malaria
NO MORE

Consolidated Financial Statements

For the Years Ended December 31, 2021 and 2020

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Clark Nuber PS

Independent Auditor's Report

To the Board of Directors
Malaria No More Fund
Seattle, Washington

Opinion

We have audited the consolidated financial statements of Malaria No More Fund and its Subsidiaries (collectively, the Organization) which comprise the consolidated statements of financial position, as of December 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and the results of its operations 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 for one year after the date that the financial statements are available to be issued.

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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.

Clark Nuber P.S.

Certified Public Accountants
August 1, 2022

MALARIA NO MORE FUND AND SUBSIDIARIES

Consolidated Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets:		
Cash and cash equivalents	$ 3,532,759	$ 2,889,161
Restricted cash	1,321,023	1,500,000
Grants receivable	1,725,745	2,525,000
Contributions receivable	230,340	10,000
Prepaid expenses	76,367	100,676
Total Current Assets	**6,886,234**	**7,024,837**
Grants receivable, net of current portion	250,000	1,475,745
Property, equipment and leasehold improvements, net	35,939	70,275
Other assets	24,709	27,252
Total Assets	**$ 7,196,882**	**$ 8,598,109**
Liabilities		
Current Liabilities:		
Accounts payable and accrued expenses	$ 375,699	$ 333,170
Grant advances	1,321,023	1,500,000
Total Current Liabilities	**1,696,722**	**1,833,170**
Net Assets:		
Net assets without donor restrictions	1,461,679	951,969
Net assets with donor restrictions	4,038,481	5,812,970
Total Net Assets	**5,500,160**	**6,764,939**
Total Liabilities and Net Assets	**$ 7,196,882**	**$ 8,598,109**

See accompanying notes.

MALARIA NO MORE FUND AND SUBSIDIARIES

Consolidated Statement of Activities
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue:			
Contributions and grants	$ 1,741,425	$ 1,620,055	$ 3,361,480
In-kind contributions	51,260	1,600,000	1,651,260
Interest income	(1,315)		(1,315)
Net assets released from restrictions	4,794,544	(4,794,544)	
Total Operating Support and Revenue	**6,585,914**	**(1,574,489)**	**5,011,425**
Expenses:			
Program services	5,302,093		5,302,093
Administrative and support	860,088		860,088
Fundraising	318,991		318,991
Total Expenses	**6,481,172**		**6,481,172**
Change in Net Assets From Operations	**104,742**	**(1,574,489)**	**(1,469,747)**
Nonoperating Activity:			
Foreign currency exchange gain	(7,338)		(7,338)
Loss on disposal of property and equipment	(18,396)		(18,396)
Loss on contributions receivable	(5,000)		(5,000)
Loss on reclaimed grant		(200,000)	(200,000)
Paycheck Protection Program loan forgiveness	435,702		435,702
Change in Net Assets	**509,710**	**(1,774,489)**	**(1,264,779)**
Net assets, beginning of year	951,969	5,812,970	6,764,939
Net Assets, End of Year	**$ 1,461,679**	**$ 4,038,481**	**$ 5,500,160**

See accompanying notes.

MALARIA NO MORE FUND AND SUBSIDIARIES

Consolidated Statement of Activities
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue:			
Contributions and grants	$ 1,608,497	$ 8,307,329	$ 9,915,826
In-kind contributions	280,132	1,738,117	2,018,249
Interest income	2,651		2,651
Net assets released from restrictions	4,693,063	(4,693,063)	
Total Operating Support and Revenue	**6,584,343**	**5,352,383**	**11,936,726**
Expenses:			
Program services	5,009,667		5,009,667
Administrative and support	1,149,781		1,149,781
Fundraising	392,320		392,320
Total Expenses	**6,551,768**		**6,551,768**
Change in Net Assets From Operations	**32,575**	**5,352,383**	**5,384,958**
Nonoperating Activity:			
Foreign currency exchange gain	2,057		2,057
Loss on disposal of property and equipment	(222)		(222)
Paycheck Protection Program loan forgiveness	541,858		541,858
Change in Net Assets	**576,268**	**5,352,383**	**5,928,651**
Net assets, beginning of year	375,701	460,587	836,288
Net Assets, End of Year	**$ 951,969**	**$ 5,812,970**	**$ 6,764,939**

See accompanying notes.

MALARIA NO MORE FUND AND SUBSIDIARIES

Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

		Supporting Services			
	Program Services	Administrative and Support	Fundraising	2021 Total	2020 Total
Salaries and Related Costs:					
Salaries and wages	$ 1,951,018	$ 309,610	$ 247,369	$ 2,507,997	$ 2,544,895
Payroll taxes and employee benefits	244,860	89,889	24,566	359,315	444,658
Total Salaries and Related Costs	**2,195,878**	**399,499**	**271,935**	**2,867,312**	**2,989,553**
Consultants	862,471	45,087	3,623	911,181	790,833
Other professional fees	135,634	139,227		274,861	241,952
Program implementation fees	169,032			169,032	435
Occupancy costs	80,061	44,431	26,829	151,321	108,631
Grants	116,152			116,152	34,446
Dues and subscriptions	34,333	43,772	234	78,339	71,893
Travel	40,410	2,252	20	42,682	33,754
Events	42,154			42,154	33,923
Telephone	3,483	36,681		40,164	55,494
Repairs and maintenance		32,050		32,050	28,026
Insurance	255	30,275		30,530	30,090
Depreciation and amortization	15,802	8,919	2,879	27,600	67,215
Bank charges and fees	75	15,119		15,194	15,831
Office expenses	2,042	10,511	23	12,576	16,931
Printing and publications	311		8,448	8,759	10,482
Conferences and seminars	4,000	1,005		5,005	3,805
Bad debt expense			5,000	5,000	
Interest expense					225
Total before in-kind expenses	3,702,093	808,828	318,991	4,829,912	4,533,519
In-Kind Expenses:					
Media support	1,600,000			1,600,000	1,738,117
Professional services		51,260		51,260	280,132
Total Expenses	**$ 5,302,093**	**$ 860,088**	**$ 318,991**	**$ 6,481,172**	**$ 6,551,768**

See accompanying notes.

MALARIA NO MORE FUND AND SUBSIDIARIES

Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services	Supporting Services: Administrative and Support	Supporting Services: Fundraising	Total
Salaries and Related Costs:				
Salaries and wages	$ 1,953,914	$ 306,131	$ 284,850	$ 2,544,895
Payroll taxes and employee benefits	309,461	82,604	52,593	444,658
Total Salaries and Related Costs	**2,263,375**	**388,735**	**337,443**	**2,989,553**
Consultants	714,344	65,634	10,855	790,833
Other professional fees	75,500	166,452		241,952
Occupancy costs	66,618	23,067	18,946	108,631
Dues and subscriptions	31,485	39,775	633	71,893
Depreciation and amortization	19,560	44,709	2,946	67,215
Telephone	4,625	50,869		55,494
Grants	34,446			34,446
Events	27,278		6,645	33,923
Travel	26,699	2,439	4,616	33,754
Insurance		30,090		30,090
Repairs and maintenance		28,021	5	28,026
Office expenses	2,586	14,196	149	16,931
Bank charges and fees	3,764	12,067		15,831
Printing and publications	400		10,082	10,482
Conferences and seminars	435	3,370		3,805
Program implementation fees	435			435
Interest expense		225		225
Total before in-kind expenses	3,271,550	869,649	392,320	4,533,519
In-Kind Expenses:				
Media support	1,738,117			1,738,117
Professional services		280,132		280,132
Total Expenses	**$ 5,009,667**	**$ 1,149,781**	**$ 392,320**	**$ 6,551,768**

See accompanying notes.

MALARIA NO MORE FUND AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities:		
Change in net assets	$ (1,264,779)	$ 5,928,651
Adjustments to reconcile change in net assets to		
net cash generated by operating activities-		
Depreciation and amortization	27,600	67,215
Loss on disposal of property and equipment	18,396	222
Loss on contributions receivable	5,000	
Loss on grants receivable	200,000	
(Increase)/decrease in operating assets		
Grants receivable	1,820,000	(3,829,111)
Contributions receivable	(220,340)	15,000
Prepaid expenses	24,309	(65,375)
Other assets	2,543	2,902
Increase/(decrease) in operating liabilities		
Accounts payable and accrued expenses	42,529	(27,896)
Grant advances	(178,977)	1,500,000
Deferred lease incentive		(4,000)
Grants payable		(24,304)
Net Cash Generated by Operating Activities	**476,281**	**3,563,304**
Cash Flows From Investing Activities:		
Acquisitions of property and equipment	(11,660)	(11,370)
Proceeds from disposal of property and equipment		950
Net Cash Used by Investing Activities	**(11,660)**	**(10,420)**
Cash Flows From Financing Activities:		
Principal payments on notes payable		(11,966)
Net Cash Used by Financing Activities		**(11,966)**
Net Change in Cash and Cash Equivalents	**464,621**	**3,540,918**
Cash and cash equivalents, beginning of year	4,389,161	848,243
Cash and Cash Equivalents, End of Year	**$ 4,853,782**	**$ 4,389,161**
Supplementary Disclosure of Cash Flow Information:		
Cash paid during the year for interest	$ -	$ 225
PPP loan forgiveness	$ 435,702	$ 541,858
Cash as Reported on Statement of Financial Position:		
Cash and cash equivalents	$ 3,532,759	$ 2,889,161
Restricted cash	1,321,023	1,500,000
Total Cash Reported on Statement of Financial Position	**$ 4,853,782**	**$ 4,389,161**

See accompanying notes.

Note 1 - Organization and Nature of Operations

Malaria No More Fund was organized under the not-for-profit laws of the State of Delaware in 2006 to raise public awareness and mobilize public support to combat the devastating threat of malaria. Malaria No More Fund received its public charity determination from the Internal Revenue Service in 2006, commenced operations on August 1, 2007, and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Malaria No More Fund mobilizes the political will, resources, and innovations required to end deaths from malaria globally. It uses a highly targeted, proven advocacy and strategic communications model to elevate malaria on the global agenda and translate political support into funding. In addition, Malaria No More Fund engages the private and public sectors to provide life-saving tools and demonstrate high-impact interventions that benefit families at risk of malaria in Africa, India, and the Americas.

Malaria No More Kenya was registered as a nongovernmental organization (NGO) in Kenya in November 2017. Malaria No More Kenya had no activity during the years ended December 31, 2021 or 2020. Malaria No More Fund controls and has an economic interest in Malaria No More Kenya.

HFC Guarantee LLC is a Delaware limited liability company, wholly owned by Malaria No More Fund, established on November 23, 2020. The purpose of HFC Guarantee LLC is to execute, deliver, and perform its obligations under a Guarantee Facility Agreement. Through this agreement, Malaria No More Fund guarantees loan financing to stabilize small and medium enterprise provider operations, procure essential medical equipment, and finance construction to protect patients from the spread of COVID-19 (Note 3).

To further advance the objectives of The Health Finance Coalition, Malaria No More Fund created two entities in 2021. Capital Stack for Health LLC, registered in June 2021, is a Delaware Limited Liability Corporation that is wholly owned by Malaria No More Fund. Its purpose is to mobilize public and private sector resources and political will to expand investment in high-impact healthcare enterprises that serve the populations of greatest need in Africa. Transform Health Finance Corporation, registered in June 2021, is a C-Corp that is wholly owned by Capital Stack for Health LLC. Transform Health Finance Corporation will conduct all activities related to the Transform Health Fund, an independent joint venture project. Such activities will include participating in relevant Fund committees and monitoring the activities of the Fund for alignment with MNM's impact objectives. Neither entity was active during 2021; however, operations are expected to commence during 2022.

Malaria No More India Private Limited (MNMIPL) was incorporated in July 2021 and registered with the Government of India Ministry of Corporate Affairs as a for profit, private limited entity. Malaria No More Fund is the majority owner of MNMIPL with a minority interest held by HFC Guarantee LLC. MNMIPL's purpose is to establish a legal presence in the country that will support the organization's fundraising and life-saving work. MNMIPL was not active during 2021; however, operations are expected to commence during 2022.

Malaria No More Kenya and HFC Guarantee LLC, collectively make up the "Subsidiaries" presented in these consolidated financial statements.

Malaria No More Fund works with three affiliates: Malaria No More UK, Malaria No More Japan, and Malaria Elimination Trust. While these entities share a similar mission and common objectives with Malaria No More Fund, they are independent legal entities and Malaria No More Fund does not have control or economic interest in any of the affiliated entities.

Note 2 - Summary of Significant Accounting Policies

Principles of Consolidation - The consolidated financial statements include the accounts of Malaria No More Fund and its Subsidiaries (collectively, the Organization). All inter-entity accounts and transactions have been eliminated in consolidation.

Basis of Presentation - The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting under accounting principles generally accepted in the United States of America (U.S. GAAP).

For the purposes of financial reporting, the Organization classifies net assets, revenues, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization are classified and reported as follows:

> Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions.
>
> Net Assets With Donor Restrictions - Net assets restricted by donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time or are required to be invested in perpetuity. The Organization had no net assets with donor restrictions required to be invested in perpetuity as of December 31, 2021 or 2020.

Support and revenue are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents - For the purposes of the consolidated statements of cash flows, the Organization considers highly liquid instruments purchased or contributed with a maturity of three months or less to be cash equivalents. Cash held in foreign banks totaled approximately $1,300 and $23,000 as of December 31, 2021 and 2020, respectively.

Restricted Cash and Grant Advances - Restricted cash consists of grants received to be used under a Guarantee Facility Agreement administered by HFC Guarantee LLC (Note 3). Since the funds are deployed in the form of loan guarantees, they are also reflected as a deferred revenue liability on the consolidated statements of financial position at December 31, 2021.

Contributions and Grants Receivable - Contributions and grants receivable are stated at the amount management expects to collect from outstanding balances. The Organization records a present value discount for all contributions and grants receivable due more than one year from year end. A present value discount was determined by management to be immaterial at December 31, 2021 and 2020.

Management provides for probable uncollectible amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off directly to bad debt expense or through a charge to the valuation allowance and a credit to contributions and grants receivable. Pledges that become uncollectible but have not previously been allowed for are recognized as a loss on contributions receivable in the applicable net asset classification on the consolidated statements of activities. The Organization determined an allowance was unnecessary as of December 31, 2021 or 2020.

Note 2 - Continued

Other Assets - Other assets consist of security deposits for the Organization's offices as required by lease agreements.

Property, Equipment and Leasehold Improvements - The Organization capitalizes property, equipment and leasehold improvements with a cost of $1,000 or greater when purchased or at fair value on the date donated. The cost of furniture and equipment is depreciated over the estimated useful life of the assets, generally three to seven years, and is computed using the straight-line method. Leasehold improvements are amortized over the lives of the respective leases or the service lives of the improvements, whichever is shorter. Expenditures for maintenance and repairs which do not extend the useful lives of the related assets are charged to operations as incurred.

Revenue Recognition - Contributions and grants are recognized in the period received, including unconditional pledges when promised, at their fair value. Conditional grants and pledges are recognized as revenue in the period in which all conditions have been met. Conditional grants totaled $1,332,849 and $1,500,000 at December 31, 2021, and 2020, respectively, and consisted of funds received to be used under a Guarantee Facility Agreement (Note 3).

The Organization has established a de minimis rate of 10% for overhead costs, unless a different rate has been agreed to by the donor. The resultant overhead portion of donor-restricted contributions or grants is recorded on the consolidated statements of activities as support and revenue without donor restrictions at the time the contribution or grant is recognized, unless the contribution or grant is restricted for time, in which case the overhead portion is released to net assets without donor restrictions as the time restriction is satisfied.

In-Kind Contributions - The Organization receives various types of donated goods and services. In-kind contributions are recorded at their estimated fair value at the date of the gift. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived 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. Many volunteers, including the Board of Directors, have made significant contributions of time in furtherance of the Organization's policies and programs. The value of this contributed time does not meet the criteria for recognition and therefore is not reflected in the accompanying consolidated financial statements.

Fundraising Events - The Organization holds fundraising events. Revenue from these events is recognized on the consolidated statements of activities, net of the costs associated with the events.

Grants Expense - Grant expense is recognized in the period in which an unconditional grant is signed. Grants awarded but unpaid at year end are reported as grants payable in the accompanying consolidated statements of financial position. The Organization records a present value discount for all grants due more than one year from year end unless the amount is immaterial. There were no grants payable due in more than one year from year end at December 31, 2021 or 2020.

Conditional grants are recognized as grant expense in the period in which the grantee meets the terms of the conditions contained in the grant agreement. There were no conditional grants committed and outstanding at December 31, 2021 or 2020 respectively.

Functional Allocation of Expenses - The costs of providing the various program and supporting services have been presented on a functional basis in the accompanying consolidated statements of activities and consolidated statements of functional expenses. Costs that are directly related to either program services, administrative and support, or fundraising are reported according to their purpose. Salaries and benefits are based on monthly employee time allocations, and occupancy costs are based on the number of employees by function for each office location.

Note 2 - Continued

Operating Activities - The consolidated statements of activities include a measure of change in net assets from operating activities. Changes in net assets that are excluded from operating results include gains and losses on foreign currency translation, the disposal of property and equipment, losses on contributions receivable, reclaimed grants, and revenue recognized on Paycheck Protection Program loan forgiveness.

Tax Exempt Status - The Internal Revenue Service has determined that the Organization is exempt from federal income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization files income tax returns with the United States and various state and foreign governments.

Foreign Currency Translation - Substantially all assets and liabilities of the Organization that are denominated in foreign currencies are translated at year end exchange rates. Revenue and expenses are translated at the average monthly exchange rates during the year. Gains and losses from foreign currency translation for the year are included in the consolidated statements of activities as nonoperating gains or losses.

Concentrations - Financial instruments that potentially subject the Organization to concentrations of credit and market risk consist primarily of cash and cash equivalents. Cash and cash equivalents held by financial institutions at times exceeded Federal Deposit Insurance Corporation insured limits.

At December 31, 2021, 100% of grants receivable was from two donors, and 87% of contributions receivable was from three donors. For the year ended December 31, 2021, 64% of revenue and support was from three donors. At December 31, 2020, 99% of grants receivable was from two donors, and 100% of contributions receivable was from three donors. For the year ended December 31, 2020, 76% of revenue and support was from three donors.

For the years ended December 31, 2021 and 2020, respectively, 100% of grants expense consisted of a grant awarded to one entity.

Use of Estimates - The preparation of consolidated financial statements in accordance with U.S. 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 consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3 - HFC Guarantee LLC and Health Finance Coalition Program

The Health Finance Coalition (HFC) was created by a group of leading, like-minded health and philanthropic institutions, including Malaria No More Fund, to mobilize private investment to help achieve Africa's public health goals. Stichting Medical Credit Fund (MCF) is an external fund not controlled by Malaria No More Fund.

HFC Guarantee LLC was established for the purpose of executing, delivering, and performing its obligations under the Guarantee Facility Agreement (GFA), executed with MCF as the guaranteed party. The purpose of the GFA is to govern HFC Guarantee LLC's $1,500,000 in guarantees, which in turn enables up to $3,000,000 in loans issued by MCF over two years to private small and medium enterprise (SME) primary health care providers affected by COVID-19 in Ghana, Kenya, Nigeria, Tanzania, and Uganda. This loan financing seeks to stabilize SME provider operations, procure essential medical equipment, and finance construction to protect patients from the spread of COVID-19.

Note 3 - Continued

In 2020, grants totaling $1,500,000 were provided to Malaria No More Fund by three donor foundations, one of which shares a board member with Malaria No More Fund. Together, these donor foundations are known as the "private guarantors." As loans guaranteed under the GFA are repaid in full and the guarantees are not called, the donors have agreed that $650,000 can be then used toward Malaria No More Fund's operating costs associated with administering the guarantee facility and for the ongoing work of the HFC. The remaining portions of the grants will be returned to the private guarantors, unless otherwise modified by the grant agreements with the private guarantors.

Malaria No More Fund has accounted for these grants as conditional, as two of the grants require the return of a portion of grant funds to the donors, and all three grants release a portion of the funding to Malaria No More Fund at a future date tied to the use of the guarantee funds during the grant period. The grant funds must also be used to meet specific criteria and objectives established by the HFC program. Therefore, $1,500,000 received by Malaria No More Fund is reported on the consolidated statements of financial position as restricted cash and grant advance liability as of December 31, 2020 (Note 2). Grant revenue will be recognized in the period in which the conditions applicable to the grants are substantially met, which is expected to occur during 2021 through 2023. In the event that a guarantee is called to cover a loan loss, the guarantee loss will be recognized by Malaria No More Fund along with grant revenue to cover the loss incurred. Under the terms of the grant agreements, the maximum net grant revenue that will be recognized by Malaria No More Fund is $800,000, the first loss amounts. Under the terms of the GFA, HFC Guarantee LLC will receive a utilization fee of 1% and an administration fee of 0.15%. Both rates will be based on the guaranteed portion of the average outstanding principal balance of all covered loans during the applicable period. The fees will be calculated and invoiced semi-annually.

During the year ended December 31, 2021, seven guarantees, totaling $1,120,042 were made through the HFC Guarantee LLC on loans made by MCF totaling $2,240,084. The guarantees for each loan range from $74,561 to $265,807, and the terms of the loans and guarantees are from 24 to 73 months.

HFC Guarantee LLC loan guarantee activity consisted of the following for the years ended December 31:

	2021	2020
Guarantees available, beginning of year	$ 1,500,000	$ -
Guarantee funds received		1,500,000
Loans guaranteed	(1,120,042)	
Guaranteed loans repaid	178,977	
Grant revenue recognized by HFC Guarantee LLC	(178,977)	
	379,958	1,500,000
Allowance for loan defaults	(58,841)	
Total Guarantee Funding Available, End of Year	**$ 321,117**	**$ 1,500,000**

Note 3 - Continued

Restricted cash and grant advances activity for the HFC Guarantee LLC consisted of the following for the years ended December 31:

	2021	2020
Restricted cash and grant advances, beginning of year	$ 1,500,000	$ -
Cash received for grant advances		1,500,000
Releases for revenue recognized	(178,977)	
Restricted Cash and Grant Advances, End of Year	**$ 1,321,023**	**$ 1,500,000**

Subsequent to year end, in April 2022, a loan guarantee of $226,400 was made through the HFC Guarantee LLC on a loan made by MCF totaling $283,000 with a term of 60 months.

In 2021, Malaria No More received a donor restricted grant of $1,000,000 from one of the three donor foundations to be used for the operating expenses of the HFC Guarantee LLC.

Note 4 - Property, Equipment and Leasehold Improvements

Property, equipment and leasehold improvements consisted of the following at December 31:

	2021	2020
Equipment	$ 203,492	$ 223,634
Leasehold improvements	181,529	181,529
Furniture and fixtures	92,920	92,920
Computer software	95,458	95,458
	573,399	593,541
Less accumulated depreciation and amortization	(537,460)	(523,266)
Property, Equipment and Leasehold Improvements, Net	**$ 35,939**	**$ 70,275**

Note 5 - Notes Payable

Notes payable consisted of a note to the lessor of the Organization's Seattle office, and a capital lease for office equipment. The note to the lessor was dated September 1, 2015, and matured on September 30, 2020. Monthly payments of $1,534 were due the first day of each month. The note incurred interest at 5% per annum and was unsecured. Interest expense totaled $1,068 for the year ended December 31, 2020. The remaining principal on the note was paid in full in 2020.

Note 6 - Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following purposes at December 31:

	2021	2020
The $5B Plan: Unlocking the political will, resources and innovation to end malaria	$ 2,595,386	$ 4,642,580
Health Finance Coalition Deal Construction support	946,776	
Climate-data partnership	317,879	999,125
United Nations special envoys program	103,916	23,203
Malaria advocacy in Japan	31,387	31,387
Health Finance Coalition support	27,960	
Use of mobile communications to track malaria in Nigeria	12,993	12,993
Launch of global civil society for malaria elimination	2,184	2,184
Launch of a finance coalition to attract investments towards achieving the health sustainable development goals		71,931
Malaria and gender partnership		18,633
Distribution of malaria tests and treatments in Africa		5,576
Nighwatch malaria health education program		5,166
Support of Clementina Atieno's engagement as an emerging malaria champion		192
Total Net Assets With Donor Restrictions	**$ 4,038,481**	**$ 5,812,970**

Net assets totaling $4,794,544 and $4,693,063 were released from restrictions during the years ended December 31, 2021 and 2020, respectively, by incurring expenses in satisfaction of donor restrictions.

Note 7 - Liquidity and Availability

The Organization's financial assets available within one year of the consolidated statements of financial position date for general expenditure were as follows at December 31:

	2021	2020
Cash and cash equivalents	$ 3,532,759	$ 2,889,161
Restricted cash	1,321,023	1,500,000
Grants receivable, current portion	1,725,745	2,525,000
Contributions receivable	230,340	10,000
Total current financial assets	6,809,867	6,924,161
Less-		
Donor restricted funding not scheduled to be used within the next year	(3,538,063)	(4,337,225)
Restricted cash	(1,321,023)	(1,500,000)
Reclaimed grant funding		(200,000)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	**$ 1,950,781**	**$ 886,936**

As part of the Organization's liquidity management, the Organization actively engages its Board, holds fundraising events, and cultivates prospective donors to generate financial assets and build reserves for general expenditures. Most of the revenue without donor restrictions is generated in the first half of the year giving the Organization the opportunity to evaluate and plan general expenditures for the remaining months to maintain and improve its liquidity.

The Organization forecasts revenue using a prospect-by-prospect approach pursuing definite sources to meet its targets. As a result, the Organization is primarily project funded through donor restricted support for specific programs. Although the Organization can use this donor restricted funding to conduct program activities, if the activities could not be fulfilled, the funds would need to be returned to the donors or repurposed with donor approval. However, the Organization can decrease spending to manage liquidity when a decrease in funding is anticipated.

Disruption From Pandemic - In early 2020, a novel strain of coronavirus (COVID-19) became prevalent throughout the world. The COVID-19 outbreak has caused business disruption through mandated social distancing and voluntary closings of multiple businesses and organizations worldwide. As a result, the Organization has adapted how it is conducting its programmatic work. Working remotely through virtual platforms has enabled the Organization to continue advancing its programs, while reducing certain costs. Due to the cost savings resulting from these adaptations in conducting the programmatic work, a donor elected to reduce its existing multiple-year grant commitment by $200,000. Payments made by the donor on the outstanding grant receivable totaling approximately $3,500,000 at December 31, 2020 were reduced by $200,000, and the Organization recognized a $200,000 loss on the grant adjustment during the current year. Management continues to monitor events and conditions as they unfold and has established strategies to respond accordingly. However, the full financial impact to Organization’s continuing operations cannot be reasonably estimated at this time.

Note 8 - In-Kind Contributions

The Organization receives in-kind contributions consisting of media support and professional services for use in its various programs. Media support relates to assistance in developing programmatic work in India. Professional services consist of legal services. In accordance with U.S. GAAP, in-kind contributions are recognized as revenue at fair value on the date received. The fair value of media support and professional services is based on the donors' standard rates and hours of service as provided by the donor.

In-kind contributions consisted of the following for the years ended December 31:

	2021	2020
Media support	$ 1,600,000	$ 1,738,117
Professional services	51,260	280,132
Total In-Kind Contributions	**$ 1,651,260**	**$ 2,018,249**

Note 9 - Employee Benefit Plan

The Organization operates a defined contribution retirement plan under Section 401(k) of the Internal Revenue Code (IRC), as amended (the 401(k) plan). Under the terms of the 401(k) plan, employees are entitled to defer a portion of their annual compensation, within limitations established by the IRC. The 401(k) plan covers substantially all employees, each of whom must have met certain eligibility requirements as to age and length of service. The Organization makes a nonelective safe harbor contribution of 3% of each eligible employee's eligible compensation. Contributions to the plan totaled approximately $69,000 and $73,000 for the years ended December 31, 2021 and 2020, respectively.

Note 10 - Commitments and Contingencies

The Organization leases facilities space under noncancelable multi-year operating leases in Seattle and Washington D.C. Both the Seattle and Washington D.C. leases were renewed during 2020, and were extended through August 2025. The Seattle lease has escalating monthly lease payments that range from $4,359 to $5,702. The Washington D.C. lease has escalating monthly lease payments that range from $7,730 to $8,746. Base rent for the facilities does not include real estate taxes and other operating expenses that may be assessed to the Organization. The Seattle lessor provided for certain leasehold improvements, which have been reflected in the consolidated financial statements as deferred lease incentive, and was fully amortized during the year ended December 31, 2021.

Future minimum lease payments for noncancelable operating leases are as follows:

For the Year Ending December 31,	
2022	$ 162,086
2023	165,708
2024	169,390
2025	114,943
Total	**$ 612,127**

Note 10 - Continued

Rent expense totaled approximately $151,000 and $109,000 for the years ended December 31, 2021 and 2020, respectively.

Note 11 - Paycheck Protection Program Loan

In response to the COVID-19 pandemic, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act). Included in the CARES Act was the Paycheck Protection Program (PPP) to provide loans to qualifying small businesses and not-for-profit organizations to cover certain eligible expenses. On May 8, 2020, the Organization obtained a loan under the PPP with a principal balance of $541,858 and an annual interest rate of 1%. The Organization's application for loan forgiveness was submitted and approved by both the lender and the Small Business Administration, and revenue for the loan forgiveness total $541,858 was recognized during the year ended December 31, 2020.

On March 30, 2021, the Organization obtained a loan under the PPP with a principal balance of $435,702 and an annual interest rate of 1%. All or a portion of the PPP loan may be forgiven if certain terms and conditions of the program are met. The terms and conditions include, but are not limited to, spending the PPP loan funds on qualifying expenses. The Organization's application for loan forgiveness was submitted and approved by both the lender and the Small Business Administration, and revenue for the loan forgiveness totaling $435,702 was recognized during the year ended December 31, 2021.

Note 12 - Subsequent Events

The Organization has evaluated subsequent events through August 1, 2022, the date on which the consolidated financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements, nor have any events occurred, the nature of which would require disclosure, except as follows.

In April 2022, loan guarantees totaling $226,400 were made by HFC Guarantee LLC (Note 3).