



Financial Statements

For the Period From Inception Through December 31, 2021



**and
Report Thereon**



RESOLVE TO SAVE LIVES, INC.

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FOR THE PERIOD FROM INCEPTION THROUGH DECEMBER 31, 2021**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Resolve to Save Lives, Inc.

Opinion

We have audited the financial statements of Resolve to Save Lives, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2021 and the related statements of activities, functional expenses and cash flows for the period of inception (February 23, 2021) through December 31, 2021, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and the changes in its net assets and its cash flows for the period of inception through December 31, 2021 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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.

Marcum LLP

Washington, DC
July 21, 2022

RESOLVE TO SAVE LIVES, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2021

ASSETS	
Cash	\$ 3,100,424
Grants receivable	<u>140,000</u>
TOTAL ASSETS	<u>\$ 3,240,424</u>
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts payable and accrued expenses	\$ 13,624
Grants payable	<u>600,000</u>
TOTAL LIABILITIES	<u>613,624</u>
Net Assets	
Without donor restrictions	1,176,299
With donor restrictions	<u>1,450,501</u>
TOTAL NET ASSETS	<u>2,626,800</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,240,424</u>

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

RESOLVE TO SAVE LIVES, INC.
STATEMENT OF ACTIVITIES
FOR THE PERIOD FROM INCEPTION THROUGH DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE			
Grants and contributions	\$ 1,190,000	\$ 2,050,501	\$ 3,240,501
Investment income, net	20	-	20
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>600,000</u>	<u>(600,000)</u>	<u>-</u>
TOTAL REVENUE	<u>1,790,020</u>	<u>1,450,501</u>	<u>3,240,521</u>
EXPENSES			
Program services	600,000	-	600,000
Management and general	8,048	-	8,048
Fundraising	<u>5,673</u>	<u>-</u>	<u>5,673</u>
TOTAL EXPENSES	<u>613,721</u>	<u>-</u>	<u>613,721</u>
CHANGE IN NET ASSETS	1,176,299	1,450,501	2,626,800
NET ASSETS, BEGINNING OF PERIOD	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS, END OF PERIOD	<u>\$ 1,176,299</u>	<u>\$ 1,450,501</u>	<u>\$ 2,626,800</u>

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

RESOLVE TO SAVE LIVES, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE PERIOD FROM INCEPTION THROUGH DECEMBER 31, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grant expense	\$ 600,000	\$ -	\$ -	\$ 600,000
Professional services	-	8,048	5,578	13,626
Bank fees	-	-	95	95
TOTAL EXPENSES	<u><u>\$ 600,000</u></u>	<u><u>\$ 8,048</u></u>	<u><u>\$ 5,673</u></u>	<u><u>\$ 613,721</u></u>

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

RESOLVE TO SAVE LIVES, INC.
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM INCEPTION THROUGH DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 2,626,800
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in assets and liabilities:	
Grants receivable	(140,000)
Accounts payable and accrued expenses	13,624
Grants payable	<u>600,000</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>3,100,424</u>
NET INCREASE IN CASH	3,100,424
CASH, BEGINNING OF PERIOD	<u>-</u>
CASH, END OF PERIOD	<u><u>\$ 3,100,424</u></u>

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

RESOLVE TO SAVE LIVES, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD FROM INCEPTION THROUGH DECEMBER 31, 2021

1. Organization and Summary of Significant Accounting Policies

Organization

Resolve to Save Lives, Inc. (the Organization) was formed for the purpose of saving lives by helping governments and civil society implement scalable, proven strategies and supporting public health, primary care, and other programs which mitigate morbidity and mortality.

Initially founded in 2017 as an initiative (the Initiative) of Vital Strategies, Inc. (Vital Strategies), a New York based public charity focused on strengthening public health systems, the Organization was established as a separate Delaware not-for-profit corporation in February 2021. In December 2021, the Organization and Vital Strategies entered into a Project Transition and Assignment Agreement (the Agreement) to transition activity and funding from the Initiative to the Organization with an effective separation date of March 31, 2022.

During the period of inception through December 31, 2021, the Organization conducted certain activities independent and outside of the Initiative and the accompanying financial statements reflect such activity. Activity occurring within the Initiative during the period of inception through December 31, 2021 is not reflected within the accompanying financial statements.

The Organization is primarily funded through grants and contributions.

Basis of Accounting

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

Grants and Contributions Receivable

Grants and contributions receivable that are expected to be collected within one year are recorded at net realizable value. Grants and contributions receivable that are expected to be collected in future years are recorded at the net present value of their estimated future cash flows. The face amount of grants and contributions receivable is also reduced by an allowance for doubtful accounts. The allowance for doubtful accounts reflects the best estimate of probable losses, determined principally on the basis of historical experience and allowances for specifically identified delinquent accounts. All accounts, or portions thereof, that are deemed uncollectible are written off to the allowance for doubtful accounts. As of December 31, 2021, all grants and contributions receivable were due within one year and were considered to be fully collectible.

Grants Payable

Grants are expensed in the year in which the unconditional commitment to give is made to the grantee, in accordance with the grant term. Any amounts promised, but unpaid, as of December 31, 2021, are included in grants payable in the accompanying statement of financial position. All grants payable are due within one year.

RESOLVE TO SAVE LIVES, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD FROM INCEPTION THROUGH DECEMBER 31, 2021

1. Organization and Summary of Significant Accounting Policies (continued)

Classification of Net Assets

Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of the Organization at the discretion of the Organization's management and the Board of Directors. Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or for specific periods of time.

Revenue Recognition

The principal source of revenue for the Organization is grants and contributions. The Organization recognizes all unconditional contributed support in the accounting period in which the commitment to give is made. Unconditional grants and contributions are considered without donor restrictions and available for general operations, unless specifically restricted by the donor. The Organization reports unconditional grants and contributions of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets to a particular purpose or to a specific period of time. When the stipulated time restriction ends or the purpose of the restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions. Conditional promises to give, that is those with a measurable performance or other barriers and right of return, are not recognized until the conditions on which they depend have been met.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. All expenses incurred from the period of inception through December 31, 2021 were charged directly to the functional area to which they relate.

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.

2. Concentration of Credit Risk

The Organization maintains its cash with certain commercial financial institutions, which aggregate balance, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000 per depositor per institution. As of December 31, 2021, the Organization had demand deposit accounts which exceeded the maximum limit insured by the FDIC by approximately \$2,850,000. The Organization monitors the creditworthiness of these institutions and has not experienced any credit losses on its cash.

RESOLVE TO SAVE LIVES, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCEPTION THROUGH DECEMBER 31, 2021**

3. Net Assets

As of December 31, 2021, net assets with donor restrictions were restricted as follows:

Subject to expenditure for specified purpose:	
Epidemic prevention	\$ 900,000
Digital initiative	<u>550,501</u>
Total Net Assets With Donor Restrictions	<u>\$ 1,450,501</u>

4. Availability and Liquidity

The Organization has various sources of liquidity at its disposal which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Organization throughout the year and reviews the Organization's cash flow needs on a monthly basis.

The following table reflects the Organization's financial assets as of December 31, 2021 reduced by amounts not available for general expenditures within one year.

Financial assets:	
Cash	\$ 3,100,424
Grants and contributions receivable	<u>140,000</u>
Total Financial Assets Available Within One Year	3,240,424
Less Donor-imposed Purpose Restrictions	<u>(1,450,501)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 1,789,923</u>

5. Project Transition and Assignment Agreement and Related Party Transactions

As described in Note 1, in December 2021 the Organization and Vital Strategies entered into an Agreement to transition activity and funding from the Initiative to the Organization with an effective separation date of March 31, 2022. As part of the Agreement, certain rights and obligations of the Initiative were to be transferred to the Organization. This included the assignment of certain grants of the Initiative to the Organization. Such grants are not reflected in the accompanying financial statements as the grants were conditioned upon assignment from the donors and had not yet been assigned to the Organization as of December 31, 2021 and remained active grants of the Initiative through the separation date.

Effective April 1, 2022, certain employees of Vital Strategies transitioned from employees of Vital Strategies to employees of the Organization. During the period of inception through December 31, 2021, the Organization did not have any employees. While the Organization was governed by an independent Board of Directors, its activities were managed by Vital Strategies as part of the Initiative.

RESOLVE TO SAVE LIVES, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD FROM INCEPTION THROUGH DECEMBER 31, 2021

5. Project Transition and Assignment Agreement and Related Party Transactions (continued)

As part of the Agreement, the Organization was awarded a \$640,000 transition grant from Vital Strategies, which is included as grants and contributions revenue in the accompanying statement of activities. As of December 31, 2021, \$140,000 had not been collected and is included in grants and contributions receivable in the accompanying statement of financial position.

Under the terms of the Agreement, there are potentially three additional transition grants due from Vital Strategies to the Organization in 2022 conditioned upon certain activities and expenditures being incurred by Vital Strategies. Such amounts are not recognized in the accompanying financial statements due to the existence of conditions.

During the period of inception through December 31, 2021, and independent of the Agreement, the Organization made a sub-grant to Vital Strategies for \$600,000 to carry out activities related to a COVID-19 rapid response grant. The full amount was unpaid as of December 31, 2021 and is included in grant expense on the accompanying statement of activities and grants payable in the accompanying statement of financial position.

6. Income Taxes

The Organization is exempt from federal and state income taxes other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code. As of December 31, 2021, the Organization had no significant net unrelated business income.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in Financial Accounting Standards Board Accounting Standards Codification Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization performed an evaluation of uncertainty in income taxes for the period of inception through December 31, 2021 and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of December 31, 2021, the statute of limitations remained open with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns; however, there are no examinations pending or in progress. It is the Organization's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense. As of December 31, 2021, the Organization had no accrual for interest and/or penalties.

7. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 21, 2022, the date the financial statements were available to be issued. Other than as described with the Project Transition and Assignment Agreement included in Note 1 and Note 5, there were no subsequent events that require recognition or disclosure in these financial statements.