



# Consolidated Financial Statements

*For the Year Ended December 31, 2022*



**and  
Report Thereon**



**RESOLVE TO SAVE LIVES, INC. AND AFFILIATE**

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**For the Year Ended December 31, 2022**

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## INDEPENDENT AUDITORS' REPORT

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

### ***Opinion***

We have audited the consolidated financial statements of Resolve to Save Lives, Inc. and Affiliate (the Organization), which comprise the consolidated statement of financial position as of December 31, 2022 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2022 and the changes in 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.

### ***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 consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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  
June 28, 2023

**RESOLVE TO SAVE LIVES, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**December 31, 2022**

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|  |                              |
|--|------------------------------|
| <b>ASSETS</b>  |                              |
| Cash   | \$ 16,816,069                |
| Grants and contributions receivable, net of discount | 62,062,748                   |
| Prepaid expenses and other assets                    | 568,003                      |
| Investments  | <u>62,558,087</u>            |
| <b>TOTAL ASSETS</b>                                  | <b><u>\$ 142,004,907</u></b> |
| <b>LIABILITIES AND NET ASSETS</b>                    |                              |
| <b>Liabilities</b>                                   |                              |
| Accounts payable and accrued expenses                | \$ 1,120,608                 |
| Grants payable                                       | <u>11,936,099</u>            |
| <b>TOTAL LIABILITIES</b>                             | <b><u>13,056,707</u></b>     |
| <b>Net Assets</b>                                    |                              |
| Without donor restrictions                           | 20,922,648                   |
| With donor restrictions                              | <u>108,025,552</u>           |
| <b>TOTAL NET ASSETS</b>                              | <b><u>128,948,200</u></b>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>              | <b><u>\$ 142,004,907</u></b> |

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

**RESOLVE TO SAVE LIVES, INC. AND AFFILIATE**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2022**

|   | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With<br/>Donor<br/>Restrictions</u> | <u>Total</u>          |
|---|---|--|-----------------------|
| <b>REVENUE</b>                          |   |  |                       |
| Grants and contributions                | \$ 35,834,451                             | \$ 134,251,007                         | \$ 170,085,458        |
| Investment income, net                  | 537,181                                   | 93,020                                 | 630,201               |
| Net assets released from restrictions:  |   |  |                       |
| Satisfaction of purpose restrictions    | <u>27,768,976</u>                         | <u>(27,768,976)</u>                    | <u>-</u>              |
| <b>TOTAL REVENUE</b>                    | <u>64,140,608</u>                         | <u>106,575,051</u>                     | <u>170,715,659</u>    |
| <b>EXPENSES</b>                         |   |  |                       |
| Program Services:                       |   |  |                       |
| Cardiovascular health                   | 17,285,507                                | -                                      | 17,285,507            |
| Epidemic prevention                     | <u>20,589,641</u>                         | <u>-</u>                               | <u>20,589,641</u>     |
| Total Program Services                  | <u>37,875,148</u>                         | <u>-</u>                               | <u>37,875,148</u>     |
| Supporting Services:                    |   |  |                       |
| Management and general                  | 6,005,443                                 | -                                      | 6,005,443             |
| Fundraising                             | <u>483,144</u>                            | <u>-</u>                               | <u>483,144</u>        |
| Total Supporting Services               | <u>6,488,587</u>                          | <u>-</u>                               | <u>6,488,587</u>      |
| <b>TOTAL EXPENSES</b>                   | <u>44,363,735</u>                         | <u>-</u>                               | <u>44,363,735</u>     |
| Change in net assets before other items | 19,776,873                                | 106,575,051                            | 126,351,924           |
| Foreign currency translation loss       | <u>(30,524)</u>                           | <u>-</u>                               | <u>(30,524)</u>       |
| <b>CHANGE IN NET ASSETS</b>             | 19,746,349                                | 106,575,051                            | 126,321,400           |
| <b>NET ASSETS, BEGINNING OF PERIOD</b>  | <u>1,176,299</u>                          | <u>1,450,501</u>                       | <u>2,626,800</u>      |
| <b>NET ASSETS, END OF PERIOD</b>        | <u>\$ 20,922,648</u>                      | <u>\$ 108,025,552</u>                  | <u>\$ 128,948,200</u> |

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

**RESOLVE TO SAVE LIVES, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2022**

|                                   | Program Services      |                      |                        | Supporting Services    |                   |                           | Total                |
|-----------------------------------|-----------------------|----------------------|------------------------|------------------------|-------------------|---------------------------|----------------------|
|                                   | Cardiovascular Health | Epidemic Prevention  | Total Program Services | Management and General | Fundraising       | Total Supporting Services |                      |
| Grants                            | \$ 10,789,467         | \$ 12,465,806        | \$ 23,255,273          | \$ -                   | \$ -              | \$ -                      | \$ 23,255,273        |
| Personnel                         | 2,502,062             | 3,880,299            | 6,382,361              | 4,092,284              | 237,050           | 4,329,334                 | 10,711,695           |
| Professional services             | 2,411,065             | 2,230,928            | 4,641,993              | 1,123,856              | 207,590           | 1,331,446                 | 5,973,439            |
| Consultants                       | 898,064               | 736,872              | 1,634,936              | 33,707                 | -                 | 33,707                    | 1,668,643            |
| Travel, convening and workshops   | 402,321               | 1,097,756            | 1,500,077              | 80,011                 | 32,028            | 112,039                   | 1,612,116            |
| Equipment, software, and supplies | 150,888               | 83,236               | 234,124                | 293,177                | 4,755             | 297,932                   | 532,056              |
| Other expenses                    | 89,239                | 63,184               | 152,423                | 224,175                | 1,549             | 225,724                   | 378,147              |
| Occupancy and shared workspace    | 42,401                | 31,560               | 73,961                 | 76,220                 | 172               | 76,392                    | 150,353              |
| Bank Fees                         | -                     | -                    | -                      | 82,013                 | -                 | 82,013                    | 82,013               |
| <b>TOTAL EXPENSES</b>             | <b>\$ 17,285,507</b>  | <b>\$ 20,589,641</b> | <b>\$ 37,875,148</b>   | <b>\$ 6,005,443</b>    | <b>\$ 483,144</b> | <b>\$ 6,488,587</b>       | <b>\$ 44,363,735</b> |

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

**RESOLVE TO SAVE LIVES, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2022**

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|   |                             |
|---|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                             |
| Change in net assets  | \$ 126,321,400              |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                             |
| Net unrealized gains  | (106,766)                   |
| Change in discount on grants receivable   | 2,937,252                   |
| Changes in assets and liabilities:  |                             |
| Prepaid expenses and other assets   | (568,003)                   |
| Grants receivable   | (64,860,000)                |
| Accounts payable and accrued expenses   | 1,106,984                   |
| Grants payable  | <u>11,336,099</u>           |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>  | <u>76,166,966</u>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                             |
| Purchases of investments  | (62,472,112)                |
| Proceeds from sales of investments  | <u>20,791</u>               |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>  | <u>(62,451,321)</u>         |
| <b>NET INCREASE IN CASH</b>   | 13,715,645                  |
| <b>CASH, BEGINNING OF YEAR</b>  | <u>3,100,424</u>            |
| <b>CASH, END OF YEAR</b>  | <u><u>\$ 16,816,069</u></u> |

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



## RESOLVE TO SAVE LIVES, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

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#### 1. Organization and Summary of Significant Accounting Policies

##### **Organization**

Resolve to Save Lives, Inc. (Resolve to Save Lives) 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, Resolve to Save Lives was established as a separate Delaware not-for-profit corporation in February 2021. In December 2021, Resolve to Save Lives and Vital Strategies entered into a Project Transition and Assignment Agreement (the Agreement) to transition activity and funding from the Initiative to Resolve to Save Lives with an effective separation date of March 31, 2022. Activities conducted independent and outside of the Initiative prior to the effective separation date are included in the accompanying consolidated financial statements. Activity occurring within the Initiative through the separation date are not included within the accompanying consolidated financial statements.

Resolve to Save Lives is primarily funded through grants and contributions.

On April 6, 2022, RTSL, Resolve to Save Lives Nigeria Ltd/ GTE (Resolve to Save Lives Nigeria) was formed in Nigeria as a Private Company Limited by Guarantee for the purpose of carrying out Resolve to Lives mission in Nigeria. Resolve to Save Lives Nigeria is solely funded by grants from Resolve to Save Lives.

##### **Principles of Consolidation**

The consolidated financial statements include the accounts of Resolve to Save Lives and Resolve to Save Lives Nigeria (collectively referred to as “the Organization”). All intercompany balances and transactions have been eliminated in consolidation.

##### **Basis of Accounting**

The accompanying consolidated 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.

## RESOLVE TO SAVE LIVES, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

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

##### **Investments**

Investments are recorded at their readily determinable fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability through an orderly transaction between market participants at the measurement date. Interest and dividend income, and realized and unrealized gains are shown as investment income, net of fees, on the accompanying consolidated statement of activities. Investments acquired by gift are recorded at their fair value at the date of the gift. The Organization's policy is to liquidate all gifts of investments as soon as possible after the gift has been received.

##### **Fair Value Measurement**

The Organization has categorized its financial instruments based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy as follows:

**Level 1** – These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Organization has the ability to access.

**Level 2** – These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

**Level 3** – These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As of and for the year ended December 31, 2022, only the Organization's investments, as described in Note 3 to these consolidated financial statements, were measured at fair value on a recurring basis.

##### **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. Conditional grants, that is those with measurable performance or other barriers that must be overcome and a right of return or release from obligation, are expensed when the conditions have been satisfied by the grantee. Grants that are scheduled to be paid in future years are recorded at the net present value of their estimated future cash outflows. Any amounts promised, but unpaid, as of December 31, 2022, are included in grants payable in the accompanying consolidated statement of financial position.

##### **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.

## RESOLVE TO SAVE LIVES, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

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

##### **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 that must be overcome and a right of return or release from obligation, are not recognized until the conditions on which they depend have been met. As of December 31, 2022, there were no conditional promises to give which had not yet been recognized in the accompanying consolidated financial statements.

##### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Expenses directly attributed to a specific program or supporting service are reported as expenses of that category, while shared costs that benefit multiple functional areas have been allocated among the various programs and supporting services based on estimates determined by management to be equitable. Personnel costs are allocated based on time and effort.

##### **Estimates**

The preparation of consolidated 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. Grants Receivable

Grants receivable were due as follows as of December 31, 2022:

|  |                      |
|--|----------------------|
| Amounts due in less than one year      | \$ 35,000,000        |
| Amounts due between one and five years | <u>30,000,000</u>    |
|  | 65,000,000           |
| Less: unamortized discount (4.41%)     | <u>(2,937,252)</u>   |
| Total Grants Receivable, Net           | <u>\$ 62,062,748</u> |

As of December 31, 2022, grants receivable consist of amounts due from three foundations and all amounts were considered fully collectible.

**RESOLVE TO SAVE LIVES, INC. AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

3. Investments and Fair Value Measurement

The following table summarizes the Organization's investments measured at fair value on a recurring basis as of December 31, 2022, aggregated by the fair value hierarchy level with which those measurements were made:

|  | Fair Value    | Level 1       | Level 2       | Level 3 |
|--|---------------|---------------|---------------|---------|
| Money market funds                               | \$ 24,349,289 | \$ 24,349,289 | \$ -          | \$ -    |
| Corporate bonds                                  | 15,204,598    | -             | 15,204,598    | -       |
| Commercial paper                                 | 12,791,982    | -             | 12,791,982    | -       |
| Negotiable certificates<br>of deposit            | 5,990,023     | -             | 5,990,023     | -       |
| U.S. Treasury bills                              | 4,222,195     | -             | 4,222,195     | -       |
| Total Investments in the<br>Fair Value Hierarchy | \$ 62,558,087 | \$ 24,349,289 | \$ 38,208,798 | \$ -    |

*Money market funds* – Money market funds are priced using independent market prices in the primary trading market and are classified as Level 1 investments based on the availability of quotes for identical assets.

*Corporate bonds, commercial paper, negotiable certificates of deposit, and U.S. Treasury bills* – These instruments are valued using pricing models, such as matrix pricing, quoted prices of securities with similar characteristics or discounted cash flows and are classified as Level 2 investments.

4. Grants Payable

Grants payable are scheduled to be paid as follows as of December 31, 2022:

|  |               |
|--|---------------|
| Amounts payable in less than one year      | \$ 10,878,694 |
| Amounts payable between one and five years | 1,057,405     |
| Total Grants Payable                       | \$ 11,936,099 |

No discount to present value for amounts payable beyond one year was recorded as of December 31, 2022 as management considered the discount to be immaterial to the consolidated financial statements as a whole.

As of December 31, 2022, the Organization had issued \$3,459,090 of conditional grants which are contingent upon the grantees satisfactory completion of certain milestones and other measurable performance outcomes included in the respective grant agreements and approval by the Organization. Accordingly, these amounts are not reflected in the accompanying consolidated financial statements.

**RESOLVE TO SAVE LIVES, INC. AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2022**

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5. Net Assets

As of December 31, 2022, net assets with donor restrictions were restricted as follows:

|  |                       |
|--|-----------------------|
| Subject to expenditure for specified purpose:        |                       |
| Cardiovascular health                                | \$ 38,817,879         |
| Epidemic prevention                                  | 36,152,204            |
| Digital initiative                                   | <u>992,721</u>        |
| Total Subject to Expenditure for a Specified Purpose | 75,962,804            |
| Subject to occurrence of the passage of time         | <u>32,062,748</u>     |
| Total Net Assets With Donor Restrictions             | <u>\$ 108,025,552</u> |

6. Risks and Commitments

**Concentration of Credit Risk**

The Organization maintains its cash and cash equivalents 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, 2022, the Organization's cash and cash equivalent balances exceeded the maximum limit insured by the FDIC by approximately \$16,100,000. The Organization monitors the creditworthiness of these institutions and has not experienced any credit losses on its cash and cash equivalents.

**Foreign Operations**

The Organization has a country office in Nigeria and maintains cash accounts and property and equipment in the country. The future of these operations may be adversely affected by a number of potential factors, such as currency devaluations, terrorist activity or changes in the political climate. As of December 31, 2022, assets in the country consisted primarily of a cash account valued at approximately \$61,000.

**Concentration of Revenue**

During the year ended December 31, 2022, the Organization recorded approximately \$166,390,000 of revenue from grants and contributions from four donors, representing 98% of the Organizations' total grant and contribution revenue.

7. 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.

**RESOLVE TO SAVE LIVES, INC. AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

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7. Availability and Liquidity (continued)

The following table reflects the Organization's financial assets as of December 31, 2022 reduced by amounts not available for general expenditures within one year.

|   |                      |
|---|----------------------|
| Financial assets:   |                      |
| Cash and cash equivalents   | \$ 16,816,069        |
| Grants receivable, net of discount  | 62,062,748           |
| Investments   | <u>62,558,087</u>    |
| Total Financial Assets Available  | 141,436,904          |
| Less: Amounts not available for general expenditures<br>restricted by donors for programs or time | <u>(108,025,552)</u> |
| Financial Assets Available to Meet Cash Needs<br>for General Expenditures Within One Year         | <u>\$ 33,411,352</u> |

8. Project Transition and Assignment Agreement

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 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 were conditioned upon assignment from the donors and remained active grants of the Initiative through the separation date. During the year ended December 31, 2022, the Organization recognized \$53,492,575 of revenue from grants and contributions assigned from the Initiative to the Organization effective upon the separation date. This included \$35,018,575 of grant funds received but not spent by the Initiative as of March 31, 2022, which were transferred to the Organization, and \$18,474,000 of assigned unconditional promises to give as of March 31, 2022. All assigned promises to give were collected in full during the year ended December 31, 2022.

Additionally, as part of the Agreement, certain obligations of the Initiative were transferred to the Organization. This included the assumption of certain grant obligations of the Initiative by the Organization. Such grant obligations were conditioned upon the consent of the transfer from the grantee and remained active grants of the Initiative through separation date. During the year ended December 31, 2022, the Organization recognized \$4,301,039 of grant expense from grants assumed by the Organization from the Initiative effective upon the separation date.

Effective April 1, 2022, certain employees of Vital Strategies transitioned from employees of Vital Strategies to employees of the Organization.

## RESOLVE TO SAVE LIVES, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

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#### 9. Income Taxes

Resolve to Save Lives 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, 2022, Resolve to Save Lives had no significant net unrelated business income.

Resolve to Save Lives Nigeria is exempt from tax under the regulations of Nigeria other than income derived from activities considered commercial in nature. There was no provision for tax for the year ended December 31, 2022 for Resolve to Save Lives Nigeria as there was no such commercial activity and no tax owed.

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 year ended December 31, 2022 and determined that there were no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status. As of December 31, 2022, the statute of limitations remained open with the federal, state 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, 2022, the Organization had no accrual for interest and/or penalties.

#### 10. Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 28, 2023, the date the consolidated financial statements were available to be issued. There were no subsequent events identified that require recognition or disclosure in these consolidated financial statements.