

BE TEAM INTERNATIONAL, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2021 AND 2020
AND
INDEPENDENT AUDITOR'S REPORT

HAMILTON & MUSSER, P.C.
Certified Public Accountants

BE TEAM INTERNATIONAL, INC.
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For the Years Ended June 30, 2021 and 2020

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HAMILTON & MUSSER, PC

Certified Public Accountants • Consultants to Management

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Be Team International, Inc.
Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of Be Team International, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, 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 Be Team International, Inc. as of June 30, 2021 and 2020, 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 Be Team International, Inc. 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.

Emphasis of Matters

As further explained in Note 14, Be Team International, Inc. is operating in an environment that has been economically impacted by the COVID-19 pandemic. Our opinion is not modified with respect to this matter.

As further explained in Note 14, Be Team International, Inc. is operating in an environment that has been impacted by an increase in political risk due to the dissolution of the Islamic Republic of Afghanistan and establishment of the Taliban government in Afghanistan. Our opinion is not modified with respect to this matter.

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 Be Team International, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Members of the American and Pennsylvania Institutes of CPAs

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, including omissions, 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 Be Team International, Inc.'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 Be Team International, Inc.'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.

February 16, 2022

Mechanicsburg, Pennsylvania



Certified Public Accountants

BE TEAM INTERNATIONAL, INC.
Statements of Financial Position
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and Cash Equivalents	\$ 740,759	\$ 587,075
Accounts Receivable	15,594	25,005
Contributions Receivable, Net (Note 5)	3,713,912	4,131,389
Prepaid Expenses	9,328	-
Inventory	53,417	33,594
Fixed Assets, Net (Note 4)	<u>583,555</u>	<u>688,115</u>
Total Assets	<u>\$ 5,116,565</u>	<u>\$ 5,465,178</u>
Liabilities		
Accounts Payable	\$ 121,935	\$ 217,102
Accrued Payroll and Taxes	<u>8,482</u>	<u>5,307</u>
Total Liabilities	<u>130,417</u>	<u>222,409</u>
Net Assets		
Without Donor Restrictions	1,233,623	1,111,380
With Donor Restrictions (Note 7)	<u>3,752,525</u>	<u>4,131,389</u>
Total Net Assets	<u>4,986,148</u>	<u>5,242,769</u>
Total Liabilities and Net Assets	<u>\$ 5,116,565</u>	<u>\$ 5,465,178</u>

The Accompanying Notes are an Integral Part of the Financial Statements

BE TEAM INTERNATIONAL, INC.Statement of Activities
For the Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Support and Revenue			
Contributions	\$ 682,311	\$ 338,428	\$ 1,020,739
Patient Revenue	1,535,884	-	1,535,884
Gift-in-Kind Contributions (Note 8)	-	97,296	97,296
Administrative Income	21,672	-	21,672
Interest Income	1,303	-	1,303
Miscellaneous Income	21	-	21
Net Assets Released from Restrictions	<u>814,588</u>	<u>(814,588)</u>	<u>-</u>
Total Operating Support and Revenue	<u>3,055,779</u>	<u>(378,864)</u>	<u>2,676,915</u>
Operating Expenses			
Program Services	2,832,772	-	2,832,772
Supporting Services			
Management and General	79,328	-	79,328
Fundraising	<u>23,485</u>	<u>-</u>	<u>23,485</u>
Total Operating Expenses	<u>2,935,585</u>	<u>-</u>	<u>2,935,585</u>
Non-Operating Revenue			
Net Realized Gain on Foreign Currency Transactions	20,654	-	20,654
Loss on Foreign Currency Translation (Note 11)	<u>(18,605)</u>	<u>-</u>	<u>(18,605)</u>
Total Non-Operating Revenue	<u>2,049</u>	<u>-</u>	<u>2,049</u>
Change in Net Assets	122,243	(378,864)	(256,621)
Net Assets, Beginning of Year	<u>1,111,380</u>	<u>4,131,389</u>	<u>5,242,769</u>
Net Assets, End of Year	<u>\$ 1,233,623</u>	<u>\$ 3,752,525</u>	<u>\$ 4,986,148</u>

The Accompanying Notes are an Integral Part of the Financial Statements

BE TEAM INTERNATIONAL, INC.Statement of Activities
For the Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Support and Revenue			
Contributions	\$ 1,211,467	\$ 368,289	\$ 1,579,756
Patient Revenue	1,372,905	-	1,372,905
Gift-in-Kind Contributions (Note 8)	506,820	4,646,162	5,152,982
Administrative Income	15,737	-	15,737
Interest Income	2,923	-	2,923
Net Assets Released from Restrictions	<u>883,062</u>	<u>(883,062)</u>	<u>-</u>
Total Operating Support and Revenue	<u>3,992,914</u>	<u>4,131,389</u>	<u>8,124,303</u>
Operating Expenses			
Program Services	2,743,940	-	2,743,940
Supporting Services			
Management and General	126,027	-	126,027
Fundraising	<u>55,145</u>	<u>-</u>	<u>55,145</u>
Total Operating Expenses	<u>2,925,112</u>	<u>-</u>	<u>2,925,112</u>
Non-Operating Revenue			
Paycheck Protection Program Loan Forgiveness (Note 6)	-	24,400	24,400
Net Realized Loss on Foreign Currency Transactions	(9,034)	-	(9,034)
Gain on Foreign Currency Translation (Note 11)	22,274	-	22,274
Net Assets Released from Restrictions	<u>24,400</u>	<u>(24,400)</u>	<u>-</u>
Total Non-Operating Revenue	<u>37,640</u>	<u>-</u>	<u>37,640</u>
Change in Net Assets	1,105,442	4,131,389	5,236,831
Net Assets, Beginning of Year	<u>5,938</u>	<u>-</u>	<u>5,938</u>
Net Assets, End of Year	<u>\$ 1,111,380</u>	<u>\$ 4,131,389</u>	<u>\$ 5,242,769</u>

The Accompanying Notes are an Integral Part of the Financial Statements

BE TEAM INTERNATIONAL, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2021

	<u>Supporting Services</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 1,335,774	\$ 26,385	\$ 11,727	\$ 1,373,886
Employee Benefits	10,785	7,296	3,242	21,323
Payroll Taxes	1,570	2,020	897	4,487
Legal Fees	-	241	-	241
Accounting Fees	14,384	18,798	-	33,182
Other Professional Fees	-	7,597	-	7,597
Hospital Supplies	170,930	-	-	170,930
Cost of Goods Sold	387,179	-	-	387,179
Advertising	409	-	5,491	5,900
Office Expenses	21,117	2,346	-	23,463
Printing, Postage, and Shipping	14,885	829	1,104	16,818
Information Technology	9,634	8,741	-	18,375
Occupancy	674,458	53	-	674,511
Travel	11,049	-	-	11,049
Conferences and Meetings	24,080	50	-	24,130
Depreciation	92,896	2,304	1,024	96,224
Insurance	-	2,210	-	2,210
Minor Equipment and Repairs	45,723	-	-	45,723
Dues and Subscriptions	8,991	-	-	8,991
Other Expenses	8,908	458	-	9,366
Total	<u>\$ 2,832,772</u>	<u>\$ 79,328</u>	<u>\$ 23,485</u>	<u>\$ 2,935,585</u>

The Accompanying Notes are an Integral Part of the Financial Statements

BE TEAM INTERNATIONAL, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2020

	<u>Supporting Services</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 1,248,743	\$ 57,180	\$ 25,414	\$ 1,331,337
Employee Benefits	18,409	17,482	7,770	43,661
Payroll Taxes	3,389	4,357	1,936	9,682
Legal Fees	-	340	-	340
Accounting Fees	9,547	18,760	-	28,307
Other Professional Fees	-	4,084	-	4,084
Hospital Supplies	190,572	-	-	190,572
Cost of Goods Sold	330,716	-	-	330,716
Advertising	541	-	17,835	18,376
Office Expenses	21,579	2,785	-	24,364
Printing, Postage, and Shipping	10,268	92	122	10,482
Information Technology	11,155	8,663	-	19,818
Occupancy	689,620	1,400	-	691,020
Travel	17,530	1,556	1,556	20,642
Conferences and Meetings	23,452	179	-	23,631
Depreciation	84,566	1,152	512	86,230
Insurance	-	1,833	-	1,833
Minor Equipment and Repairs	61,268	6,035	-	67,303
Dues and Subscriptions	12,279	-	-	12,279
Other Expenses	10,306	129	-	10,435
Total	<u>\$ 2,743,940</u>	<u>\$ 126,027</u>	<u>\$ 55,145</u>	<u>\$ 2,925,112</u>

The Accompanying Notes are an Integral Part of the Financial Statements

BE TEAM INTERNATIONAL, INC.
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (256,621)	\$ 5,236,831
Adjustments to Reconcile Change in Net Assets to Net Cash and Cash Equivalents Provided by Operating Activities:		
Depreciation	96,224	86,230
Foreign Currency Translation Adjustment	15,836	-
Paycheck Protection Program Loan Forgiveness	-	(24,400)
In-Kind Donations of Fixed Assets	-	(700,574)
(Increase) Decrease in:		
Accounts Receivable	9,411	(25,005)
Contributions Receivable, Net	417,477	(4,131,389)
Prepaid Expenses	(9,328)	2,842
Inventory	(19,823)	(33,594)
Increase (Decrease) in:		
Accounts Payable	(95,167)	213,746
Accrued Payroll and Taxes	<u>3,175</u>	<u>5,307</u>
Net Cash and Cash Equivalents Provided by Operating Activities	<u>161,184</u>	<u>629,994</u>
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	<u>(7,500)</u>	<u>(73,771)</u>
Net Cash and Cash Equivalents Used by Investing Activities	<u>(7,500)</u>	<u>(73,771)</u>
Cash Flows from Financing Activities:		
Proceeds from Paycheck Protection Program Loan	<u>-</u>	<u>24,400</u>
Net Cash and Cash Equivalents Provided by Investing Activities	<u>-</u>	<u>24,400</u>
Net Change in Cash and Cash Equivalents	153,684	580,623
Cash and Cash Equivalents, Beginning of Year	<u>587,075</u>	<u>6,452</u>
Cash and Cash Equivalents, End of Year	<u>\$ 740,759</u>	<u>\$ 587,075</u>
<u>Supplementary Cash Flows Information:</u>		
Cash Paid for Interest	\$ -	\$ -
Cash Paid for Taxes	-	-

The Accompanying Notes are an Integral Part of the Financial Statements

BE TEAM INTERNATIONAL, INC.
Notes to Financial Statements
For the Years Ended June 30, 2021 and 2020

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

Be Team International, Inc. (the Organization) is a 501(c)(3) non-profit organization incorporated in the State of Georgia in 2018 with the aim of supporting hospitals and medical programs in developing countries. Its primary focus is treating women and children. The Organization is devoted to developing the hospitals' capacity towards operational and financial independence by training national healthcare professionals, developing hospital administrative personnel, and providing high quality medical equipment and facilities. The Organization operates a hospital (BTI Afghanistan) in Afghanistan. The Organization is primarily supported by contributions and patient revenue.

Basis of Accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation:

Financial statement presentation follows the *Not-for-Profit Entities* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) which requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Support and Revenue:

Contributions are recorded when made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Organization. Gifts of cash and other assets are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are then reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Gift-in-kind contributions consist of donated hospital facilities, medical supplies and donated leases.

Cash and Cash Equivalents:

For the purpose of the Statements of Cash Flows, cash and cash equivalents consist of checking and money market accounts. The Organization considers all highly liquid investment instruments purchased with an initial maturity of three months or less to be cash equivalents.

Fixed Assets:

It is the policy of the Organization to record purchased fixed assets at cost and donated assets at their fair value at the date of donation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. New acquisitions of fixed assets having a cost below \$5,000, or which are not expected to last for more than a year, are expensed in the year of acquisition. Repairs and maintenance charges are capitalized and depreciated when they materially extend the useful life of the related assets.

BE TEAM INTERNATIONAL, INC.
Notes to Financial Statements
For the Years Ended June 30, 2021 and 2020

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable:

Accounts receivable consist of amounts due from patients, third-party payers, government assistance programs and others and are recorded at the estimated net realizable value when the service is rendered. The amount of the provision for doubtful accounts, if any, is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in local government and private employer health coverage, and other collection indicators. Once an account is no longer deemed collectible, accounts are deducted from the allowance for doubtful accounts and subsequent recoveries are added. No allowance was considered necessary at June 30, 2021 and 2020.

Contributions Receivable:

Contributions receivable are unconditional promises to give and are recognized as assets and contributions in the year made.

The Organization has received, at no cost, the use of a hospital building and the land on which it is located. The fair value of the rent to be received, discounted to its present value, is recorded as a gift-in-kind contribution and contribution receivable in the year the contract is executed. The Organization then recognizes rent expense, reducing the contribution receivable, as the benefits are used up over the life of the lease. The amortization of the discount is recorded as contributions revenue. No allowance was considered necessary at June 30, 2021 and 2020.

Inventory:

Inventory consists primarily of medical supplies and drugs. Inventory that is purchased is valued at lower of cost or net realizable value with cost determined using the first-in, first-out method. Inventory that is donated is valued and recorded as revenue at the estimated fair value based upon the Organization's estimate of the wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. Contributed inventory is recorded as gift-in-kind contributions on the Statements of Activities. Expenses for donated medical supplies and drugs are recorded when used at the value recorded on date of receipt.

Paycheck Protection Program Loan:

The Organization has elected to account for the Paycheck Protection Program Loan as a donor restricted contribution up to the amount eligible for loan forgiveness in accordance with FASB ASC 958-605.

Taxation:

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a). BTI Afghanistan is exempt from income taxes.

Management has reviewed the tax positions for each of the open tax years (2019-2020) as well as the expected position of the Organization's 2021 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BE TEAM INTERNATIONAL, INC.
Notes to Financial Statements
For the Years Ended June 30, 2021 and 2020

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses presents expenses by natural and functional classifications in accordance with the overall mission of the Organization. Accordingly, certain categories of expenses are attributable to one or more program or supporting functions of the Organization. Management allocates costs based on the ratio of each program's total budget expense to the total of the cost being allocated and staff time attributed to the function. The Organization incurred no joint costs during the years ended June 30, 2021 and 2020.

NOTE 2 PENDING NEW ACCOUNTING PRONOUNCEMENTS

In February 2016, FASB issued ASU No. 2016-02, *Leases*. The ASU introduces a lessee's model that brings most leases onto the Statement of Financial Position and aligns many of the underlying principles of the new lessor model with those in the new revenue recognition standard (ASU No. 2014-09). ASU No. 2016-02 is effective for annual periods beginning after December 15, 2021. The Organization is currently assessing the impact this standard will have on its financial statements.

In September 2020, FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires that contributed nonfinancial assets be presented as a separate line item on the Statement of Activities, apart from contributions of cash and other financial assets. It also requires disclosure of the types of contributed nonfinancial assets and qualitative information about whether contributed nonfinancial assets were either monetized or utilized during the period. The Organization is required to disclose descriptions of the programs or other activities in which the contributed nonfinancial assets were used, of the policies about monetizing or utilizing these assets, of any donor-imposed restrictions associated with these assets, and of the valuation techniques and principal markets used to arrive at the fair value measure at initial recognition. ASU No. 2020-07 is effective for annual periods beginning after June 15, 2021 with early adoption permitted. The Organization is currently assessing the impact this standard will have on its financial statements.

NOTE 3 AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30:

	<u>2021</u>	<u>2020</u>
Financial Assets:		
Cash and Cash Equivalents	\$ 740,759	\$ 587,075
Accounts Receivable	15,594	25,005
Contributions Receivable, Net	<u>3,713,912</u>	<u>4,131,389</u>
Total Financial Assets	<u>4,470,265</u>	<u>4,743,469</u>
Less Amounts Not Available to be Used		
Within One Year		
Net Assets with Donor Restrictions	<u>3,752,525</u>	<u>4,131,389</u>
Financial Assets Available to Meet Expenses Over the Next Year	<u>\$ 717,740</u>	<u>\$ 612,080</u>

The Organization's plan is generally to maintain financial assets to meet 90 days of operating expenses.

BE TEAM INTERNATIONAL, INC.
Notes to Financial Statements
For the Years Ended June 30, 2021 and 2020

NOTE 4 FIXED ASSETS

Fixed assets consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Building and Improvements	\$ 540,412	\$ 555,677
Medical Equipment	82,608	77,198
Computer Equipment	43,080	43,574
Vehicles	23,002	23,652
Other Equipment	<u>72,151</u>	<u>74,189</u>
 Total	 761,253	 774,290
 Less: Accumulated Depreciation	 <u>(177,698)</u>	 <u>(86,175)</u>
 Fixed Assets, Net	 <u>\$ 583,555</u>	 <u>\$ 688,115</u>

The useful lives for purposes of computing depreciation are as follows:

Building and Improvements	15-39 Years
Medical Equipment	3-5 Years
Computer Equipment	3-5 Years
Vehicles	3-5 Years
Other Equipment	3-5 Years

Depreciation expense was \$96,224 and \$86,230 for the years ended June 30, 2021 and 2020, respectively.

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable include the following at June 30:

	<u>2021</u>	<u>2020</u>
Donated Land Lease Due in:		
Less Than One Year	\$ 514,773	\$ 514,773
One Year to Five Years	2,059,092	2,059,092
Greater Than Five Years	<u>1,544,319</u>	<u>2,059,092</u>
 Total	 <u>4,118,184</u>	 <u>4,632,957</u>
 Less:		
Discount to Present Value at 2.33%	<u>(404,272)</u>	<u>(501,568)</u>
 Contributions Receivable, Net	 <u>\$ 3,713,912</u>	 <u>\$ 4,131,389</u>

NOTE 6 PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS

On April 15, 2020, as part of the CARES Act, the Organization received a Paycheck Protection Program loan from the Small Business Administration for \$24,400. The Organization met the Program's eligibility criteria as of June 30, 2020, and applied for the loan forgiveness feature of the Program by the deadline. Therefore, in accordance with FASB ASC 958-605, the Organization has included these funds as a donor-restricted contribution on the June 30, 2020 Statement of Activities.

BE TEAM INTERNATIONAL, INC.
Notes to Financial Statements
For the Years Ended June 30, 2021 and 2020

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Purpose and time restricted net assets consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Contributions Receivable, Net (Note 5)	\$ 3,713,912	\$ 4,131,389
Fistula Foundation – Surgeries	23,613	-
OBGYN Fellowship	<u>15,000</u>	<u>-</u>
Total	<u>\$ 3,752,525</u>	<u>\$ 4,131,389</u>

NOTE 8 GIFT-IN-KIND CONTRIBUTIONS

The Organization records various types of gift-in-kind contributions. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or assets, depending on the nature of the donation.

On July 1, 2019, CURE International transferred its hospital operations in Afghanistan to the Organization. In addition to cash received through this transfer, the Organization received donated fixed assets, inventory and various other supplies. The Organization also incurred various liabilities through this transfer. The net in-kind contribution from CURE International was \$503,283 during the year ended June 30, 2020.

The Organization received the following in-kind contributions during the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
CURE International Transfer, Net	\$ -	\$ 503,283
Donated Land and Building Lease	97,296	4,646,162
Supplies	<u>-</u>	<u>3,537</u>
Total	<u>\$ 97,296</u>	<u>\$ 5,152,982</u>

NOTE 9 ADVERTISING

The Organization expenses advertising costs as incurred. Advertising expense was \$5,900 and \$18,376 for the years ended June 30, 2021 and 2020, respectively.

NOTE 10 CONCENTRATIONS OF CREDIT RISK AND OTHER ECONOMIC RISKS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents held with financial institutions. Accounts at United States financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. Organization accounts at financial institutions exceeded the FDIC insurance limits at times throughout the year. The amounts in excess of the FDIC limit were \$141,925 and \$0 at June 30, 2021 and 2020, respectively.

In addition, deposits held in financial institutions in Afghanistan are not covered by any government insurance. Amounts held in financial institutions in Afghanistan, in U.S. dollars, totaled \$333,656 and \$265,695 at June 30, 2021 and 2020, respectively.

BE TEAM INTERNATIONAL, INC.
Notes to Financial Statements
For the Years Ended June 30, 2021 and 2020

NOTE 10 CONCENTRATIONS OF CREDIT RISK AND OTHER ECONOMIC RISKS (CONTINUED)

The Organization's non-U.S. operations are subject to risks inherent in operating under different legal, political and economic systems. Among these risks are changes in existing tax law, possible limitation on non-U.S. investment and income repatriation, and foreign currency risks. The Organization monitors exposure to risks regularly. Net assets of non-U.S. operations were 92% and 94% of the Organization's total net assets for the years ended June 30, 2021 and 2020, respectively.

NOTE 11 FOREIGN CURRENCY TRANSLATION

For BTI Afghanistan, assets and liabilities reflected in foreign currencies are translated into U.S. dollars at the rate of exchange at the Statements of Financial Position date. Accounts reflected in the Statements of Activities are translated at the average exchange rates during the year, and any gains or losses resulting from foreign currency translation are reflected in the Statements of Activities. The net effect of such translation adjustments was a decrease to net assets of \$18,605 for the year ended June 30, 2021 and an increase to net assets of \$22,274 for the year ended June 30, 2020.

NOTE 12 RETIREMENT PLAN

The Organization established a Simple IRA plan for its U.S.-based employees. The employer contributes up to a 3% match of employee contributions to the plan. Contributions remitted to the plan were \$2,434 and \$2,994 for the years ended June 30, 2021 and 2020, respectively.

NOTE 13 RECLASSIFICATIONS

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the current-year financial statements.

NOTE 14 SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 16, 2022, which is the date the financial statements were available to be issued.

Subsequent to June 30, 2021, the Organization has been operating in an environment that has been economically impacted by the COVID-19 pandemic. The full impact of the pandemic on the Organization is not known as of the release of these financial statements. However, management is monitoring the current conditions and their potential impact.

Subsequent to June 30, 2021, the Taliban dissolved the Islamic Republic of Afghanistan and established a new government, the Islamic Emirate of Afghanistan. The full impact of the political risk is being monitored regularly. Due to constructive conversation as of the date of issuance between the Organization and the newly established government there is no substantial doubt regarding the Organization's ability to continue as a going concern. Specifically, based on conversations with the new government, the land and building lease agreement discussed in Note 8 remain in force.

Subsequent to June 30, 2021, the Afghani exchange rate has devalued by 13% as compared to the U.S. dollar. The effect of this devaluation has not been determined. However, management is monitoring the current conditions and their potential impact.