

BE TEAM INTERNATIONAL, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2024 AND 2023
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, 2024 and 2023

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HAMILTON & MUSSER, PC

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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, 2024 and 2023, 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, 2024 and 2023, 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.

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.

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 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.

January 20, 2025

Mechanicsburg, Pennsylvania



Certified Public Accountants

BE TEAM INTERNATIONAL, INC.
Statements of Financial Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and Cash Equivalents	\$ 589,315	\$ 740,242
Certificates of Deposit	415,215	474,671
Investments (Note 3)	615,011	481,075
Accounts Receivable	21,760	12,360
Contributions Receivable, Net (Note 5)	2,401,559	2,849,232
Inventory	75,004	36,195
Fixed Assets, Net (Note 4)	<u>615,129</u>	<u>567,196</u>
Total Assets	<u>\$ 4,732,993</u>	<u>\$ 5,160,971</u>
Liabilities		
Accounts Payable	\$ 168,940	\$ 130,425
Accrued Payroll and Taxes	<u>14,128</u>	<u>11,692</u>
Total Liabilities	<u>183,068</u>	<u>142,117</u>
Net Assets		
Without Donor Restrictions	1,663,513	1,623,242
With Donor Restrictions (Note 6)	<u>2,886,412</u>	<u>3,395,612</u>
Total Net Assets	<u>4,549,925</u>	<u>5,018,854</u>
Total Liabilities and Net Assets	<u>\$ 4,732,993</u>	<u>\$ 5,160,971</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, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Support and Revenue			
Contributions	\$ 756,992	\$ 802,717	\$ 1,559,709
Nonfinancial Contributions (Note7)	14,623	-	14,623
Patient Revenue	1,382,101	-	1,382,101
Amortization of Contribution Receivable Discount (Note 5)	67,101	-	67,101
Administrative Income	26,136	-	26,136
Investment Income (Note 3)	64,487	-	64,487
Net Assets Released from Restrictions	<u>1,311,917</u>	<u>(1,311,917)</u>	<u>-</u>
Total Operating Support and Revenue	<u>3,623,357</u>	<u>(509,200)</u>	<u>3,114,157</u>
Operating Expenses			
Program Services	3,517,541	-	3,517,541
Supporting Services			
Management and General	129,059	-	129,059
Fundraising	<u>50,759</u>	<u>-</u>	<u>50,759</u>
Total Operating Expenses	<u>3,697,359</u>	<u>-</u>	<u>3,697,359</u>
Non-Operating Gain (Loss)			
Net Realized Loss on Foreign Currency Transactions	(7,185)	-	(7,185)
Gain on Foreign Currency Translation (Note 10)	<u>121,458</u>	<u>-</u>	<u>121,458</u>
Total Non-Operating Gain (Loss)	<u>114,273</u>	<u>-</u>	<u>114,273</u>
Change in Net Assets	40,271	(509,200)	(468,929)
Net Assets, Beginning of Year	<u>1,623,242</u>	<u>3,395,612</u>	<u>5,018,854</u>
Net Assets, End of Year	<u>\$ 1,663,513</u>	<u>\$ 2,886,412</u>	<u>\$ 4,549,925</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, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Support and Revenue			
Contributions	\$ 654,679	\$ 1,398,824	\$ 2,053,503
Patient Revenue	1,051,003	-	1,051,003
Amortization of Contribution Receivable Discount (Note 5)	77,401	-	77,401
Administrative Income	21,583	-	21,583
Investment Income (Note 3)	23,772	-	23,772
Miscellaneous Income	21	-	21
Net Assets Released from Restrictions	<u>1,289,816</u>	<u>(1,289,816)</u>	<u>-</u>
Total Operating Support and Revenue	<u>3,118,275</u>	<u>109,008</u>	<u>3,227,283</u>
Operating Expenses			
Program Services	3,134,423	-	3,134,423
Supporting Services			
Management and General	118,319	-	118,319
Fundraising	<u>30,809</u>	<u>-</u>	<u>30,809</u>
Total Operating Expenses	<u>3,283,551</u>	<u>-</u>	<u>3,283,551</u>
Non-Operating Gain			
Net Realized Gain on Foreign Currency Transactions	14,435	-	14,435
Gain on Foreign Currency Translation (Note 10)	<u>17,282</u>	<u>-</u>	<u>17,282</u>
Total Non-Operating Gain	<u>31,717</u>	<u>-</u>	<u>31,717</u>
Change in Net Assets	(133,559)	109,008	(24,551)
Net Assets, Beginning of Year	<u>1,756,801</u>	<u>3,286,604</u>	<u>5,043,405</u>
Net Assets, End of Year	<u>\$ 1,623,242</u>	<u>\$ 3,395,612</u>	<u>\$ 5,018,854</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, 2024

	Supporting Services			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and Wages	\$ 1,675,042	\$ 54,468	\$ 31,125	\$ 1,760,635
Employee Benefits	17,926	5,818	3,324	27,068
Payroll Taxes	5,456	4,243	2,425	12,124
Legal Fees	458	-	-	458
Accounting Fees	1,714	31,785	-	33,499
Other Professional Fees	3,813	8,052	-	11,865
Hospital/Donated Supplies	355,227	-	-	355,227
Cost of Goods Sold/Consumed	420,949	-	-	420,949
Advertising	4,540	-	10,800	15,340
Office Expenses	54,665	2,619	-	57,284
Printing, Postage, and Shipping	15,137	76	101	15,314
Information Technology	14,747	11,602	-	26,349
Occupancy	679,679	-	-	679,679
Travel	30,620	1,960	1,960	34,540
Conferences and Meetings	41,883	220	-	42,103
Depreciation	113,878	1,792	1,024	116,694
Insurance	-	5,985	-	5,985
Minor Equipment and Repairs	51,333	-	-	51,333
Dues and Subscriptions	16,477	-	-	16,477
Other Expenses	<u>13,997</u>	<u>439</u>	<u>-</u>	<u>14,436</u>
 Total	 <u>\$ 3,517,541</u>	 <u>\$ 129,059</u>	 <u>\$ 50,759</u>	 <u>\$ 3,697,359</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, 2023

	Supporting Services			
	Program Services	Management and General	Fundraising	Total
Salaries and Wages	\$ 1,342,765	\$ 47,436	\$ 21,083	\$ 1,411,284
Employee Benefits	16,052	8,945	3,975	28,972
Payroll Taxes	3,072	3,951	1,756	8,779
Legal Fees	-	444	-	444
Accounting Fees	1,784	31,215	-	32,999
Other Professional Fees	1,152	7,421	-	8,573
Hospital/Donated Supplies	442,477	-	-	442,477
Cost of Goods Sold/Consumed	341,973	-	-	341,973
Advertising	4,275	-	2,770	7,045
Office Expenses	70,497	3,373	-	73,870
Printing, Postage, and Shipping	13,725	70	93	13,888
Information Technology	16,704	10,770	-	27,474
Occupancy	654,620	94	-	654,714
Travel	21,794	108	108	22,010
Conferences and Meetings	22,836	302	-	23,138
Depreciation	95,860	2,304	1,024	99,188
Insurance	-	1,537	-	1,537
Minor Equipment and Repairs	65,336	-	-	65,336
Dues and Subscriptions	11,000	-	-	11,000
Other Expenses	<u>8,501</u>	<u>349</u>	<u>-</u>	<u>8,850</u>
 Total	<u>\$ 3,134,423</u>	<u>\$ 118,319</u>	<u>\$ 30,809</u>	<u>\$ 3,283,551</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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (468,929)	\$ (24,551)
Adjustments to Reconcile Change in Net Assets to Net Cash and Cash Equivalents Provided (Used) by Operating Activities:		
Depreciation	116,694	99,188
Contributed Fixed Assets	(14,623)	-
Foreign Currency Translation Adjustment	(112,370)	(14,015)
Unrealized (Gain) Loss on Investments	(470)	276
(Increase) Decrease in:		
Accounts Receivable	(9,400)	(3,402)
Contributions Receivable	447,673	437,372
Inventory	(38,809)	23,888
Increase (Decrease) in:		
Accounts Payable	38,515	(16,588)
Accrued Payroll and Taxes	<u>2,436</u>	<u>2,307</u>
Net Cash and Cash Equivalents Provided (Used) by Operating Activities	<u>(39,283)</u>	<u>504,475</u>
Cash Flows from Investing Activities:		
Purchase of Certificates of Deposit	(211,381)	(374,342)
Proceeds from Maturity of Certificates of Deposit	270,837	-
Purchase of Investments	(464,466)	(481,351)
Proceeds from Sale of Investments	331,000	-
Purchase of Fixed Assets	<u>(37,634)</u>	<u>(88,438)</u>
Net Cash and Cash Equivalents Used by Investing Activities	<u>(111,644)</u>	<u>(944,131)</u>
Net Change in Cash and Cash Equivalents	(150,927)	(439,656)
Cash and Cash Equivalents, Beginning of Year	<u>\$ 740,242</u>	<u>1,179,898</u>
Cash and Cash Equivalents, End of Year	<u>\$ 589,315</u>	<u>\$ 740,242</u>
<u>Supplemental Cash Flow Disclosures:</u>		
Cash Paid for Interest	\$ -	\$ -
Cash Paid for Income Taxes	-	-
<u>Supplemental Disclosure of Non-Cash Investing Activities:</u>		
Contributed Fixed Assets	\$ 14,623	\$ -

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, 2024 and 2023

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.

Nonfinancial Contributions:

The Organization occasionally receives nonfinancial contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as nonfinancial contributions are offset by like amounts included in expense, fixed assets, or in inventory.

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.

Certificates of Deposit:

Certificates of deposit with an original maturity greater than three months are recorded at cost plus accrued interest in the Statements of Financial Position. The Organization holds certificates of deposit with varying maturities at FDIC insured banks.

BE TEAM INTERNATIONAL, INC.
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

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

Fair Value Measurements:

Financial instruments are valued at fair market value on a recurring basis in the Statements of Financial Position.

Fair Value Reporting requires an establishment of a hierarchy that ranks the quality and reliability of inputs, or assumptions, used in the determination of fair value and requires financial assets and liabilities carried at fair value to be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices in active markets for identical assets and liabilities
- Level 2 – Directly or indirectly observable inputs other than Level 1 quoted prices
- Level 3 – Unobservable inputs not corroborated by market data

For financial instruments with quoted market prices in active markets, the Organization uses the quoted market prices as fair values and include those investments in Level 1 of the fair value hierarchy. When quoted market prices in active markets are not available, various pricing services are used to determine fair value of financial instruments that are included in Level 2 of the fair value hierarchy. Level 3 represents financial assets whose fair value is determined based upon inputs that are unobservable and include the Organization's own determinations of the assumptions that a market participant would use in pricing the asset.

Investment income, including realized and unrealized gains restricted by donors, is reported as an increase in net assets without donor restrictions if the restrictions are met (either a stipulated time period or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Financial instruments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of financial instruments, it is at least reasonably possible changes in risks in the near term would materially affect investment assets reported in the Statements of Financial Position.

Right-of-Use Assets and Liabilities:

The Organization determines if an arrangement is or contains a lease at inception of the contract. The right-of-use (ROU) assets represent the right to use the underlying assets for the lease term, and the lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. As the Organization's leases generally do not provide an implicit rate, the Organization's incremental borrowing rate or a risk-free borrowing rate at commencement date is used to determine the present value of future payments. The operating ROU asset is reduced based on the lease amortization schedule. Lease terms may include options to extend the lease, terminate the lease, or purchase the leased asset. The value of a lease option is reflected in the valuation if it is reasonably certain management will exercise the option. Leases with a term of twelve months or less are considered short-term and no asset or liability needs to be recognized. In the event that a significant lease would be recorded, the Organization has elected not to separate the lease components from non-lease components for all asset classes. There were no significant leases for the years ended June 30, 2024 and 2023.

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. Leasehold improvements are depreciated over the shorter of the useful life of the assets or the lease term including reasonable assured renewal periods. 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, 2024 and 2023

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, 2024 and 2023.

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 nonfinancial 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 revenue. No allowance was considered necessary at June 30, 2024 and 2023.

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.

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 (2021-2024) as well as the expected position of the Organization's 2024 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.

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 present 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, 2024 and 2023.

BE TEAM INTERNATIONAL, INC.
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE 2 – AVAILABILITY AND LIQUIDITY

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

	<u>2024</u>	<u>2023</u>
Financial Assets:		
Cash and Cash Equivalents	\$ 589,315	\$ 740,242
Certificate of Deposit	415,215	474,671
Investments	615,011	481,075
Accounts Receivable	21,760	12,360
Contributions Receivable, Net	<u>2,401,559</u>	<u>2,849,232</u>
Total Financial Assets	<u>4,042,860</u>	<u>4,557,580</u>
Less Amounts Not Available to be Used Within One Year		
Net Assets with Donor Restrictions	<u>2,886,412</u>	<u>3,395,612</u>
Total	<u>2,886,412</u>	<u>3,395,612</u>
Financial Assets Available to Meet Expenses Over the Next Year	<u>\$ 1,156,448</u>	<u>\$ 1,161,968</u>

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

NOTE 3 – INVESTMENTS

Investments consist of the following at June 30:

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Mutual Funds	\$ 314,817	\$ 314,817	\$ 150,350	\$ 150,350
Fixed Income	<u>300,000</u>	<u>300,194</u>	<u>331,001</u>	<u>330,725</u>
Total	<u>\$ 614,817</u>	<u>\$ 615,011</u>	<u>\$ 481,351</u>	<u>\$ 481,075</u>

Fair values of investments at June 30, 2024 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	\$ 314,817	\$ -	\$ -	\$ 314,817
Fixed Income	<u>-</u>	<u>300,194</u>	<u>-</u>	<u>300,194</u>
Total	<u>\$ 314,817</u>	<u>\$ 300,194</u>	<u>\$ -</u>	<u>\$ 615,011</u>

BE TEAM INTERNATIONAL, INC.
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE 3 – INVESTMENTS (CONTINUED)

Fair values of investments at June 30, 2023 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	\$ 150,350	\$ -	\$ -	\$ 150,350
Fixed Income	<u>-</u>	<u>330,725</u>	<u>-</u>	<u>330,725</u>
Total	<u>\$ 150,350</u>	<u>\$ 330,725</u>	<u>\$ -</u>	<u>\$ 481,075</u>

A summary of investment income is as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Interest and Dividends	\$ 64,017	\$ 24,048
Unrealized Gain (Loss) on Investments	<u>470</u>	<u>(276)</u>
Total	<u>\$ 64,487</u>	<u>\$ 23,772</u>

The Organization's fixed income investments are considered to be Level 2. The investments are non-quoted investment funds which only invest in financial assets quoted in active markets. Any amount can be withdrawn from an account up to the total account balance.

NOTE 4 – FIXED ASSETS

Fixed assets consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Work in Progress	\$ -	\$ 13,506
Leasehold Improvements	658,633	499,441
Medical Equipment	154,354	115,292
Computer Equipment	45,158	41,755
Vehicles	25,736	21,258
Other Equipment	<u>292,319</u>	<u>241,456</u>
Total	1,176,200	932,708
Less: Accumulated Depreciation	<u>(561,071)</u>	<u>(365,512)</u>
Fixed Assets, Net	<u>\$ 615,129</u>	<u>\$ 567,196</u>

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

Leasehold Improvements	15 Years
Medical Equipment	3-5 Years
Computer Equipment	3-5 Years
Vehicles	3-5 Years
Other Equipment	3-5 Years

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NOTE 4 – FIXED ASSETS (CONTINUED)

Depreciation expense was \$116,694 and \$99,188 for the years ended June 30, 2024 and 2023, respectively.

NOTE 5 – CONTRIBUTIONS RECEIVABLE

The Organization has an agreement with the Afghanistan Ministry of Health to use a hospital building and land on which it is located at no cost until February 2029. The fair value of the rent to be received is recorded as contributions receivable.

Contributions receivable include the following at June 30:

	<u>2024</u>	<u>2023</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>-</u>	<u>514,773</u>
Total	<u>2,573,865</u>	<u>3,088,638</u>
Less:		
Discount to Present Value at 2.33%	<u>(172,306)</u>	<u>(239,406)</u>
Contributions Receivable, Net	<u>\$ 2,401,559</u>	<u>\$ 2,849,232</u>

Amortization of the discount is recorded as revenue of \$67,101 and \$77,401 for the years ended June 30, 2024 and 2023, respectively.

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2024</u>	<u>2023</u>
Contributions Receivable, Net (Note 5)	\$ 2,401,559	\$ 2,849,232
Fistula Foundation – Nutrition	472,853	546,380
Graduate Medical Residencies	<u>12,000</u>	<u>-</u>
Total	<u>\$ 2,886,412</u>	<u>\$ 3,395,612</u>

NOTE 7 – NONFINANCIAL CONTRIBUTIONS

The Organization received the following nonfinancial contributions for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Medical Equipment	\$ 14,623	\$ -

All nonfinancial contributions are utilized for program services. The medical equipment was capitalized in fixed assets and valued based on vendor prices in the Afghanistan market.

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NOTE 8 – ADVERTISING

The Organization expenses advertising costs as incurred. Advertising expense was \$15,340 and \$7,045 for the years ended June 30, 2024 and 2023, respectively.

NOTE 9 – 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 and certificates of deposit 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 \$388,774 and \$404,834 at June 30, 2024 and 2023, 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 \$55,130 and \$39,845 at June 30, 2024 and 2023, respectively.

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 67% and 68% of the Organization's total net assets for the years ended June 30, 2024 and 2023, respectively.

NOTE 10 – 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 dates. 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 an increase to net assets of \$121,458 and \$17,282 for the years ended June 30, 2024 and 2023, respectively.

NOTE 11 – 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 \$5,050 and \$3,601 for the years ended June 30, 2024 and 2023, respectively.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 20, 2025, which is the date the financial statements were available to be issued.

In November 2024, the Organization signed a new memorandum of understanding with the Afghanistan Ministry of Public Health. This new agreement includes the use of the hospital building and land on which it is located at no cost to the Organization until December 31, 2031.