

**GAIA GLOBAL HEALTH**  
**INDEPENDENT AUDITORS' REPORT**  
**AND FINANCIAL STATEMENTS**

For the year ended December 31, 2024

With Summarized Comparative Information for the Year Ended December 31, 2023

## GAIA GLOBAL HEALTH

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
GAIA Global Health  
Oakland, California

### **Opinion**

We have audited the accompanying financial statements of GAIA Global Health (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of GAIA Global Health as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GAIA Global Health and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 GAIA Global Health's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## INDEPENDENT AUDITORS' REPORT - CONTINUED

### **Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 GAIA Global Health'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 GAIA Global Health'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.

## **INDEPENDENT AUDITORS' REPORT - CONTINUED**

### **Report on Summarized Comparative Information**

We have previously audited GAIA Global Health's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 16, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements of GAIA Global Health as a whole. The supplementary information, consisting of the combined schedule of assets, liabilities, and net assets and the combined schedule of revenue, expenses, and changes in net assets, is presented for purposes of additional analysis and is not a required part of the financial statements.

This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements of GAIA Global Health and its affiliated organization, Global AIDS Interfaith Alliance Malawi ("GAIA Malawi"), whose financial statements were audited by other auditors.

We performed limited procedures, including reconciling the supplementary information to the audited financial statements of GAIA Global Health and GAIA Malawi. We do not express an opinion or provide any assurance on the supplementary information.

San Francisco, California

August XX, 2025

**GAIA GLOBAL HEALTH**  
**STATEMENT OF FINANCIAL POSITION**

As of December 31, 2024

(With summarized comparative information as of December 31, 2023)

	2024	2023
<b>ASSETS</b>		
Current assets:		
Cash	\$ 401,450	\$ 167,369
Pledges receivable	130,329	--
Grants receivable	43,757	40,651
Investments at fair value	542,968	420,225
Other receivables	412	1,152
Total Current Assets	<u>1,118,916</u>	<u>629,397</u>
Non-current assets:		
Other assets	39,387	34,712
Operating lease right of use asset	17,264	47,383
Total Non-current Assets	<u>56,651</u>	<u>82,095</u>
Total Assets	<u><u>\$ 1,175,567</u></u>	<u><u>\$ 711,492</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 5,910	\$ --
Accrued liabilities	31,302	50,479
Operating lease liability - current	17,716	29,608
Total Current Liabilities	<u>54,928</u>	<u>80,087</u>
Non-current liabilities:		
Operating lease liability - noncurrent	--	17,775
Total Non-current Liabilities	<u>--</u>	<u>17,775</u>
Total Liabilities	<u>54,928</u>	<u>97,862</u>
Net Assets:		
Without donor restrictions :		
Undesignated	66,965	62,752
Total without donor restrictions	<u>66,965</u>	<u>62,752</u>
With donor restrictions:		
Purpose and time restricted	531,953	29,800
Endowment fund	521,721	521,078
Total with donor restrictions	<u>1,053,674</u>	<u>550,878</u>
Total Net Assets	<u>1,120,639</u>	<u>613,630</u>
Total Liabilities and Net Assets	<u><u>\$ 1,175,567</u></u>	<u><u>\$ 711,492</u></u>

The accompanying notes are an integral  
part of these financial statements.

**GAIA GLOBAL HEALTH**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
For the Year Ended December 31, 2024  
(With summarized comparative information for the year ended December 31, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and Revenue:				
Contributions	\$ 802,129	\$ 50,000	\$ 852,129	\$ 997,970
In-kind donations (stocks)	132,182	--	132,182	288,370
Grants and contracts	222,480	1,173,711	1,396,191	932,610
Fundraising events, net of expenses of \$76,875 in 2024 and \$88,617 in 2023	487,892	--	487,892	411,323
Investment income	50,453	643	51,096	29,627
Employee retention credit	--	--	--	117,710
Net assets released from restrictions	721,558	(721,558)	--	--
<b>Total Support and Revenue</b>	<b>2,416,694</b>	<b>502,796</b>	<b>2,919,490</b>	<b>2,777,610</b>
Expenses:				
Program services	1,938,968	--	1,938,968	2,237,450
Management and general	144,340	--	144,340	257,131
Fundraising	329,173	--	329,173	358,342
<b>Total Expenses</b>	<b>2,412,481</b>	<b>--</b>	<b>2,412,481</b>	<b>2,852,923</b>
Change in net assets	4,213	502,796	507,009	(75,313)
Net Assets, Beginning of Year	62,752	550,878	613,630	688,943
Net Assets, End of Year	<u>\$ 66,965</u>	<u>\$ 1,053,674</u>	<u>\$ 1,120,639</u>	<u>\$ 613,630</u>

The accompanying notes are an integral  
part of these financial statements.

**GAIA GLOBAL HEALTH**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2024  
(With summarized comparative information as of December 31, 2023)

	Program Services							Supporting Services				
	Mobile Health Clinics	Targeted Community Programs	Human Resources for Health	UCSF GAIN	Nursing Program	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	2024 Total Expenses	2023 Total Expenses
Direct cash donations to GAIA Malawi	\$ 586,424	\$ 174,634	\$ --	\$ 172,837	\$ 441,255	\$ 69,350	1,444,500	\$ --	\$ --	\$ --	\$ 1,444,500	\$ 1,641,000
Program expenses incurred on behalf of GAIA Malawi	27,560	--	--	5,899	--	--	33,459	--	--	--	33,459	94,591
Salaries	100,076	35,267	24,569	17,086	73,708	68,410	319,116	99,914	227,859	327,773	646,889	689,277
Benefits	10,901	3,842	2,677	1,861	8,030	7,453	34,764	10,885	24,823	35,708	70,472	82,068
Payroll taxes	7,539	2,657	1,851	1,287	5,553	5,154	24,041	7,527	17,166	24,693	48,734	52,693
Professional fees	5,644	1,989	1,386	964	4,157	3,858	17,998	5,635	12,851	18,486	36,484	78,285
Postage and printing	930	328	228	159	685	636	2,966	928	2,116	3,044	6,010	5,016
Computer and internet	6,951	2,449	1,706	1,187	5,119	4,751	22,163	6,939	15,825	22,764	44,927	14,180
Dues and subscriptions	655	231	161	112	482	447	2,088	653	1,490	2,143	4,231	14,798
Insurance expenses	423	149	104	72	312	289	1,349	423	964	1,387	2,736	8,370
Rent	5,600	1,974	1,375	956	4,125	3,828	17,858	5,592	12,751	18,343	36,201	32,009
Meals, meeting and travel	5,092	1,795	1,250	869	3,751	3,481	16,238	5,084	11,595	16,679	32,917	35,787
Recruitment expense	--	--	--	--	--	--	--	--	--	--	--	3,441
Allowance for doubtful accounts receivables	--	--	--	--	--	--	--	--	--	--	--	100,000
Other	761	268	187	130	562	520	2,428	760	1,733	2,493	4,921	1,408
Total Expenses	\$ 758,556	\$ 225,583	\$ 35,494	\$ 203,419	\$ 547,739	\$ 168,177	\$ 1,938,968	\$ 144,340	\$ 329,173	\$ 473,513	\$ 2,412,481	\$ 2,852,923

The accompanying notes are an integral  
part of these financial statements.

**GAIA GLOBAL HEALTH**  
**STATEMENT OF CASH FLOWS**

For the Year Ended December 31, 2024

(With summarized comparative information for the year ended December 31, 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 507,009	\$ (75,313)
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Unrealized (gain) on investments	(643)	(17,569)
Allowance for doubtful account	--	100,000
Changes in assets and liabilities:		
Pledges receivable	(130,329)	--
Grants receivable	(3,106)	36,038
Other receivables	740	(1,152)
Other assets	(4,675)	(30,233)
Operating right of use asset	30,119	(47,383)
Accounts payable	5,910	(7,578)
Accrued liabilities	(19,177)	19,830
Deferred revenue	--	(34,200)
Operating lease liability	(29,667)	47,383
Net Cash Provided (Used In) By Operating Activities	<u>356,181</u>	<u>(10,177)</u>
Cash Flows From Investing Activities:		
Purchase of investments	(147,100)	(150,000)
Proceeds from sale of investments	<u>25,000</u>	<u>102,598</u>
Net Cash (Used In) Investing Activities	<u>(122,100)</u>	<u>(47,402)</u>
Change In Cash	234,081	(57,579)
Cash, Beginning of Year	<u>167,369</u>	<u>224,948</u>
Cash, End of Year	<u><u>\$ 401,450</u></u>	<u><u>\$ 167,369</u></u>
Supplementary Information:		
Operating lease right-of-use assets financed by lease liabilities	<u><u>\$ -</u></u>	<u><u>\$ 59,403</u></u>

The accompanying notes are an integral  
part of these financial statements.

**GAIA GLOBAL HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(With Summarized Comparative Information for the Year Ended December 31, 2023)**

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**1. General**

***Organization***

GAIA Global Health ("the Organization") is a nonprofit corporation that was formed on June 12, 2000. The Organization's mission is to strengthen underserved communities in partnership with local governments by filling gaps in the healthcare grid now through our community based health services, and increasing capacity for the long term through our health workforce development programs. See Note 9 for further details about the transactions exchanged with Global AIDS Interfaith Alliance Malawi ("GAIA Malawi"). The primary sources of support and revenue are from contributions, grants and special events.

In October 2024, the Organization changed its name from Global AIDS Interfaith Alliance to "GAIA Global Health."

***Program Services***

***Community Based Health Services***

Mobile Health Clinics - the Organization's mobile health clinics provide basic primary health care services, including preventative care, sexual reproductive health, communicable and non-communicable disease surveillance, screening, testing and treatment, and HIV testing and treatment services, in rural communities in partnership with the Malawi Ministry of Health and local government.

Targeted Community Programs – the Organization supports orphans and vulnerable children living with or at risk for HIV with health education; primary, secondary, and post-secondary school support; and social support.

***Health Workforce Development***

UCSF Global Health Sciences Global Action in Nursing (GAIN) – this program supports the hiring of expert nurse mentors to oversee training, mentorship and research in Blantyre district health facilities, to develop a clinical mentorship and nursing leaders fellowship program at the national level, and finally to support education, licensure and transition to employment for financially needy nursing students in Malawi.

Nursing Program - the Organization supports admitted nursing students with comprehensive scholarships to nursing programs to ensure on time graduation, licensure and deployment to work in health facilities.

Human Resources for Health ("HRH") - Under the HRH program, the Organization supports additional nurses with scholarships, new graduates with fellowship opportunities, nursing education institutions with clinical mentors to improve the quality of education provided, nursing regulatory bodies with supervision support and oversight, and finally the Malawi government with health worker tracking and distribution.

**GAIA GLOBAL HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(With Summarized Comparative Information for the Year Ended December 31, 2023)**

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**1. General (continued)**

***Program Services, continued***

***Other Grant Funded Programs***

Namunda School - In partnership with Uplift Malawi, the Organization supports a government primary school's operations and student population.

**2. Summary of Significant Accounting Policies**

***Basis of Presentation***

The financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") specific to nonprofit organizations. Grants are recognized as support when earned in accordance with the terms of each grant or agreement. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

***Contributions and Grants***

The Organization is supported primarily through contributions and grants. Grants and contributions received are considered available for general operations unless specifically restricted by the donor. Contributions are recorded as restricted support if they are received with grantor stipulations that limit the use of the contributed assets. When a grantor restriction expires, that is, when a stipulated purpose restriction is accomplished, or donor restrictions are satisfied by the passage of time, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. Contributions and grants received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions. Any funding received in advance of expenditure is recorded as deferred revenue. Any billed expenditure made in advance of funding is recorded as grants receivable.

**Net Assets Without Donor Restriction:** Net assets that are not subject to donor-imposed stipulations.

**Net Assets With Donor Restrictions:** Net assets subject to donor-imposed stipulations that will either be met by actions of the Organization and/or the passage of time or must be maintained permanently by the Organization. When a restriction expires, net assets are reclassified to net assets without donor restriction and reported in the statement of activities and changes in net assets as net assets released from restrictions. The Organization treats net assets received that meet donor time or purpose restrictions in the same year, as net assets without donor restriction.

**GAIA GLOBAL HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(With Summarized Comparative Information for the Year Ended December 31, 2023)**

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**2. Summary of Significant Accounting Policies** *(continued)*

***In-Kind Contributions***

Noncash donations are recorded as contributions at their fair value on the date of donation. Donated services are only recognized as in-kind contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Organization. During 2024, the Organization received non-cash donations, consisting solely of stocks valued at \$132,182. Stocks donated are typically liquidated immediately, and are recognized as part of contributions in the year they are received.

***Revenue Recognition***

The Organization recognizes revenue in accordance with ASC 606, Revenue from Contracts with Customers, and ASC 958-605, Not-for-Profit Entities—Revenue Recognition, depending on the nature of the funding agreements.

***Contracts with Customers (ASC 606)***

Revenue from exchange transactions is recognized when performance obligations are satisfied under the terms of the contract. For cost-reimbursement agreements, revenue is recognized as eligible costs are incurred and reimbursed. Performance obligations are determined based on specific deliverables outlined in the agreements.

***Contributions and Grants (ASC 958)***

The Organization recognizes contributions as revenue when they are received or unconditionally promised. Contributions subject to donor-imposed conditions are recognized as revenue only when the conditions are substantially met. Contributions with donor restrictions are recorded as increases in net assets with donor restrictions and reclassified to net assets without donor restrictions when expended for their intended purposes.

***Blended Agreements***

Some funding agreements contain elements of both exchange transactions and nonexchange transactions. The Organization evaluates these agreements to allocate revenue between the two components based on the relative value of the performance obligations and the donor-imposed purposes. Revenue related to scholarships and other program activities funded by grants is recognized when expenditures are made in accordance with the terms of the agreements.

***Functional Allocation of Expenses***

The indirect costs associated with certain expenses have been allocated on a functional basis in the statement of activities and changes in net assets. Certain expenses are not directly identifiable with one specific function and require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, professional services, information technology, occupancy, and other expenses, all of which are allocated on the basis of estimates of time and use.

**GAIA GLOBAL HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(With Summarized Comparative Information for the Year Ended December 31, 2023)**

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**2. Summary of Significant Accounting Policies** *(continued)*

***Investments***

Investments are stated at fair values. Gains or losses that result from market fluctuations are recognized in the period such fluctuations occur. Realized gains or losses that result from sales or maturities of investments are calculated on an adjusted cost basis. Dividend and interest income are accrued when earned.

***Pledges Receivable***

Unconditional promises to give (pledges receivable) from donors are recognized as contributions in the period notified. Pledges receivable is reported net of an allowance for uncollectible accounts. The allowance is based on experience and other circumstances, which may affect the ability of donors to meet their obligations. Pledges receivable that are expected to be collected in excess of one year are recorded at the net present value of their estimated future cash flows. The discounts on these amounts are computed using risk-free rates applicable to the number of years the contribution is expected to remain outstanding.

***Endowment***

The Organization is subject to the State of California's enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). Net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of UPMIFA has been accounted for appropriately in the financial statements. Additionally, accounting standards require disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds).

***Interpretation of Relevant Law***

The Board has interpreted California's enacted version of UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, and (2) the original value of subsequent gifts on the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as with donor-restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the enacted version of UPMIFA.

***Investment Policy, Strategies, and Objectives***

The Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a conservative, balanced asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the fund if possible. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

**GAIA GLOBAL HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(With Summarized Comparative Information for the Year Ended December 31, 2023)**

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**2. Summary of Significant Accounting Policies** *(continued)*

***Endowment, continued***

***Spending Policy***

In accordance with the State of California's enacted version of UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the endowment funds
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

The Board has established an annual spending policy. Annual spending is determined using a three-year rolling average of fair value.

***Accrued Liabilities***

Accumulated unpaid employee vacation benefits are recognized as accrued liabilities.

***Leases***

Lease are classified as operating or finance lease at the lease commencement date. The Organization leases certain property and equipment. The Organization records leases in the statement of financial position in the form of a lease liability for the present value of the future minimum payments under the lease terms and a right-of-use asset equal to the lease liability adjusted for items such as deferred or prepaid rent, lease incentives, and any impairment of the right-of-use asset. The discount rate used in determining the lease liability is based upon incremental borrowing rates the Organization could obtain for similar loans as of the date of commencement or renewal of the lease. The Organization does not record leases on the statement of financial position that are classified as short term (less than one year).

At lease inception, the Organization determines the lease term by considering the minimum lease term and all optional renewal periods that the Organization is reasonably certain to renew. The lease term is also used to calculate straight-line rent expense. The depreciable life of leasehold improvements is limited by the estimated lease term, including renewals if they are reasonably certain to be renewed. The Organization's leases do not contain residual value guarantees or material variable lease payments that will impact the Organization's ability to pay distributions or cause the Organization to incur additional expenses.

**GAIA GLOBAL HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(With Summarized Comparative Information for the Year Ended December 31, 2023)**

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**2. Summary of Significant Accounting Policies** *(continued)*

***Leases, continued***

Operating lease expense consists of a single lease cost allocated over the remaining lease term on a straight-line basis, variable lease payments not included in the lease liability, and any impairment of the right-of-use asset. Rent expense and variable lease expense are included in the operating expenses in statement of activities and changes in net assets. The Organization's variable lease expenses include rent escalators that based on market conditions and include items such as common area maintenance, utilities, parking, property taxes, insurance and other costs associated with the lease. The Organization has elected to treat property leases that include both lease and non-lease components as a single component and account for it as a lease.

***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and revenue and expenses, as well as contingent assets and liabilities during the reporting periods. Actual results could differ from those estimates.

***Risks and Uncertainties***

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect investment values reported in the statement of financial position.

***Concentration of Credit Risk***

**Cash and Cash Equivalents**

The Organization maintains its bank accounts at various high quality financial institutions to minimize credit risk; however, the Organization balances may at times exceed federal deposit insurance limits. There were no cash equivalents as of December 31, 2024.

**Pledges and Grants Receivable**

One donor made up 88% of total net pledges receivable and three donors made up 83% of grants receivable as of December 31, 2024.

**Revenues**

Grants from two donors comprised 23% of total support and revenues for the year ended December 31, 2024.

**GAIA GLOBAL HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(With Summarized Comparative Information for the Year Ended December 31, 2023)**

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**2. Summary of Significant Accounting Policies** *(continued)*

***Income Taxes***

The Internal Revenue Service ("IRS") has determined that the Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). The Organization is also exempt from California franchise taxes under Section 23701d of the Revenue and Taxation Code and, therefore, has made no provision for federal or California income taxes. In addition, the Organization has been determined by the IRS not to be a "private foundation" within the meaning of Section 501(a) of the Code.

***Recent Accounting Pronouncements***

In November 2019, the FASB issued ASU 2019-10, *Financial Instruments – Credit Losses (Topic 326), Targeted Transition Relief*, which amends the transition guidance for ASU 2016-13. The ASU provides entities with the option to irrevocably elect the fair value option in Subtopic 825-10 on an instrument-by-instrument basis. This standard is effective for years beginning after December 15, 2022, with early adoption permitted. The Organization adopted this ASU in 2023. The adoption did not have a material impact on the financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topics 740): Improvements to Income Tax Disclosures*, to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. ASU 2023-09 is effective for the Organization's annual periods beginning January 1, 2026, with early adoption permitted. The Organization are currently evaluating the potential effect that this ASU will have on the financial statement disclosures.

***Summarized Comparative Information***

The financial statements include certain prior year summarized comparative information in total but not by program and net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly such information should be read in conjunction with the Organization's financial statements as of and for the year ended December 31, 2023, from which the summarized comparative information was derived.

**3. Liquidity and Availability**

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Organization has positive difference of \$1,063,988 between its current assets and current liability as of December 31, 2024, but experienced a positive change in net assets from operations of \$507,009 and a positive cash flow from operating activities of \$356,181 for the year ended December 31, 2024. Additionally, the Organization holds an unrestricted cash balance of \$401,449 as of December 31, 2024. The Organization relies heavily on contributions from third-party donors as well as federal and local grants.

**GAIA GLOBAL HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
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**3. Liquidity and Availability** *(continued)*

While these factors highlight the Organization's dependence on external support, management has assessed the Organization's available liquidity resources and operational cash needs. Based on this assessment, management believes the Organization has sufficient liquidity resources to meet its obligations and cover its cash needs for operating expenses over the next 12 months.

The Organization's operating flexibility is supported by the nature of its expenses, a significant portion of which consists of contributions to its affiliated organization, GAIA Malawi, as described in Note 9. This structure allows the Organization to adjust and manage its operating expenses in response to fluctuations in contributions and grants received.

Management remains confident in the Organization's ability to continue as a going concern, supported by existing liquidity, flexibility in expense management, and ongoing efforts to maintain and enhance donor and grant support.

Also, the endowment fund of \$250,000 can be borrowed and used in an emergency with a Finance Committee vote of at least 2/3. As of December 31, 2024, the Organization borrowed \$0 from endowment fund for daily operation needs.

	<u>2024</u>
Cash	\$ 401,450
Pledges receivable	130,329
Grants receivable	43,757
Investments	542,968
Other receivable	<u>412</u>
Financial assets at year-end	<u>1,118,916</u>
Less: unavailable for general expenditures within one year due to :	
Restricted by donor with purpose restrictions	(531,953)
Endowment funds	<u>(521,721)</u>
Total unavailable for general expenditures	<u>(1,053,674)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 65,242</u></u>

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#### 4. Fair Value Measurements and Investments

U.S. GAAP establishes a hierarchy to prioritize 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 following is a brief description of these three levels:

*Level 1* - Quoted prices in active markets for identical assets. Investments in this level have been valued at the closing price on the active market on which the securities are traded as of December 31, 2024.

*Level 2* - Observable inputs other than quoted prices in active markets for identical assets, quoted prices for identical or similar assets in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets.

*Level 3* - Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset.

The following table presents the Organization's assets measured at fair value on a recurring basis as of December 31, 2024:

	2024			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	542,968	542,968	--	--
Total investments	<u>\$ 542,968</u>	<u>\$ 542,968</u>	<u>\$ --</u>	<u>\$ --</u>

Investment income for the year ended December 31, 2024 consisted of the following:

Unrealized gain	\$ 643
Dividend and interest	<u>50,453</u>
Investment income	<u>\$ 51,096</u>

**GAIA GLOBAL HEALTH**  
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**5. Net Assets With Donor Restrictions**

Net assets with donor restrictions are held for the following purposes as of December 31, 2024:

Purpose and time restricted net assets:

Time restriction:

ViiV Healthcare	\$ 114,920
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Purpose restriction:

UCSF GAIN Project	121,000
Gilead Sciences, Inc	83,333
ViiV Healthcare	96,033
Health Carousel Foundation	<u>116,667</u>

Total purpose and time restricted net assets	<u>531,953</u>
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Perpetual restriction:

Endowment fund	<u>521,721</u>
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Total net assets with donor restrictions	<u><u>\$ 1,053,674</u></u>
--	----------------------------

Net assets were released from donor restrictions by satisfying purpose restricted for the year ended December 31, 2024:

Elizabeth Taylor Aids Foundation	\$ 290,000
The Hamels Foundation	50,000
Gilead Sciences, Inc	91,667
UCSF GAIN Project	218,144
ViiV Healthcare	38,414
Health Carousel Foundation	<u>33,333</u>
	<u><u>\$ 721,558</u></u>

**GAIA GLOBAL HEALTH**  
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**6. Endowment**

The Organization has received endowment funds as stipulated by donors over several years. In 2024, the accumulated total was \$550,000 as of December 31, 2024. This amount forms the corpus of the endowment fund, with the principal intended to be maintained in accordance with donor restrictions. Endowment net asset composition by type of fund as of December 31, 2024 was as follows:

	With Donor Restrictions		
	Corpus of the Endowment	Accumulated Loss	Net Endowment Fund
Donor-restricted endowment fund	\$ 550,000	\$ (28,279)	\$ 521,721
Total fund	<u>\$ 550,000</u>	<u>\$ (28,279)</u>	<u>\$ 521,721</u>

From time to time, the fair value of assets associated with the donor-restricted endowment fund may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. A deficiency of this nature exists in the donor-restricted endowment fund, which has an original value of \$550,000, a current value of \$521,721, and a deficiency of \$28,279 as of December 31, 2024. This deficiency resulted from unfavorable market fluctuations that occurred shortly after the investment of contributions for the donor-restricted endowment fund and distributions made according to endowment policy.

The following represents the changes in endowment net assets for the year ended December 31, 2024:

Endowment net assets at beginning of year	\$ 521,078
Investment gain	643
Endowment net assets at end of year	<u>\$ 521,721</u>

**7. Retirement Plan**

The Organization, at the discretion of the Board, contributes matching retirement monies of up to 3% of compensation to Individual Retirement Accounts ("IRAs") for all employees who have an IRA. The percentage to be contributed is determined by the Board on an annual basis. The total matching contribution was \$ 9,805 for the year ended December 31, 2024.

**8. Operating Lease**

In July 2021, the Organization entered into a new lease in Oakland, California, the lease agreement was renewed in April 2022, with a lease term of one year from August 2022 to July 2023 and monthly lease payment of \$2,562. In July 2023, the lease was again renewed from August 2023 to July 2025, with the same monthly lease payments. In June 2025, the lease was again renewed from August 2025 to July 2027, with monthly lease payment of \$2,817.

**GAIA GLOBAL HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
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**8. Operating Lease (continued)**

The operating lease right use of asset and lease liability as of December 31, 2024 are as follow:

Operating lease right of use asset	\$ 17,264
Current operating lease liability	\$ 17,716
Non-current operating lease liability	\$ --

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2024:

Weighted average remaining lease term (in years)	0.58
Weighted average discount rate	3.68%

The future payments on operating lease liability as of December 31, 2024 were as follows:

During the year Ending December 31, 2025	\$ 17,934
Total undiscounted future minimum lease payments	17,934
Less: imputed interest at annual rate of 3.68%	218
Net operating leases liability - current	\$ 17,716

Rent expense during the year ended December 31, 2024 was \$36,201.

**9. Relationship and Transactions with Affiliated Organization**

Global AIDS Interfaith Alliance Malawi ("GAIA Malawi"), an affiliate of the Organization, is a charitable organization that was incorporated during March 2006. GAIA Malawi is a Trust and a member of Council for Non-Governmental Organizations in Malawi ("CONGOMA").

Although GAIA Malawi relies on the Organization for significant program funding and financial support, the Organization does not exert control over GAIA Malawi as defined by U.S. GAAP. GAIA Malawi operates independently under its own board of directors and management team, and the Organization does not have the authority to direct its operational or policy decisions. While the Organization provides oversight through grant reporting, site visits, and performance evaluations to ensure that funds are used in accordance with grant objectives, this oversight does not constitute control over GAIA Malawi's day-to-day operations or strategic direction. As a result, GAIA Malawi's financial results are not consolidated with the Organization's financial statements.

During the year ended December 31, 2024, the Organization provided grants and contributions totaling \$1,444,500 to GAIA Malawi. These funds supported targeted programs aimed at delivering critical healthcare to remote communities and training the next generation of frontline healthcare workers. The funds were used for direct program costs, including medical supplies, staff salaries, and community outreach.

**GAIA GLOBAL HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
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**9. Relationship and Transactions with Affiliated Organization** *(continued)*

In addition to these grants, the Organization also incurred expenses totaling \$33,459 on behalf of GAIA Malawi during the year. These expenses were related to program support and are reflected in the Organization's financial statements.

Grants, contributions, and expenses incurred on behalf of GAIA Malawi are recorded as program service expenses upon disbursement. GAIA Malawi provides periodic reports detailing the use of funds in accordance with grant terms.

As of December 31, 2024, the Organization has no outstanding receivables or payables with GAIA Malawi. All funds disbursed during the year were fully utilized for program services within the reporting period.

**10. Employee Retention Credit**

In 2023, the Organization qualified for the Employee Retention Credit (ERC) under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, as amended by the Consolidated Appropriations Act of 2021. The ERC is a refundable payroll tax credit for eligible wages paid to employees during periods of COVID-19-related disruptions.

**11. Subsequent Events**

The Organization evaluated subsequent events for recognition and disclosure through August XX, 2025, the date on which these financial statements were available to be issued. Other than the Organization renewed its lease for an additional term from August 1, 2025 through July 31, 2027, as discussed in Note 8, Management concluded that no material subsequent events have occurred since December 31, 2024 that required recognition or disclosure in these financial statements.

**SUPPLEMENTARY  
INFORMATION**

**GAIA GLOBAL HEALTH**  
**SUPPLEMENTARY INFORMATION**  
**COMBINED SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS**  
**AS OF DECEMBER 31, 2024**

	GAIA Global Health - United States	GAIA Malawi	Elimination of Inter-Company Balances	Combined
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 401,450	\$ 178,062	\$ --	\$ 579,512
Pledges receivable	130,329	--	--	130,329
Grants receivable	43,757	--	--	43,757
Investments	542,968	49,760	--	592,728
Other receivable	412	--	--	412
Total Current Assets	1,118,916	227,822	--	1,346,738
Non-current assets:				
Other assets	39,387	--	--	39,387
Property and equipment, net	--	734,193	--	734,193
Operating lease right of use asset	17,264	--	--	17,264
Total Non-current Assets	56,651	734,193	--	790,844
Total Assets	<u>\$ 1,175,567</u>	<u>\$ 962,015</u>	<u>\$ -</u>	<u>\$ 2,137,582</u>
<b>LIABILITIES AND NET ASSETS</b>				
Current liabilities:				
Accounts payable	\$ 5,910	\$ --	\$ --	\$ 5,910
Accrued liabilities	31,302	--	--	31,302
Operating lease liability - current	17,716	--	--	17,716
Total Current Liabilities	54,928	--	--	54,928
Total Liabilities	54,928	--	--	54,928
Net Assets:				
Without donor restrictions :				
Undesignated	66,965	735,658	--	802,623
Total without donor restrictions	66,965	735,658	--	802,623
With donor restrictions:				
Purpose and time restricted	531,953	226,357	--	758,310
Endowment fund	521,721	--	--	521,721
Total with donor restrictions	1,053,674	226,357	--	1,280,031
Total Net Assets	1,120,639	962,015	--	2,082,654
Total Liabilities and Net Assets	<u>\$ 1,175,567</u>	<u>\$ 962,015</u>	<u>\$ --</u>	<u>\$ 2,137,582</u>

See Independent Auditors' Report

**GAIA GLOBAL HEALTH**  
**COMBINED SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS**  
**For the Year Ended December 31, 2024**

	GAIA Global Health - United States	GAIA Malawi	Elimination of Inter-Company Transactions	Combined
<b>Support and Revenue:</b>				
Contributions	\$ 852,129	\$ 3,024,228	\$ (1,444,500)	\$ 2,431,857
In-kind donations (stocks)	132,182	--	--	132,182
Grants and contracts	1,396,191	--	--	1,396,191
Fundraising events, net of expenses of \$76,875 in 2024	487,892	--	--	487,892
Investment gain, net	51,096	4,756	--	55,852
Other Income	--	84,486	--	84,486
	<u>2,919,490</u>	<u>3,113,470</u>	<u>(1,444,500)</u>	<u>4,588,460</u>
<b>Total Support and Revenue</b>				
	<u>2,919,490</u>	<u>3,113,470</u>	<u>(1,444,500)</u>	<u>4,588,460</u>
<b>Expenses:</b>				
Direct cash donations to GAIA Malawi	1,444,500	--	(1,444,500)	--
Program expenses incurred on behalf of GAIA Malawi	33,459	--	--	33,459
Salaries	646,889	911,522	--	1,558,411
Benefits	70,472	191,278	--	261,750
Payroll taxes	48,734	--	--	48,734
Nursing scholarships	--	409,977	--	409,977
Contract services	--	412,796	--	412,796
Training / Program activities	--	363,143	--	363,143
Depreciation	--	14,898	--	14,898
Professional fees	36,484	12,890	--	49,374
Supplies	6,010	57,980	--	63,990
Computer, internet and other equipment	44,927	24,792	--	69,719
Dues and subscriptions	4,231	47,968	--	52,199
Insurance and maintenance	2,736	203,914	--	206,650
Lease	36,201	9,521	--	45,722
Meals, meeting and travel	32,917	169,271	--	202,188
Recruitment	--	2,760	--	2,760
Miscellaneous	4,921	140,999	--	145,920
	<u>2,412,481</u>	<u>2,973,709</u>	<u>(1,444,500)</u>	<u>3,941,690</u>
<b>Total Expenses</b>				
	<u>2,412,481</u>	<u>2,973,709</u>	<u>(1,444,500)</u>	<u>3,941,690</u>
Change in net assets	507,009	139,761	--	646,770
Net Assets, Beginning of Year	613,630	822,254	--	1,435,884
Net Assets, End of Year	<u>\$ 1,120,639</u>	<u>\$ 962,015</u>	<u>\$ --</u>	<u>\$ 2,082,654</u>

See Independent Auditors' Report