

**BULAMU HEALTHCARE INTERNATIONAL
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(US REPORTING)**

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MANAGEMENT INFORMATION

Registered Offices and Principal Place of Operation

1933 Waverley Street
Palo Alto, CA 94301
USA

Dembe Tower Apt 202, Mawanda Road
P.O. Box 34066
Kampala - Uganda.

US Board of Directors

Mr. Richard Chandler	:	Board Chair, Governance Committee member
Mr. Richard Siegler	:	President, CEO
Ms. Bonnie Ng	:	Finance & Audit Committee member
Ms. Christine Russell	:	Finance & Audit Committee member
Mr. John Schniedwind	:	Finance & Audit Committee member, Board Secretary, CFO
Dr. Ronald Ariagno	:	Governance Committee member
Mr. Volker Kuebler	:	Governance Committee, Communications & Development Committee member
Dr. Andrew Griffin	:	Communications & Development Committee member
Dr. Patrick Kyamanywa	:	Governance Committee member
Ms. Elena Patterson	:	Communications & Development Committee member
Mr. Chuck Sheldon	:	Communications & Development Committee member
Ms. Margaret Paul	:	Communications & Development Committee member (Appointed 1, January 2022)
Mr. Robert King Jr	:	Board member (Resigned 31, December 2021)

Uganda Board of Directors

Mr. Richard Chandler	:	Board Chair
Mr. Richard Siegler	:	President, CEO
Mr. John Schniedwind	:	Board member, CFO
Dr. Ronald Ariagno	:	Board member
Mr. Gerald Atwine	:	Board member, Co-Founder
Mr. Mackay Masereka	:	Board member, Country Director
Dr. Patrick Kyamanywa	:	Board member

Bankers

Stanbic Bank Uganda Limited
P. O. Box 7131
Kampala

Chase Bank
JPMorgan Chase Bank, N.A.
P O Box 182051
Columbus, OH 43218- 2051

Independent Auditor

PKF Uganda
Certified Public Accountants
Plot 1B Kira road
P.O Box 24544
Kampala

REPORT OF INDEPENDENT AUDITOR TO THE MEMBERS OF BULAMU HEALTHCARE INTERNATIONAL

Report on the Financial Statements

We have audited the accompanying financial statements of Bulamu Healthcare International which comprise the Statement of Financial Position as at 31 December 2022, Statement of Financial Activities, Statement of Functional Expenses and Statement of Cash Flows for the year then ended and the related notes to the consolidated financial statements.

Board Members' Responsibility for the Financial Statements

The Board is responsible for the preparation of the financial statements of Bulamu Healthcare International which give a true and fair presentation of these in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation and maintenance of internal control relevant for the fair presentation of the financial statements that are free from material misstatement, whether due to fraud and error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements 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 project's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Kalamu House, Plot 1B, Kira Road, Kampala, Uganda, P.O. Box 24544
T: +256 312 305800, E: pkfkam@ug.pkfea.com, www.pkfea.com

Partners: Charles Oguttu*, Frederick Kibbedi *, Alpesh Vadher**, Piyush Shah**, Gurmit Santokh**, Sumesh D'Cruz**, Ketan Shah***, Shilpa Cheda***
(*Ugandan, ** Kenyan, *** British)

REPORT OF INDEPENDENT AUDITOR (CONTINUED)

Opinion

In our opinion, the accompanying financial statements referred to above present fairly in all material respects the financial position of Bulamu Healthcare International as at 31 December 2022 and of its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Charles Oguttu (P0141)
Engagement Partner

PKF Uganda

Certified Public Accountants
Kampala

Date 11/7/2023
Ref: CO/B088/0062/2023



STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	2022 USD	2021 USD
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	3	<u>33,691</u>	<u>43,535</u>
CURRENT ASSETS			
Inventory	7	6,357	4,482
Receivables	4	36,980	18,500
Cash and Bank Balances	5	<u>64,736</u>	<u>91,513</u>
		<u>108,073</u>	<u>114,495</u>
TOTAL ASSETS		<u>141,764</u>	<u>158,030</u>
FUNDS AND LIABILITIES			
General Fund		<u>62,071</u>	<u>90,314</u>
CURRENT LIABILITIES			
Borrowings	8	11,598	11,135
Payables	6	<u>32,665</u>	<u>9,530</u>
		<u>44,263</u>	<u>20,665</u>
NON - CURRENT LIABILITIES			
Borrowings	8	<u>35,430</u>	<u>47,051</u>
TOTAL FUNDS AND LIABILITIES		<u>141,764</u>	<u>158,030</u>

The financial statements on pages 6 to 19 were approved by Board of Directors on
..... 11 July2023 .and were signed on its behalf by:



.....
Director



.....
Director

The notes set out on pages 10-19 form an integral part of these financial statements

Report on the Independent Auditor-pages 4 to 5

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	2022 USD	2021 USD
SUPPORT AND REVENUE			
Contribution from Individuals		1,142,553	916,396
Contributions from Foundations		200,000	145,000
Gift In Kind Contributions		228,375	134,228
Grants from Partners		24,507	-
Other Income	9	460	18,566
Total Income		<u>1,595,895</u>	<u>1,214,190</u>
EXPENDITURE			
Program Expense (Uganda)			
Clinical Support Teams	10 (a)	155,261	323,008
Surgery Intensives and Acute Care Program	10 (b)	309,762	331,306
Health Centre Excellence (HCE) Program	10 (c)	786,503	475,789
Impact Evaluation and Research Studies	10 (d)	35,079	
Total Program Services		<u>1,286,605</u>	<u>1,130,103</u>
Support Activities (United States)			
General and Administrative	11 (a)	213,065	168,455
Fundraising	11 (b)	124,469	37,825
Total Support		<u>337,534</u>	<u>206,280</u>
Total expenditure		<u>1,624,139</u>	<u>1,336,383</u>
(DEFICIT) FOR THE YEAR		<u>(28,243)</u>	<u>(122,193)</u>

The notes set out on pages 10-19 form an integral part of these financial statements

Report on the Independent Auditor-pages 4 to 5

STATEMENT OF FUNCTIONAL EXPENSES

Particulars	2022						2021					
	Program Activities			Supporting Activities			Program Activities			Supporting Activities		
	2022	USD	Total	2022	USD	Total	2021	USD	Total	2021	USD	Total
Salaries and Benefits	109,061		109,061	107,553		107,553	80,703		80,703	94,623		94,623
Medical and Other Equipment	130,562		130,562	-		130,562	147,823		147,823	-		147,823
Drugs and Medical Supplies	152,185		152,185	-		152,185	130,790		130,790	-		130,790
Medical and Diagnostic Services	106,629		106,629	-		106,629	12,150		12,150	-		12,150
Travel and Local Transportation	79,087		79,087	43,158		128,791	91,103		91,103	10,504		102,434
Meals and Accommodations	108,964		108,964	-		108,964	137,118		137,118	-		137,118
Stationery and Printing	136,629		136,629	-		141,724	73,726		73,726	-		73,726
Program Implementation	115,076		115,076	-		115,076	106,077		106,077	-		106,077
Other Operating Expenses	159,336		159,336	-		164,222	214,559		214,559	5,190		235,278
Software Development & Support	112,497		112,497	36		119,826	67,866		67,866	-		67,866
Services and Professional Fees	66,660		66,660	46,400		184,145	68,188		68,188	53,547		140,028
Office Expenses	9,919		9,919	15,917		55,399				4,591		7,767
Total Expenses	1,286,605		1,286,605	213,065		1,624,139	1,130,103		1,130,103	168,455		1,336,383
										37,825		37,825

The notes set out on pages 10-19 form an integral part of these financial statements

Report on the Independent Auditor-pages 4 to 5

STATEMENT OF CASHFLOWS

	2022	2021
	USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) for the year	(28,243)	(122,193)
Adjustments to reconcile change in net assets		
Depreciation	13,056	6,545
Net cash from/(used in) operating activities	<u>(15,187)</u>	<u>(115,648)</u>
Change in assets and liabilities		
Increase /(decrease) in payables	23,135	(9,951)
Decrease/(increase) in receivables	(18,480)	17,853
Decrease/(increase) in inventory	(1,876)	(2,920)
Cash provided by (used in) operating activities	(12,408)	(110,665)
Interest paid on loan	(11,157)	(1,815)
Net cash provided by (used in) operating activities	(23,565)	(112,480)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(3,213)	(33,933)
Net cash flows from investing activities	(3,213)	(33,933)
Cash flows from financing activities		
5-year Loan (from Lendonate)		60,000
Net cash flows from financing activities	-	60,000
Net Change in Cash and Cash Equivalents	(26,777)	(86,414)
Cash and Cash Equivalents at 1 January 2022	91,513	177,927
CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2022	<u>64,736</u>	<u>91,513</u>

The notes set out on pages 10-19 form an integral part of these financial statements

Report on the Independent Auditor-pages 4 to 5

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Bulamu Healthcare International is a non-profit organization incorporated and domiciled in the United States and also registered in Uganda. The address of its registered office and principal place of business in the United States is in California and in Kampala in Uganda.

2. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation

The financial statements of Bulamu Healthcare International are prepared in accordance with US Generally Accepted Accounting Principles basis of preparation.

b) Going Concern

The financial statements are prepared on a going concern basis. Unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so (sec 3 p8 - 9). The directors will need to carry out an assessment to demonstrate whether the going concern assumption is appropriate. When the directors are aware, in making their assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the organisation's ability to continue as an going concern, those uncertainties should be disclosed in the financial statements. When a organisation does not prepare financial statements on a going concern basis, it should disclose that fact, together with the basis on which it prepared the financial statements and the reason why the organisation is not regarded as a going concern.

c) Revenue Recognition

Revenue is shown as donations, interest earned and other income. In general, revenue is recognised when: the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the organization's activities. Specifically,

- i) All donor income is recognized when received
- ii) Interest income is recognized on a time proportion basis using the effective interest method.
- iii) All other miscellaneous income is recognized when received.
- iv) All donations are considered unrestricted unless stipulated by the donor.

d) Property and Equipment

All property and equipment (in excess of the threshold approved by the board of directors) is initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the organization and the cost can be reliably measured. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Depreciation is calculated on straight line basis to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

	Rate %
Office Equipment	12.5%
Furniture and fittings	12.5%
Computer equipment	33.3%
Medical equipment	33.3%
Motor vehicle	25.0%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating surplus/deficit.

e) Inventories

Inventories are stated at the lower of cost and net realizable value. Inventory cost is determined by first-in-first-out (FIFO) method.

f) Receivables

Receivables are initially recognized at the transaction price.

g) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and financial assets with maturities of less than 91 days, net of bank overdrafts, money market lines and restricted cash balances.

h) Payables

Payables are recognized initially at the transaction price. They are obligations on the basis of normal credit terms and do not bear interest. Payables denominated in a foreign currency are translated into the functional currency using the exchange rate at the reporting date. The resulting differences from conversion and translation are dealt with in the statement of income and expenditure in the year in which they arise.

i) Translation of Foreign Currencies

The functional currency is Uganda shillings while the reporting currency is United States dollars. Balances in foreign currencies during the year are converted into US dollars at the average mid-point exchange rate (as reported by the Bank of Uganda) for the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

j) Current Income Tax

The organization is exempt from paying income tax and in the process of obtaining an exemption certificate as it is a charitable organization geared toward provision of health services under the National Bureau for Non- Governmental Organizations.

k) Employee Benefit Obligations

Pension Obligations

In Uganda, the organization and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The company's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate. In the US, the organization contributes to the Social Security and Medicare funds as determined by law. In addition, a fixed portion of an employee's annual salary is given to the employee for contribution to a self-directed retirement account. The contribution percentage is determined annually by senior management.

l) Impairment of Assets

The carrying amounts of the organisation's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such condition exists, the assets recoverable amount is estimated and an impairment loss recognised whenever the carrying amount of an asset exceeds its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. PROPERTY AND EQUIPMENT

Particulars	Motor Vehicle	Computers	Furniture & Fittings	Office Equipment	Medical Equipment	Total
	USD	USD	USD	USD	USD	USD
Cost						
1-Jan-22	25,468	13,591	3,650	6,984	18,115	67,808
Additions			3,213	-	-	3,213
31-Dec-22	25,468	13,591	6,863	6,984	18,115	71,021
Depreciation						
1-Jan-22	1,061	13,539	1,468	2,708	5,498	24,273
Charge for the year	6,108	52	757	869	5,271	13,056
31-Dec-22	7,169	13,591	2,224	3,577	10,769	37,329
Net Book Value						
31-Dec-22	18,299	-	4,638	3,407	7,345	33,691
31-Dec-21	24,407	52	2,182	4,276	12,617	43,535

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2022	2021
	USD	USD
4. RECEIVABLES		
Activity advance	1,920	3,100
Donations receivable	35,060	15,400
Total	36,980	18,500
5. CASH AT BANK		
Chase Bank	59,434	66,217
Stanbic Bank - Main Account	293	14,159
Stanbic Bank - NGO Account	1,096	6,389
Stanbic Bank - Medical Camp	275	491
Stanbic Bank - HCE/Clinic Management	285	394
American Century Brokerage	3,353	3,864
Total	64,736	91,513
6. PAYABLES		
Credit Card Payable	207	394
Outstanding Tax Liability	378	378
Staff Travel	5,652	-
Evolve Consulting	7,650	-
Grazitti	8,250	-
CURE	2,773	-
CORSU	463	146
NSSF	1,162	926
PAYE	2,112	1,687
WHT	768	-
PKF Uganda	3,250	5,999
Total	32,665	9,530
7. INVENTORY		
Drugs	6,357	4,482

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. On 27 August 2021, Bulamu Healthcare International entered into a loan agreement with LENDonate CA LLC, a California limited liability company as the lender.

Borrowings from this institution amounted to USD 60,000 as at the reporting date. Interest payable of USD 11,598 (Non-current USD 35,430) remained unpaid as at 31 December 2022.

Purpose of Funds: Purchase of a vehicle and medical equipment.

Collateral: a UCC-1 financing statement to be filed by Lender with the Secretary of State of California and personal guaranty from Richard Chandler, Executive Board Chairman.

Ceiling” Interest Rate: 4.0%

Maturity: Five years.

Payments: Principal and interest monthly payments for 60 months. The loan is five years fully amortized.

Prepayment Penalty: None

	2022	2021
	USD	USD
9. OTHER INCOME		
Interest earned	99	71
Realized/Unrealized Gains	-	1,620
Credit card rewards	361	-
Paycheck Protection Program Loan Forgiven	-	16,875
Total	460	18,566

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2022	2021
	USD	USD
10. PROGRAM EXPENSES (UGANDA)		
A) Medical Camps and Clinical Support Teams.		
Medical and Other Equipment	10,996	39,444
Drugs & Medical Supplies	52,424	61,184
Other Equipment	-	1,755
Office and Administrative Expenses	4	1,872
Diagnostic Services	-	163
Medical Treatment	24,398	948
Salaries and Wages	13,161	23,067
Local Transportation & Upkeep	8,657	18,462
Meetings & Workshops	-	649
Meals & Refreshments	7,812	14,491
Communications and Reporting	1,131	2,491
Operating Expenses	1,512	62,451
Stationary & Printing	652	8,785
Advertising and Promotion	221	179
Bank Charges & Fees	81	138
Other Expenses	-	1,735
Meals & Entertainment	19,246	37,375
Emergency Transport	849	6,499
Property and Equipment supplies	26	10,175
Non-medical Equipment Expense	199	826
Program Management Allocation	13,892	30,319
Total	155,261	323,008
B) Surgery Intensives and Acute Care Program		
Medical & Equipment Expense	11,069	16,832
Drugs & Medical Supplies	43,162	47,129
Office & Other Supplies	1,229	5,835
Diagnostic Services	5,444	5,201
Medical and Surgery Treatment	76,765	5,782
Salaries and Wages	26,257	23,659
Local Transportation & Upkeep	39,331	32,004
Accommodations	20,621	23,420
Communications and Reporting	1,464	1,599
Stationary & Printing	869	1,710

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2022	2021
	USD	USD
B) Surgery Intensives and Acute Care Program		
Advertising and Promotion	532	360
Office & Admin Expenses	5	586
Bank Charges & Fees	86	24
Meals & Entertainment	31,750	36,483
Other expenses	300	11,192
Utilities	285	118
Property and Equipment supplies	1,634	4,285
Patient Transport & Upkeep	-	4,167
Emergency Transport	967	243
Operating expenses	11,515	78,732
Other Equipment	5,942	377
Depreciation	2,820	470
Program Management Allocation	27,715	31,098
Total	309,762	331,306
C) Health Centre Excellence (HCE) Program.		
Medical Equipment Expense	84,113	27,880
Drugs & Medical Supplies	53,120	550
Office & Other Supplies	1,138	1,695
Salaries and Wages	66,669	33,977
Local Transportation & Upkeep	16,234	20,439
Accommodations	6,132	2,541
Communications and Reporting	736	21,433
Stationary & Printing	134,976	63,141
Bank Charges & Fees	306	79
Meals & Refreshments	7,116	6,456
Other expenses	554	2,358
Software and Applications Development	112,497	67,866
PPE Supplies	-	486
Other Equipment	18,568	46,249
Diagnostic Services	-	56
Meetings & Workshops	14,889	15,703
Operating Expenses	108,387	19,966
Advertising and Promotion	390	56
Communications	-	6
Office & Administration Expenses	-	1,273
Emergency Transport	23,650	9,289
Emergency drugs and supplies	-	21,441
Contributed Professional Services	66,660	68,188
Program Management Allocation	70,370	44,660
Total	786,503	475,789

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2022	2021
	USD	USD
d) Research Studies		
Medical Treatment	23	-
Salaries and Wages	2,974	-
Local Transportation & Upkeep	3,765	-
Accommodations	947	-
Phone & Internet	173	-
Stationary & Printing	398	-
Meals & Entertainment	421	-
Other expenses	1,550	-
Data Collection, Analysis and Reporting	21,651	-
Other Equipment	41	-
Program Management Allocation	3,138	-
Total	35,079	-

11. SUPPORT ACTIVITIES (U.S)

A) General & administrative

Bank/Currency Exchange Fees	1,258	-
Travel to/from Uganda	26,224	10,339
Bank Fees US	-	2,808
Professional Services	540	6,801
Office Expenses US Admin	7,926	4,591
Software and Software Support	36	98
Board and Advisory Council	2,673	874
State and Federal Registration Fees	150	96
Staff Compensation US	99,170	-
Payroll and Benefits Service Fees	556	892
Employer Payroll Taxes	7,827	6,853
Credit Card Fees	-	30
Loan Interest	3,910	391
Travel and Entertainment US Admin	16,935	165
Contributed Services: Administration	45,860	46,746
Salaries	-	87,770
Total	213,065	168,455

	2022	2021
	USD	USD
B) Fundraising		
Office Expenses Fundraising	11,778	3,176
Website Design & Maintenance	7,293	1,448
Travel and Entertainment Fundraising	6,546	827
Stripe/Donation Fees	778	699
Printing and Mailing for Fundraising	-	474
Communications US	7,281	1,970
Contributed Services: Fundraising	21,760	18,293
Contractor Expenses Fundraising	49,325	460
Commissions/fees on Security Donations	-	10
Losses on Securities Transactions	19,708	10,470
Total	124,469	37,825

11. CONTINGENT LIABILITIES

There were no known contingent liabilities.

12. COMMITMENT

There were no contractual commitments.

13. PERIOD OF REPORTING

The financial statements have been prepared and audited for a period of 12 months to 31 December 2022.

14. EVENTS AFTER REPORTING DATE

The management is not aware of any events after the reporting period and up to the date of this report; which requires adjustments to or disclosures in the financial statements.