

Last Mile Health

Financial Statements
Years Ended June 30, 2025 and 2024

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



Last Mile Health

Financial Statements
Years Ended June 30, 2025 and 2024

Last Mile Health

Contents

Independent Auditor's Report	3-4
Financial Statements	
Statements of Financial Position	6
Statements of Activities	7-8
Statements of Cash Flow	9
Notes to Financial Statements	10-21



Independent Auditor's Report

To the Board of Directors
Last Mile Health
Boston, Massachusetts

Opinion

We have audited the financial statements of Last Mile Health (a nonprofit organization, the "Organization"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, 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 audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 Financial Statements

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

In preparing the 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 that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 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 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 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.

BDO USA, P.C.

November 24, 2025

Financial Statements

Last Mile Health
Statements of Financial Position

<i>June 30,</i>	2025	2024
Assets		
Current Assets:		
Cash and cash equivalents	\$ 9,460,213	\$ 11,306,160
Restricted cash	-	102,500
Investments	9,535,896	11,509,151
Contributions receivable, net of long-term	2,622,444	2,113,050
Other receivables	3,703,825	1,074,557
Prepaid expenses and other current assets	2,109,474	605,808
Total Current Assets	27,431,852	26,711,226
Property and Equipment:		
Property and equipment	311,133	892,961
Less accumulated depreciation	(137,619)	(745,505)
Net Property and Equipment	173,514	147,456
Other Assets:		
Long-term contributions receivable	770,000	1,337,416
Right-of-use asset	1,181,161	1,477,012
Security deposit	2,500	2,500
Total Other Assets	1,953,661	2,816,928
Total Assets	\$ 29,559,027	\$ 29,675,610
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 1,323,058	\$ 1,701,983
Accrued payroll and vacation	647,500	709,218
Accrued expenses and other current liabilities	2,516,190	46,882
Current portion of operating lease liabilities	304,448	290,844
Deferred revenue	3,564,525	-
Total Current Liabilities	8,355,721	2,748,927
Other Liabilities:		
Operating lease liabilities, net of current portion	742,483	1,094,899
Total Liabilities	9,098,204	3,843,826
Commitments and Contingencies (Notes 7, 10, and 15)		
Net Assets:		
Without donor restrictions	12,739,433	19,237,519
With donor restrictions	7,721,390	6,594,265
Total Net Assets	20,460,823	25,831,784
Total Liabilities and Net Assets	\$ 29,559,027	\$ 29,675,610

See accompanying notes to financial statements.

Last Mile Health
Statement of Activities

<i>Year ended June 30, 2025</i>	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues and Other Support:			
Grants and contribution revenue	\$ 14,734,187	\$ 5,800,786	\$ 20,534,973
Interest income, net	88,238	-	88,238
Net realized and unrealized gain on investments	765,907	-	765,907
Other expense	(27,407)	-	(27,407)
Net assets released from restrictions	4,673,661	(4,673,661)	-
Total Revenues and Other Support	20,234,586	1,127,125	21,361,711
Expenses:			
Program	20,969,017	-	20,969,017
General and administrative	4,386,684	-	4,386,684
Fundraising	1,606,643	-	1,606,643
Total Expenses	26,962,344	-	26,962,344
Cumulative Translation Adjustment	229,672	-	229,672
Change in Net Assets	(6,498,086)	1,127,125	(5,370,961)
Net Assets as of Beginning of Year	19,237,519	6,594,265	25,831,784
Net Assets as of End of Year	\$ 12,739,433	\$ 7,721,390	\$ 20,460,823

See accompanying notes to financial statements.

Last Mile Health
Statement of Activities

<i>Year ended June 30, 2024</i>	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues and Other Support:			
Grants and contribution revenue	\$ 14,482,522	\$ 4,913,030	\$ 19,395,552
Interest income (expense), net	(4,843)	-	(4,843)
Net realized and unrealized gain on investments	1,305,193	-	1,305,193
Other income	56,370	-	56,370
Net assets released from restrictions	3,560,643	(3,560,643)	-
Total Revenues and Other Support	19,399,885	1,352,387	20,752,272
Expenses:			
Program	22,133,724	-	22,133,724
General and administrative	5,957,366	-	5,957,366
Fundraising	1,656,454	-	1,656,454
Total Expenses	29,747,544	-	29,747,544
Cumulative Translation Adjustment	67,047	-	67,047
Change in Net Assets	(10,280,612)	1,352,387	(8,928,225)
Net Assets as of Beginning of Year	29,518,131	5,241,878	34,760,009
Net Assets as of End of Year	\$ 19,237,519	\$ 6,594,265	\$ 25,831,784

See accompanying notes to financial statements.

Last Mile Health

Statements of Cash Flows

<i>Years ended June 30,</i>	2025	2024
Cash Flows from Operating Activities:		
Change in net assets	\$ (5,370,961)	\$ (8,928,225)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and unrealized gain on investments	(765,907)	(1,305,193)
Depreciation and amortization	79,849	5,804
Amortization of right-of-use assets	318,825	94,155
Increase in cash resulting from a change in:		
Contributions receivable	58,022	670,927
Other receivables	(2,629,268)	(1,074,557)
Prepaid expenses and other current assets	(1,503,666)	(16,802)
Security deposit	-	2,066
Accounts payable	(378,925)	67,731
Accrued payroll and vacation	(61,718)	189,904
Accrued expenses and other current liabilities	2,469,308	(161,429)
Operating lease liabilities	(361,786)	(185,422)
Deferred revenue	3,564,525	(50,000)
Net Cash Used in Operating Activities	(4,581,702)	(10,691,041)
Cash Flows from Investing Activities:		
Sales of investments	2,739,162	12,846,683
Purchases of property and equipment	(105,907)	(153,262)
Net Cash Provided by Investing Activities	2,633,255	12,693,421
Net (Decrease) Increase in Cash and Cash Equivalents, and Restricted Cash	(1,948,447)	2,002,380
Cash and Cash Equivalents, and Restricted Cash, beginning of year	11,408,660	9,406,280
Cash and Cash Equivalents, and Restricted Cash, end of year	\$ 9,460,213	\$ 11,408,660

Supplemental Disclosure of Non-Cash Activities:

During the years ended June 30, 2025 and 2024, the Organization obtained right-of-use assets totaling \$112,343 and \$1,571,165, respectively, and operating lease liabilities totaling \$112,343 and \$1,571,165, respectively.

During the year ended June 30, 2025, the Organization disposed of right-of-use assets totaling \$89,369, and operating lease liabilities totaling \$89,369.

See accompanying notes to financial statements.

Last Mile Health

Notes to Financial Statements

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.

Foreign Currency

The Company’s financial statement information is presented in U.S. dollars. In accordance with Accounting Standards Codification (“ASC”) 830, *Foreign Currency Matters*, the assets and liabilities of the Company’s non-U.S. dollar functional currency subsidiaries are translated into U.S. dollars using the exchange rates in effect on the statement of financial position dates. Revenues and expenses are translated at the average exchange rate during the year. The cumulative translation

Last Mile Health

Notes to Financial Statements

adjustments associated with the net assets of foreign subsidiaries are recorded in the intercompany balances on the statements of financial position which are eliminated upon consolidation and the remaining cumulative translation adjustment is presented separately on the statements of activities. Realized gains and losses resulting from foreign currency transactions are included in other income.

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.

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. As of June 30, 2025 and 2024, the Organization has received \$9,940,963 and \$7,175,739 in conditional contributions, respectively. Recognition of these amounts as revenue is contingent upon meeting specified program barriers outlined by the donors. As of June 30, 2025, \$350,000 of contingent contributions are included within deferred revenues on the statement of financial position.

The Organization provides an allowance for credit losses 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 an allowance for credit losses of \$22,907 and \$19,475 at June 30, 2025 and 2024, respectively.

Property and Equipment

All property and equipment are stated at cost. Major renewals, additions, and betterments greater than \$5,000 are charged to the property accounts, while replacements, maintenance, and repairs less than \$5,000, which do not improve or extend the lives of the respective assets, are expensed in the year incurred.

Last Mile Health

Notes to Financial Statements

Depreciation

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

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

Depreciation expense for the years ended June 30, 2025 and 2024, was \$79,849 and \$5,804, respectively.

Leases

The Organization has adopted the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 842, *Leases*, with a date of initial application of July 1, 2022. For leases with a lease term greater than one year, the Organization recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligation. The Organization determines whether an arrangement is or contains a lease at contract inception. Operating leases with a duration greater than one year are included in operating lease right-of-use assets, current portion operating lease liabilities, and operating lease liabilities, net of current portion in the Organization’s statement of financial position at June 30, 2025. Operating lease right-of-use assets and operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Organization uses a risk-free rate of a period comparable with that of the lease term. The Organization considers the lease term to be the noncancelable period that it has the right to use the underlying asset, including all periods covered by an option to (1) extend the lease if the Organization is reasonably certain to exercise the option, (2) terminate the lease if the Organization is reasonably certain not to exercise that option, and (3) extend, or not to terminate, the lease in which exercise of the option is controlled by the lessor.

The operating lease right-of-use assets also include any lease payments made and exclude lease incentives received or receivable. Lease expense is recognized on a straight-line basis over the expected lease term. Variable lease expenses are recorded when incurred.

The Organization elected the package of practical expedients in transition, which permitted the Organization to not reassess prior conclusions pertaining to lease identification, lease classification, and initial direct costs on leases that commenced prior to adoption of the new standard. The Organization also elected the ongoing practical expedient to not recognize right-of-use assets and lease liabilities for short-term operating leases with an original term of 12 months or less. The Organization is not a party to any lease agreements that contain residual value guarantees.

Impairment of Long-Lived Assets

FASB 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

Last Mile Health

Notes to Financial Statements

to be 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, 2025 and 2024, 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.

Grants and Contributions Revenue

Grants, contributions, and promises to give are recorded as revenue at the time they are made or pledged unconditionally and supported by a written commitment. Contributions are classified as either with or without donor restrictions. Contributions are nonexchange transactions in which no commensurate value is exchanged. Therefore, contributions fall under the purview of ASC Topic 958, *Not-for-Profit Entities*.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of estimated future cash flows. Conditional promises to give are not included as support until such time as conditions are substantially met.

Deferred Revenues

Deferred revenues represent amounts received in advance of an unconditional pledge, as well as funds received under the indefinite quantity contract (see Note 7 - Other Receivables). Revenue recognition is deferred until the related pledge is made or until the agreed-upon milestones, pursuant to the indefinite quantity contract, have been satisfied.

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 organization. There are currently no federal or state income tax audits in progress.

Last Mile Health

Notes to Financial Statements

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, 2025 and 2024, there were no interest or penalties recorded or included in the statements of activities.

Reclassification of Prior Period Balances

Certain account balances as of and for the year ended June 30, 2024, have been reclassified to enhance financial statement comparability.

Subsequent Events

The Organization has evaluated subsequent events through November 24, 2025, which is the date the financial statements are available to be issued.

Subsequent to the year ended June 30, 2025, the Organization received a single contribution totaling \$40,000,000. This contribution will be recognized as revenue without donor restrictions in the financial statements for the year-ending June 30, 2026.

3. Concentrations

Contributions from two donors accounted for approximately 41% and 32% of the Organization's revenues and other support revenues for the years ended June 30, 2025 and 2024, respectively.

Transactions with three and four donors accounted for approximately 91% and 84% of the Organization's contributions receivable as of June 30, 2025 and 2024, 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, 2025 and 2024, the Organization had \$3,533,337 and \$5,041,113, respectively, in excess of FDIC limits. 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 \$2,743,922 and \$640,416 at June 30, 2025 and 2024, respectively.

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Last Mile Health

Notes to Financial Statements

4. Investments

Investment Objectives

The Organization's current policy is to preserve capital, while ensuring liquidity and seeking to maintain the purchasing power of the assets. Financial assets presently consist of cash and short-term investments. Assets are managed on a total return basis that considers capital appreciation and yield. Investment performance and strategies are reviewed at board meetings, and the investment policy is reviewed at least annually.

Investment securities are stated at fair value and were comprised of the following at:

<i>June 30, 2025</i>	Cost	Fair Value	Unrealized Fair Value
U.S. Government Treasury notes and bonds	\$ 9,500,700	\$ 9,535,896	\$ 35,196
	\$ 9,500,700	\$ 9,535,896	\$ 35,196

<i>June 30, 2024</i>	Cost	Fair Value	Unrealized Fair Value
U.S. Government Treasury notes and bonds	\$ 10,703,369	\$ 10,809,095	\$ 105,726
Corporate bonds	696,612	700,056	3,444
	\$ 11,399,981	\$ 11,509,151	\$ 109,170

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

	2025	2024
Interest income	\$ 88,238	\$ -
Net realized and unrealized gains	765,907	1,305,193
	\$ 854,145	\$ 1,305,193

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Last Mile Health

Notes to Financial Statements

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:

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: <ul style="list-style-type: none">• 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.
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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.

Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.
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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, 2025 and 2024.

U.S. Treasury Notes and Corporate Bonds

The fair values of U.S. Treasury notes are based on quoted market prices in active markets and are included in the level 1 fair value hierarchy.

Corporate bonds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings and are included in the level 2 fair value hierarchy.

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.

Last Mile Health

Notes to Financial Statements

The following tables set forth by level, within the fair value hierarchy, the Organization's investments at fair value.

<i>June 30, 2025</i>	Level 1	Level 2	Level 3	Total
U.S. Treasury notes and bonds	\$ 9,535,896	\$ -	\$ -	\$ 9,535,896
Total Investments	\$ 9,535,896	\$ -	\$ -	\$ 9,535,896

<i>June 30, 2024</i>	Level 1	Level 2	Level 3	Total
U.S. Treasury notes and bonds	\$ 10,809,095	\$ -	\$ -	\$ 10,809,095
Corporate bonds	-	700,056	-	700,056
Total Investments	\$ 10,809,095	\$ 700,056	\$ -	\$ 11,509,151

6. Contributions Receivable

Contributions receivable consisted of the following:

<i>June 30,</i>	2025	2024
Total unconditional promises to give, net of discount	\$ 3,392,444	\$ 3,450,466
Less amount due in less than one year, net allowance for credit losses	2,622,444	2,113,050
Long-term Contributions Receivable	\$ 770,000	\$ 1,337,416

Future maturities on contributions receivable are as follows:

<i>Years ending June 30,</i>	
2026	\$ 2,622,444
2027	770,000
	\$ 3,392,444

7. Other Receivables

Last Mile Health is managing an indefinite quantity contract from The Global Fund to implement the Project Building Integrated Readiness for Community Health ("BIRCH") in 17 countries. During the year ended June 30, 2025, Last Mile Health received \$6,439,000 from The Global Fund for Project BIRCH and has an outstanding receivable of \$3,703,825 at June 30, 2025, which is included in other receivables on the statement of financial position. As of June 30, 2025, deferred revenues of \$3,214,524 relating to BIRCH are included within deferred revenues on the statement of financial position. During the year ended June 30, 2025, Last Mile Health paid \$3,753,990 to implementing partners as part of the managed agreement. During the year ended June 30, 2024, Last Mile Health received \$2,962,569 from The Global Fund for Project BIRCH and had an outstanding receivable of \$1,074,557 at June 30, 2024, which is included in other receivables on the statement of financial

Last Mile Health

Notes to Financial Statements

position. During the year ended June 30, 2024, Last Mile Health paid \$1,911,308 to implementing partners as part of the managed agreement.

8. 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 set annually at the Wall Street Journal Prime Floating Rate. As of June 30, 2025 and 2024, 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, 2025 and 2024.

9. Net Assets With Donor Restrictions

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

	2025	2024
Clinical programs in Liberia, Malawi, Ethiopia, and Sierra Leone	\$ 7,721,390	\$ 6,594,265

During 2025 and 2024, \$4,673,661 and \$3,560,643, 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.

10. Operating Leases

The Organization has operating lease obligations for various office spaces in Liberia, Ethiopia, and Ghana. The leases require periodic rental payments ranging from \$4,000 to \$140,000, over the life of the leases, with expiration dates through February 2029.

The lease cost and other required information for the year ended June 30, 2025, is as follows:

<i>June 30,</i>	2025	2024
Right-of-use operating lease expense	\$ 368,772	\$ 204,467
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	411,729	113,200
Weighted-average remaining lease term for operating leases	3.5 Years	4.5 Years
Weighted-average discount rate for operating leases	4.15%	4.16%

Last Mile Health

Notes to Financial Statements

Future minimum lease payments and reconciliation to the statement of financial position at June 30, 2025, are as follows:

Years ending June 30,

2026	\$	339,468
2027		351,968
2028		285,500
2029		140,000
Total future undiscounted lease payments		1,116,936
Less: interest		70,005
Lease Liability		\$ 1,046,931

11. 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>	2025	2024
Cash and cash equivalents	\$ 9,460,213	\$ 11,306,160
Restricted cash	-	102,500
Investments	9,535,896	11,509,151
Contributions receivable, due in one year (less allowance for doubtful accounts of \$22,907 and \$19,475)	2,622,444	2,113,050
Total Financial Assets Available within One Year	21,618,553	25,030,861
Less those Unavailable for General Expenditures		
Within One Year, due to:		
Board designated operating reserve fund (see Note 12)	8,406,752	8,406,752
Donor-restriction to organization services	7,721,390	6,594,265
Total Financial Assets Available for General Expenditure within One Year	\$ 5,490,411	\$ 10,029,844

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 upon board's approval and have a line of credit that can be used to fund working capital and operational needs.

Last Mile Health

Notes to Financial Statements

12. 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 years ended June 30, 2025 and 2024, the balance of board designated reserve was \$8,406,752, and is included in total net assets without donor restrictions.

13. 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, 2025 and 2024:

<u>June 30, 2025</u>	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries and benefits	\$ 9,051,901	\$ 2,899,804	\$ 1,448,034	\$ 13,399,739
Supplies and materials	1,074,295	-	-	1,074,295
Consultancy and contractors	6,315,490	170,543	68,817	6,554,850
Travel	2,440,925	114,847	60,719	2,616,491
Vehicles and equipment	188,945	38,516	-	227,461
Occupancy	464,804	17,854	-	482,658
Training	116,976	423	6	117,405
Depreciation	79,849	-	-	79,849
Office	244,805	3,836	289	248,930
Professional services	10,941	160,711	-	171,652
Meetings	535,051	10,436	551	546,038
Professional development	390	22,991	10	23,391
Other	444,645	946,723	28,217	1,419,585
	<u>\$ 20,969,017</u>	<u>\$ 4,386,684</u>	<u>\$ 1,606,643</u>	<u>\$ 26,962,344</u>

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Last Mile Health

Notes to Financial Statements

<i>June 30, 2024</i>	Program	General and Administrative	Fundraising	Total Expenses
Salaries and benefits	\$ 9,912,072	\$ 3,945,844	\$ 1,471,781	\$ 15,329,697
Supplies and materials	1,683,337	785	-	1,684,122
Consultancy and contractors	4,803,406	514,041	48,856	5,366,303
Travel	2,678,829	241,231	124,679	3,044,739
Vehicles and equipment	425,784	25,490	-	451,274
Occupancy	376,462	71,849	143	448,454
Training	622,744	16,993	-	639,737
Depreciation	5,804	-	-	5,804
Office	418,643	37,862	148	456,653
Professional services	8,827	42,791	-	51,618
Meetings	729,377	33,461	2,265	765,103
Professional development	4,872	57,246	225	62,343
Other	463,567	969,773	8,357	1,441,697
	\$ 22,133,724	\$ 5,957,366	\$ 1,656,454	\$ 29,747,544

14. Retirement Plans

The Organization sponsors a Simple IRA retirement plan, as defined under Section 403(b) of the IRC, covering substantially all employees in 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 \$107,857 and \$129,280 for the years ended June 30, 2025 and 2024, respectively.

The Organization also has various employee benefit plans covering employees in Ghana and employees subject to the terms of international contracts. Participants may elect to contribute a portion of their eligible compensation. The Organization will match up to 3% of the employee's annual contributions to these plans. The Organization made matching contributions relating to these plans of \$59,999 and \$50,859 for the years ended June 30, 2025 and 2024, respectively.

15. Contingencies

Claims and legal actions are brought against the Organization during the normal course of business. Management has taken the necessary steps to mitigate potential losses by obtaining insurance coverage and engaging legal counsel, as necessary. In the opinion of management, no claims or legal actions have been asserted against the Organization which, individually or in the aggregate, will be in excess of its insurance coverage.