



**ANDEAN HEALTH & DEVELOPMENT, INC.**

FINANCIAL STATEMENTS

For the Years Ended December 31, 2022 and 2021

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**ANDEAN HEALTH & DEVELOPMENT, INC.**  
**TABLE OF CONTENTS**

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	<u>Page(s)</u>
INDEPENDENT AUDITOR’S REPORT .....	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities .....	4-5
Statements of Functional Expenses.....	6-7
Statements of Cash Flows .....	8
Notes to Financial Statements.....	9-18

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Andean Health & Development, Inc.

### **Report on the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Andean Health & Development, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years 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 position of Andean Health & Development, Inc. (Organization) as of December 31, 2022 and 2021, 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. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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 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.

*Sikich LLP*

Brookfield, Wisconsin  
August 17, 2023

## **FINANCIAL STATEMENTS**

**ANDEAN HEALTH & DEVELOPMENT, INC.**

**STATEMENTS OF FINANCIAL POSITION**

As of December 31, 2022 and 2021

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 2,253,479	\$ 926,626
Promises to give	-	100,000
Total current assets	<u>2,253,479</u>	<u>1,026,626</u>
<b>PROPERTY AND EQUIPMENT</b>		
Office equipment	4,139	4,139
Software	5,014	5,014
Less accumulated depreciation	<u>(9,153)</u>	<u>(9,153)</u>
Net property and equipment	<u>-</u>	<u>-</u>
<b>OTHER ASSETS</b>		
Cash - board designated endowment	-	224,255
Investments - board designated endowment	<u>261,090</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,514,569</u></u>	<u><u>\$ 1,250,881</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 418	\$ 1,625
Total liabilities	<u>418</u>	<u>1,625</u>
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	2,253,061	925,001
Board designated endowment	<u>261,090</u>	<u>224,255</u>
Total without donor restrictions	2,514,151	1,149,256
With donor restrictions	<u>-</u>	<u>100,000</u>
Total net assets	<u>2,514,151</u>	<u>1,249,256</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 2,514,569</u></u>	<u><u>\$ 1,250,881</u></u>

See accompanying notes to financial statements.

**ANDEAN HEALTH & DEVELOPMENT, INC.****STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2022

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	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES</b>			
Donations	\$ 2,896,983	\$ -	\$ 2,896,983
Interest income	125,678	-	125,678
Investment return, net	(29,831)	-	(29,831)
Net assets released from restrictions	100,000	(100,000)	-
Total revenue	<u>3,092,830</u>	<u>(100,000)</u>	<u>2,992,830</u>
<b>EXPENSES</b>			
Program expenses	1,345,674	-	1,345,674
Management and general	167,485	-	167,485
Fundraising expenses	195,869	-	195,869
Cost of direct benefit to donors	18,907	-	18,907
Total expenses	<u>1,727,935</u>	<u>-</u>	<u>1,727,935</u>
Change in net assets	1,364,895	(100,000)	1,264,895
NET ASSETS - BEGINNING OF YEAR	<u>1,149,256</u>	<u>100,000</u>	<u>1,249,256</u>
NET ASSETS - END OF YEAR	<u>\$ 2,514,151</u>	<u>\$ -</u>	<u>\$ 2,514,151</u>

See accompanying notes to financial statements.

**ANDEAN HEALTH & DEVELOPMENT, INC.**

## STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

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	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE</b>			
Donations	\$ 2,156,903	\$ -	\$ 2,156,903
Loan forgiveness - Paycheck Protection Program	24,750	-	24,750
Interest income	9,500	-	9,500
Net assets released from restrictions	60,500	(60,500)	-
Total revenue	2,251,653	(60,500)	2,191,153
<b>EXPENSES</b>			
Program expenses	2,222,355	-	2,222,355
Management and general	170,477	-	170,477
Fundraising expenses	179,999	-	179,999
Total expenses	2,572,831	-	2,572,831
Change in net assets	(321,178)	(60,500)	(381,678)
NET ASSETS - BEGINNING OF YEAR	1,470,434	160,500	1,630,934
NET ASSETS - END OF YEAR	\$ 1,149,256	\$ 100,000	\$ 1,249,256

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See accompanying notes to financial statements.



**ANDEAN HEALTH & DEVELOPMENT, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2022

	<u>Supporting Services</u>					Total
	Program Expenses	Management and general	Fundraising	Cost of Direct Benefit to Donors	Total supporting services	
Donations to Ecuador hospital operations	\$ 784,727	\$ -	\$ -	\$ -	\$ -	\$ 784,727
Donations to Ecuador hospital equipment & supplies	283,851	-	-	-	-	283,851
Payroll expenses	108,647	108,647	108,647	-	217,294	325,941
Professional fees	-	15,433	2,472	-	17,905	17,905
Benefits	15,531	15,531	15,531	-	31,062	46,593
Insurance	8,350	8,350	8,350	-	16,700	25,050
Meeting expenses	2,302	-	-	-	-	2,302
Meals	-	-	2,753	-	2,753	2,753
Office expenses	2,900	2,900	13,400	-	16,300	19,200
Bank charges	-	1,793	-	-	1,793	1,793
Travel	5,232	108	5,614	-	5,722	10,954
Retirement contributions	14,619	14,619	14,619	-	29,238	43,857
Provision for uncertainty as to collectability of loan	119,315	-	-	-	-	119,315
Miscellaneous	200	104	24,483	-	24,587	24,787
<b>TOTAL</b>	1,345,674	167,485	195,869	-	363,354	1,709,028
Direct benefit to donors - meals and entertainment	-	-	-	18,907	-	18,907
<b>TOTAL FUNCTIONAL EXPENSES</b>	\$ 1,345,674	\$ 167,485	\$ 195,869	\$ 18,907	\$ 363,354	\$ 1,727,935

See accompanying notes to financial statements.

**ANDEAN HEALTH & DEVELOPMENT, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2021

	<u>Supporting Services</u>			<b>Total supporting services</b>	<b>Total</b>
	<b>Program Expenses</b>	<b>Management and general</b>	<b>Fundraising</b>		
Donations to Ecuador hospital operations	\$ 1,804,957	\$ -	\$ -	\$ -	\$ 1,804,957
Donations to Ecuador hospital equipment & supplies	258,669	-	-	-	258,669
Payroll expenses	108,687	108,687	108,687	217,374	326,061
Professional fees	-	14,984	3,429	18,413	18,413
Benefits	11,915	11,915	11,915	23,830	35,745
Insurance	8,799	13,776	1,734	15,510	24,309
Meeting expenses	1,290	-	-	-	1,290
Meals	-	-	4,381	4,381	4,381
Office expenses	855	5,194	18,699	23,893	24,748
Bank charges	-	1,302	-	1,302	1,302
Travel	3,882	-	3,201	3,201	7,083
Retirement contributions	14,619	14,619	14,619	29,238	43,857
Provision for uncertainty as to collectability of loan	8,682	-	-	-	8,682
Miscellaneous	-	-	13,334	13,334	13,334
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 2,222,355</b>	<b>\$ 170,477</b>	<b>\$ 179,999</b>	<b>\$ 350,476</b>	<b>\$ 2,572,831</b>

See accompanying notes to financial statements.

**ANDEAN HEALTH & DEVELOPMENT, INC.**

**STATEMENTS OF CASH FLOWS**

For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,264,895	\$ (381,678)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Provision related to uncertainty as to collectability	119,315	8,682
Unrealized losses on investments	29,831	-
Decrease (increase) in:		
Promises to give	100,000	42,500
Increase (decrease) in:		
Accounts payable	(1,207)	1,350
Notes receivable accrued interest	(119,315)	(8,682)
Net cash from operating activities	<u>1,393,519</u>	<u>(337,828)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(290,921)	-
Proceeds on sale of investments	-	56,598
Net cash from investing activities	<u>(290,921)</u>	<u>56,598</u>
NET CHANGE IN CASH	1,102,598	(281,230)
CASH, BEGINNING OF YEAR	<u>1,150,881</u>	<u>1,432,111</u>
<b>CASH, END OF YEAR</b>	<u>\$ 2,253,479</u>	<u>\$ 1,150,881</u>
Cash	\$ 2,253,479	\$ 926,626
Cash - board designated endowment	-	224,255
	<u>\$ 2,253,479</u>	<u>\$ 1,150,881</u>
<b>SUPPLEMENTAL DISCLOSURES OF NON-CASH ACTIVITIES</b>		
Non-cash forgiveness of Paycheck Protection Program	\$ -	\$ 24,750

See accompanying notes to financial statements.

# ANDEAN HEALTH & DEVELOPMENT, INC.

## NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2022 and 2021

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### 1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Operations

Andean & Health Development, Inc. is a not-for-profit Organization formed under the laws of the State of Wisconsin. The Organization's primary operation is to provide funding for the operation of a health care organization located in Pedro Vicente Maldonado and Santo Domingo, Ecuador. The health care organization manages two hospitals whose patient services revenue in 2022 valued approximately \$7,000,000 and capital for facilities and equipment valued approximately \$5,000,000.

#### Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting according to accounting principles generally accepted in the United States of America (GAAP) and accordingly reflect all significant receivables, payables and other liabilities.

#### Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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 differ from these estimates.

#### Cash and Cash Equivalents

The Organization considers all liquid investments with an original maturity of three months or less on the date of purchase to be cash equivalents. There were no cash equivalents as of December 31, 2022 and 2021.

The Organization maintains its cash at one financial institution which at times may exceed federal deposit insurance corporation (FDIC) limits. As of December 31, 2022 and 2021, the bank balances did not exceed FDIC limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

**1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Pledges Receivable

Pledges receivable are unconditional promises to give and are carried at the net present value of original pledged amounts less an estimate made for uncollectible pledges based on a review of all outstanding amounts on a periodic basis. The present value discounts on those amounts are computed using risk adjusted rates applicable to the years in which the promises were received.

Management determines the allowance for uncollectible pledges by regularly evaluating individual receivables and considering a donor's financial condition and current economic conditions. Pledges receivable are charged to bad debt expense when deemed uncollectible. Recoveries of pledges previously written off are recorded as revenue when received. No allowance for uncollectible pledges was deemed necessary for the years ended December 31, 2022 and 2021.

Investments and Investment Income

Investments are measured at fair value in the statements of financial position. Investment income (including realized, unrealized gains and losses, interest, and dividends) is reported as revenue without donor restrictions unless the income is restricted by the donor. Realized gains or losses are determined by specific identification. Direct internal and external investment fees are netted against investment return on the statements of activities. Donor restricted investment income whose restrictions are met within the same year as received are reported as without donor restricted investment income in the accompanying financial statements.

Property and Equipment

Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. The Organization capitalizes additions of property and equipment in excess of \$2,500 cost or fair value, if contributed. Depreciation is computed using the straight-line method over the estimated useful lives of 3-5 years.

Net Assets

Respective net assets are classified into one of two classes based on the existence or absence of donor-imposed restrictions. The following is a description of each class:

Net Assets Without Donor Restrictions:

Undesignated: net assets that are not subject to donor-imposed restrictions or Board imposed stipulations.

Board designated: net assets designated by the Board of Directors to the endowment.

**1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Net Assets (Continued)

Net Assets With Donor Restrictions:

Net assets subject to donor-imposed restrictions that either expire by passage of time, can be fulfilled and removed by actions of the Organization pursuant to those restrictions or are required to be maintained in perpetuity by the Organization. The Organization did not have any net assets required to be held in perpetuity at December 31, 2022 and 2021.

Revenue Recognition

*Donations*

The Organization recognizes donations when unconditional donations of cash, securities, or other assets is received or pledged. Conditional promises to give and grants – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Funds received but not yet earned are shown as refundable grant advances on the statements of financial position. There were no conditional promises to give as of December 31, 2022 and 2021.

Donations and grants received are recorded as with or without donor restrictions depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as released from restriction. The Organization has adopted the policy of recording donor restricted contributions whose restrictions are met in the same reporting period as support without donor restrictions.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Costs are charged on a direct functional basis whenever practical. When direct charges cannot be determined, the costs are allocated on the basis of the estimated proportional use of the service provided or resource consumed. Costs allocated include certain payroll expenses and benefits, insurance and office expenses. Payroll expenses, benefits and retirement contributions are allocated based on time and effort. Insurance and office expenses are allocated based on the percentage of total payroll expenses.

**ANDEAN HEALTH & DEVELOPMENT, INC.**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Income Taxes

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and, accordingly, is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the code as other than a private foundation.

**2. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<b>2022</b>	<b>2021</b>
Cash	\$ 2,253,479	\$ 926,626
Promises to give	-	100,000
Investments	261,090	-
Cash - board designated endowment	-	224,255
	<hr/>	<hr/>
Total financial assets and liquid resources	2,514,569	1,250,881
Less:		
Board designated	(261,090)	(224,255)
Donor restrictions	-	(100,000)
	<hr/>	<hr/>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,253,479</u>	<u>\$ 926,626</u>

Operating expenses are compared to budgeted expenses on a monthly basis and financial assets on hand are adjusted as necessary. Should additional liquidity be required, the board has the ability to re-designate the board designated endowment fund for current operating needs.

**ANDEAN HEALTH & DEVELOPMENT, INC.**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**3. PROMISES TO GIVE**

Promises to give at December 31, 2022 and 2021 are summarized as follows as of December 31:

	<u>2022</u>	<u>2021</u>
Current promises to give:		
Due in less than one year	\$ -	\$ 100,000
Noncurrent promises to give:		
Due in one to five years	-	-
	<u>\$ -</u>	<u>\$ 100,000</u>

**4. FAIR VALUE MEASUREMENTS**

GAAP establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. GAAP requires the Organization to maximize the use of observable inputs when measuring fair value. The hierarchy describes three levels of inputs, which are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Significant unobservable inputs.

In many cases, a valuation technique used to measure fair value includes inputs from more than one level of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The categorization of an investment within the hierarchy reflects the relative ability to observe the fair value measure and does not necessarily correspond to the perceived risk of that investment.

If an investment that is measured using Net Asset Value (NAV) has a readily determinable fair value (that is, can be traded at the measurement date at its published NAV), it is included in Level 1 of the hierarchy. Otherwise, investments measured using NAVs are not included in Level 1, 2, or 3 but are separately reported.



**4. FAIR VALUE MEASUREMENTS (Continued)**

Valuation Techniques

Following is a description of the valuation techniques used for assets measured at fair value on a recurring basis. There have been no changes to the techniques used during the year ended December 31, 2022.

*Mutual funds:* Valued at the NAV of shares on the last trading day of the fiscal year.

Recurring Measurements

Assets measured at fair value on a recurring basis as of December 31, 2022 are as follows. There were no investments held at December 31, 2021.

	<b>2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
ASSETS				
MUTUAL FUNDS	\$ 261,090	\$ -	\$ -	\$ 261,090

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes their 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.

**5. NOTE RECEIVABLE**

Between 2013 and 2015, the Organization loaned \$2,634,946 to its sister healthcare organization located in Pedro Vicente Maldonado and Santo Domingo, Ecuador, for the construction of a hospital and equipment. The loan accrues interest at the Applicable Federal rate. The accrued interest as of December 31, 2022 and 2021 totaled \$384,400 and \$265,085, respectively.

**5. NOTES RECEIVABLE (Continued)**

The Organization's credit quality indicators are performing and nonperforming. Performing loans are those with one or more payments made during the fiscal year. Nonperforming loans are those with no payments made during the fiscal year. The Organization's notes receivable are all considered nonperforming. Because of the degree of uncertainty that the hospital would also be able to generate enough resources in excess of their operating costs to repay the note receivable, an allowance for uncertainty as to collectability has been recorded equal to the amount of the loan plus accrued interest.

**6. RETIREMENT PLAN**

The Organization maintains a Simplified Employee Pension - Individual Retirement Account (SEP-IRA) plan. Under a SEP-IRA, an employer is permitted to contribute, for any one employee, 25% of the employee's total compensation not to exceed \$55,000. During the years ended December 31, 2022 and 2021, retirement plan contributions were \$43,857.

**7. LOAN GUARANTEES**

Prior to 2022, the Organization guaranteed a loan for a healthcare organization located in Pedro Vicente Maldonado and Santo Domingo, Ecuador in the amount of \$240,000 plus interest at 6%. The Organization believed that the healthcare organization would be able to meet their debt payment obligations and therefore accruing a liability was not necessary. During 2022, the remaining balance was paid off, relieving the Organization from being a guarantor.

**8. NET ASSETS**

Net assets with donor restrictions consisted of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Restricted for time	\$ -	\$ 100,000
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<u>\$ -</u>	<u>\$ 100,000</u>

**ANDEAN HEALTH & DEVELOPMENT, INC.**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. ENDOWMENT**

The Organization's endowment consists of board designated funds functioning as an endowment. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The endowment assets are invested in accordance with predetermined asset allocation and performance benchmarks.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization's Board of Directors has discretion for appropriating distributions each year based on the Organization's needs.

Endowment net asset composition by type of fund as of December 31, 2022:

	<b>2022</b>	
	<b>Without Donor Restrictions</b>	<b>Total</b>
Board designated	\$ 261,090	\$ 261,090
TOTAL	\$ 261,090	\$ 261,090

During the year ended December 31, 2022, the Organization had the following endowment-related activities:

	<b>2022</b>	
	<b>Without Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 224,255	\$ 224,255
Contributions designated by the Board	66,666	66,666
Investment return, net	(29,831)	(29,831)
BALANCE, END OF YEAR	\$ 261,090	\$ 261,090

**ANDEAN HEALTH & DEVELOPMENT, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**9. ENDOWMENT (Continued)**

Endowment net asset composition by type of fund as of December 31, 2021:

	<b>2021</b>	
	<b>Without Donor Restrictions</b>	<b>Total</b>
Board designated	\$ 224,255	\$ 224,255
<b>TOTAL</b>	<b>\$ 224,255</b>	<b>\$ 224,255</b>

During the year ended December 31, 2021, the Organization had the following endowment-related activities:

	<b>2021</b>	
	<b>Without Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ -	\$ -
Contributions designated by the Board	224,255	224,255
<b>BALANCE, END OF YEAR</b>	<b>\$ 224,255</b>	<b>\$ 224,255</b>

**10. PAYCHECK PROTECTION PROGRAM**

The Paycheck Protection Program (PPP) is a low-interest Small Business Administration (SBA) loan and generally covers two and a half months of payroll cost and may be forgiven entirely if the borrower limits salary reductions to no more than 25% and maintain staffing levels for 24 weeks after getting the loan. The Organization was approved for a loan on February 25, 2021 under this program in the amount of \$24,750, with interest at 1% and a maturity date of February 25, 2023. The Organization has recognized the income from loan forgiveness in the 2021 statement of activities as the funds were used for qualifying expenses under the terms of the SBA loan and formal forgiveness was received on June 15, 2021.

**11. RELATED PARTY TRANSACTIONS**

The Organization received approximately \$116,000 and \$141,500, respectively, from members of the Board of Directors. The Advisory Board members, excluding those who are also on the Board of Directors, contributed approximately \$393,500 and \$566,000 in 2022 and 2021, respectively. There were no outstanding pledges receivable on December 31, 2022 and 2021 from members of the Board of Directors or the Advisory Board.

## **12. SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after year end but before financial statements are available to be issued. These events and transactions either provide additional evidence about conditions that existed at year end, including estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at year end but arose after that date (that is, non-recognized subsequent events).

The Organization has evaluated subsequent events through August 17, 2023, the date on which the financial statements were available to be issued, and determined that there were no significant nonrecognized subsequent events through that date.