Health Assistant Program (“NCHAP”). Before advancing programming that would be supported by the commitment, the Organization (in agreement with the donor) undertook a rigorous assessment of Liberia NCHAP’s readiness to adopt the proposed mobile money solution in order to ensure effective use of the investment. Ultimately, the Organization determined the proposed mobile money solution was not suitable for the current market, and as a result, the Organization and the donor collaboratively determined mobile money programming should not move forward.

### 7. Line of Credit

On March 26, 2020, the Organization entered into a \$1,400,000 line of credit with a bank secured by the Organization’s assets. This credit facility bears an interest rate of 3.25% for the first year and is annually set at the Wall Street Journal Prime Floating Rate. As of June 30, 2020, there was no outstanding balance on the line of credit. The line of credit is subject to certain reporting covenants with which the Organization was in compliance at June 30, 2020.

### 8. Net Assets With Donor Restrictions

Net assets with donor restrictions were available for use as follows at June 30:

	2020	2019
Clinical programs in Liberia and Malawi	\$ 15,245,491	\$ 18,439,888

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During 2020 and 2019, \$11,154,700 and \$7,108,507, respectively, was released from restriction by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors and was available to be used to support the programs of the Organization.

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## Notes to Financial Statements

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### 9. Operating Leases

The Organization has a lease agreement in Boston, Massachusetts, as well as a number of lease agreements throughout Liberia. The monthly rental payments range from \$20 to \$30,495 over the lives of the leases, which expire at various times until 2023. The total rent expense related to operating leases was \$466,571 and \$381,420 for the years ended June 30, 2020 and 2019, respectively.

Minimum annual future rental payments are as follows:

*Years ending June 30*

2021	\$	355,254
2022		362,358
2023		182,973
<b>Total</b>	<b>\$</b>	<b>900,585</b>

### 10. Liquidity and Availability of Resources

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

<i>June 30,</i>	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	\$ 23,784,237	\$ 15,847,015
Investments	2,591,968	-
Contributions receivable, due in one year	3,156,129	6,753,888
<b>Total Financial Assets Available within One Year</b>	<b>29,532,334</b>	<b>22,600,903</b>
<b>Less those Unavailable for General Expenditures Within One Year, due to:</b>		
Donor-restriction to organization services	15,245,491	18,439,888
<b>Total Financial Assets Available for General Expenditure within One Year</b>	<b>\$ 14,286,843</b>	<b>\$ 4,161,015</b>

The Organization has a practice to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization maintains board designated net assets without donor restrictions that could be made available for current operations and have a line of credit that can be used to fund working capital and operational needs.

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## Notes to Financial Statements

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### 11. Net Assets Without Donor Restrictions

In 2018, the Board of Directors created a reserve fund for the Organization. This fund is intended to ensure the Organization maintains an adequate level of net assets without donor restrictions to support the Organization's day-to-day operations in the event of significant unforeseen shortfalls. Operating reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. For the year ended June 30, 2020 and 2019, the balance of board designated reserve was \$5,489,052 and \$1,000,000, respectively, and is included in total net assets without donor restrictions.

### 12. Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function of the Organization. These expenses are allocated on a functional basis using hours and headcount applied to the Organization's various programs and supporting services. Expenses that can be identified with a specific program and support service are allocated directly according to their expenditure classification.

The tables below present expenses by both their nature and their function for the years ended June 30, 2020 and 2019:

June 30, 2020	Program	General and Administrative	Fundraising	Total Expenses
Salaries and benefits	\$ 5,956,206	\$ 1,700,846	\$ 992,672	\$ 8,649,724
Supplies and materials	2,208,772	125	-	2,208,897
Consultancy and contractors	1,337,243	570,123	18,569	1,925,935
Bad debt expense	1,285,670	-	-	1,285,670
Travel	1,072,895	284,811	45,149	1,402,855
Training	698,811	49,526	902	749,239
Vehicles and equipment	583,200	104,775	548	688,523
Occupancy	393,409	186,197	74,909	654,515
Meetings	553,902	14,479	2,862	571,243
Professional services	202,412	152,587	24,625	379,624
Depreciation	322,618	-	-	322,618
Office	246,855	53,323	1,374	301,552
Professional development	29,742	42,256	3,614	75,612
Other	467,963	278,487	3,290	749,740
	\$ 15,359,698	\$ 3,437,535	\$ 1,168,514	\$ 19,965,747

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### Notes to Financial Statements

June 30, 2019	Program	General and Administrative	Fundraising	Total Expenses
Salaries and benefits	\$ 4,694,457	\$ 540,564	\$ 695,354	\$ 5,930,375
Supplies and materials	1,716,563	-	-	1,716,563
Consultancy and contractors	1,575,409	-	-	1,575,409
Travel	575,466	95,786	92,723	763,975
Vehicles and equipment	660,911	32,250	-	693,161
Occupancy	444,083	197,357	-	641,440
Training	422,365	-	-	422,365
Depreciation	345,507	-	-	345,507
Advertising	-	-	325,000	325,000
Office	202,448	58,189	1,382	262,019
Professional services	-	87,759	26,088	113,847
Meetings	78,404	14,726	1,537	94,667
Professional development	73,542	5,794	3,120	82,456
Other	177,951	305,912	17,161	501,024
	\$ 10,967,106	\$ 1,338,337	\$ 1,162,365	\$ 13,467,808

### 13. Simple IRA Retirement Plan

The Organization sponsors a Simple IRA retirement plan, as defined under Section 403(b) of the IRC, covering substantially all employees of the United States. Participants may elect to contribute a portion of their eligible compensation, as defined, subject to IRC limitations. The Organization will match up to 3% of the employee's annual contributions to the plan. The Organization made matching contributions of approximately \$195,700 and \$39,800 for the years ended June 30, 2020 and 2019, respectively.

### 14. Risks and Uncertainties

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China, (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude of the effect the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the fiscal year 2021. The nature of the Organization's customers could cancel projects and prospective opportunities if market conditions continue to deteriorate. The Organization has removed all known cancellations in its backlog and jobs in process and will continually monitor the progress of these jobs. To date, the Organization has not experienced any material adverse impact due to the COVID-19 pandemic.

## Last Mile Health

### Notes to Financial Statements

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On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. Management continues to examine the impact that the CARES Act may have on the business. Currently, management has determined that there is no impact related to CARES Act provisions.