

**SUSTAINABLE SCIENCES INSTITUTE**

**AUDITED FINANCIAL STATEMENTS AND  
UNIFORM GUIDANCE**

**DECEMBER 31, 2022**

**(With summarized comparative totals as of and for  
the year ended December 31, 2021)**

**HARSHWAL<sup>®</sup>**   
& COMPANY LLP  
CERTIFIED PUBLIC ACCOUNTANTS

**SUSTAINABLE SCIENCES INSTITUTE**  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Sustainable Sciences Institute  
Oakland, California

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Sustainable Sciences Institute ("SSI"), a nonprofit organization, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of SSI 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 SSI 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 opinions.

#### **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 SSI'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 and *Government 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 and *Government 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 SSI'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 SSI'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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Report on Summarized Comparative Information**

We have previously audited Sustainable Sciences Institute's 2021 financial statements, and expressed an unmodified audit opinion on those audited financial statements, in our report dated September 20, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2023, on our consideration of SSI's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SSI's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SSI's internal control over financial reporting and compliance.

*Harskmal & Company LLP*

Oakland, California  
September 30, 2023

## **BASIC FINANCIAL STATEMENTS**

**SUSTAINABLE SCIENCES INSTITUTE**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2022**  
(With summarized comparative totals as of December 31, 2021)

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 658,004	\$ 425,614
Accounts receivable	609,095	347,900
Deposits	<u>2,088</u>	<u>1,642</u>
Total current assets	<u>1,269,187</u>	<u>775,156</u>
Non-Current assets:		
Property and equipment, net	<u>410,358</u>	<u>426,921</u>
Total non-current assets	<u>410,358</u>	<u>426,921</u>
Total assets	<u>1,679,545</u>	<u>1,202,077</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	78,461	154,264
Accrued personnel liabilities	353,762	308,188
Deferred revenue	<u>378,779</u>	<u>424,202</u>
Total liabilities	<u>811,002</u>	<u>886,654</u>
<b>NET ASSETS</b>		
Without donor restrictions		
Designated by board for contingencies	15,600	15,600
Undesignated, available for general purpose	827,943	274,823
With donor restrictions		
Purpose restriction	<u>25,000</u>	<u>25,000</u>
Total net assets	<u>868,543</u>	<u>315,423</u>
Total liabilities and net assets	<u>\$ 1,679,545</u>	<u>\$ 1,202,077</u>

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

**SUSTAINABLE SCIENCES INSTITUTE**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(With summarized comparative totals for the year ended December 31, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>SUPPORT AND REVENUE</b>				
Contracts	\$ 3,912,303	\$ -	\$ 3,912,303	\$ 2,709,978
Contributions	17,152	-	17,152	20,261
Other income	<u>4,723</u>	<u>-</u>	<u>4,723</u>	<u>335</u>
Total support and revenue	<u>3,934,178</u>	<u>-</u>	<u>3,934,178</u>	<u>2,730,574</u>
<b>EXPENSES</b>				
Program services	2,635,795	-	2,635,795	2,321,149
Management and general	<u>745,263</u>	<u>-</u>	<u>745,263</u>	<u>737,782</u>
Total expenses	<u>3,381,058</u>	<u>-</u>	<u>3,381,058</u>	<u>3,058,931</u>
Change in net assets	553,120	-	553,120	(328,357)
Net assets, beginning of the year	<u>290,423</u>	<u>25,000</u>	<u>315,423</u>	<u>643,780</u>
Net assets, end of the year	<u>\$ 843,543</u>	<u>\$ 25,000</u>	<u>\$ 868,543</u>	<u>\$ 315,423</u>

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



**SUSTAINABLE SCIENCES INSTITUTE**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(With summarized comparative totals for the year ended December 31, 2021)

	2022			2021
	Program services	Management and general	Total expenses	Total expenses
<b>Personnel:</b>				
Salaries and wages	\$ 1,226,940	\$ 370,728	\$ 1,597,668	\$ 1,484,192
Employee benefits	164,915	25,759	190,674	150,821
Payroll taxes	<u>242,876</u>	<u>45,593</u>	<u>288,469</u>	<u>256,470</u>
Total personnel	<u>1,634,731</u>	<u>442,080</u>	<u>2,076,811</u>	<u>1,891,483</u>
<b>Operating expenses:</b>				
Supplies	582,072	59,402	641,474	551,895
Professional fees	33,898	37,351	71,249	69,858
Depreciation	82,168	-	82,168	125,773
Travel	49,212	5,868	55,080	11,943
Occupancy	49,256	59,789	109,045	88,191
Postage and shipping	49,352	558	49,910	39,040
Equipment and maintenance	32,703	16,816	49,519	30,912
Grants	10,600	-	10,600	11,087
Telephone and communication	28,222	18,188	46,410	41,164
Vehicle expense	55,215	10,969	66,184	56,515
Fees, licenses, taxes, and bank charges	983	29,691	30,674	17,487
Meals, entertainment, and gifts	3,999	24,615	28,614	48,918
Dues and subscriptions	284	14,575	14,859	2,693
Insurance	3,229	2,070	5,299	6,481
Utilities	858	18,693	19,551	22,315
Professional development, conferences, and trainings	16,847	4,598	21,445	41,542
Printing and publications	<u>2,166</u>	<u>-</u>	<u>2,166</u>	<u>1,634</u>
Total operating expenses	<u>1,001,064</u>	<u>303,183</u>	<u>1,304,247</u>	<u>1,167,448</u>
Total expenses 2022	<u>\$ 2,635,795</u>	<u>\$ 745,263</u>	<u>\$ 3,381,058</u>	
Total expenses 2021	<u>\$ 2,321,149</u>	<u>\$ 737,782</u>		<u>\$ 3,058,931</u>

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

**SUSTAINABLE SCIENCES INSTITUTE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(With summarized comparative totals for the year ended December 31, 2021)

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 553,120	\$ (328,357)
Adjustments to reconcile the change in net assets to net cash provided by/(used in) operating activities		
Depreciation	82,168	125,773
Changes in assets and liabilities		
Accounts receivable	(261,196)	148,607
Deposits	(446)	650
Accounts payable and accrued liabilities	(75,803)	14,034
Accrued personnel liabilities	45,574	61,394
Deferred revenue	<u>(45,423)</u>	<u>133,647</u>
Net cash provided by operating activities	<u>297,994</u>	<u>155,748</u>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	<u>(65,604)</u>	<u>(128,200)</u>
Net cash provided by/(used in) investing activities	<u>(65,604)</u>	<u>(128,200)</u>
Net change in cash and cash equivalents	232,390	27,548
Cash and cash equivalents, beginning of year	<u>425,614</u>	<u>398,066</u>
Cash and cash equivalents, end of year	<u>\$ 658,004</u>	<u>\$ 425,614</u>

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

**SUSTAINABLE SCIENCES INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 - NATURE OF ORGANIZATION**

Sustainable Sciences Institute ("SSI") is a nonprofit organization headquartered in San Francisco, California with centers in Managua, Nicaragua. SSI administers a variety of programs supported by federal grants, private foundations, private individual donations, and in-kind donations of time and medical/research supplies. SSI's programs include Dengue and Influenza research in Nicaragua, and on-site training workshops, small grants, and material aid in Latin America.

SSI was founded in 1998 by Dr. Eva Harris, professor of Molecular Biology at University of California, Berkeley, School of Public Health with funding from her MacArthur Genius Fellowship, foundations, family, and friends. In 2004, SSI incorporated in Managua, Nicaragua.

In 1988, Dr. Harris began working in war-torn Nicaragua where she observed the lack of resources available to her Nicaraguan peers and the challenges posed by poverty and suboptimal infrastructure. Despite these barriers, she successfully trained local scientists in molecular biology techniques for the diagnosis of infectious diseases. Dr. Harris partnered with like-minded scientists in the United States and abroad to teach Latin American researchers and educators and to obtain donated laboratory equipment and supplies.

Lasting partnerships were formed that developed into an important scientific resource. Since 2004, SSI, UC Berkeley and the Nicaraguan Ministry of Health have collaborated in running the Pediatric Dengue Cohort Study ("PDCS") which follows 3,700 children at high risk for Dengue. Now the longest continually running pediatric cohort in the world, it provides invaluable data and biological samples that inform an array of studies. For example, using the PDCS data set, researchers found important cyclic patterns in Influenza in Nicaragua. Based on these findings, in 2007, Nicaraguan and U.S. federal sources began funding an Influenza research program also involving extensive sample collection from a longitudinal cohort. Subsequently, this program expanded to include testing and analysis for other respiratory diseases in response to viral outbreaks and pandemics in 2008 and 2009. To better understand the burden of Influenza in Nicaragua and other tropical countries, the National Institute of Allergy and Infectious Diseases (NIAID) awarded SSI a direct grant (R01AI099631) for the period 2012-2022 to continue running its cohort study.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements are as follows:

***A. Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenues are recorded when rights to receive are earned or when services have been provided, and expenditures are recorded when the obligation to pay is incurred.

***B. Financial Statement Presentation***

The financial statements of SSI are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide").

**SUSTAINABLE SCIENCES INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

***B. Financial Statement Presentation - Cont'd***

Under the provisions of the Guide, net assets and revenues and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, SSI classifies the net assets and changes in net assets as follows:

- Net assets without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of SSI. These net assets may be used at the discretion of SSI's management and the board of directors. As of December 31, 2022 and 2021, board designated funds \$15,600, to be held for contingencies. The Board has to approve expenditure of these funds.
- Net assets with Donor Restrictions: Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of December 31, 2022 and 2021, SSI had net assets with donor restrictions of \$25,000.

***C. Revenue Recognition***

Contributed services: Contributed services are stated at their estimated fair value, if they are ordinarily purchased and are of specialized nature. There were no services meeting these criteria for the years ended December 31, 2022 and 2021.

Revenue from government contracts or grants is recorded to the extent of expenses incurred under the grant, unless the contract is fee-for-service. Unearned revenues are recorded as deferred revenues and are only recognized as revenues when earned. Contributions are recorded at their fair value as contributions without donor restrictions or contributions with donor restrictions, as applicable. When a restriction expires or the conditions of the restriction are met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

As per Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*, revenue is recognized when obligations under the terms of a contract with the customer are satisfied; generally, this occurs with the transfer of control of goods at a point in time based on shipping terms and transfer of title. Revenue is measured as the amount of consideration expected to be received in exchange for transferring goods. Sales, value add, and other taxes collected concurrent with revenue-producing activities are excluded from revenue.

***D. Cash and Cash Equivalents***

Cash and cash equivalents include checking, savings, money market accounts and cash equivalents that are considered to be short-term, highly liquid investments with maturities of one year or less.

**SUSTAINABLE SCIENCES INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

***E. Accounts Receivable***

Accounts receivable represents amounts billed to government agencies for services that have not yet been collected.

Account receivables are stated at the amount management expects to collect from outstanding balances. SSI considers receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they are charged to operations when that determination is made.

***F. Property and Equipment***

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized.

Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Property and equipment are depreciated using the straight-line method over useful lives ranging from 5 to 39 years. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to five thousand dollars and the useful life is greater than one year. SSI reviews property and equipment for impairment whenever events or changes in circumstances indicate the carrying value of the property and equipment may not be recoverable.

***G. Income Taxes***

SSI is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and from California income and franchise taxes under Revenue and Taxation Code Section 23701(d).

***H. Functional Allocation of Expenses***

Costs of providing SSI's programs and other activities have been presented in the Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. SSI uses direct costs to allocate indirect costs.

***I. 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.

***J. Comparative Summarized Financial Information***

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with SSI's financial statements for the year ended December 31, 2021, from which the summarized information was derived. Certain amounts in the prior year's financial statements have been reclassified for comparative purposes to conform to the current year's presentation.

**SUSTAINABLE SCIENCES INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

***K. Current Accounting Pronouncement***

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. In June 2020, the FASB issued ASU 2020-05, which defers the effective date of ASU 2016-02 one year, making it effective for annual reporting periods beginning after December 15, 2021.

**NOTE 3 - CASH AND CASH EQUIVALENTS**

SSI maintains cash balances at the financial institution(s)/bank(s). Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to an aggregate of \$250,000. As of December 31, 2022, SSI cash balances in the bank(s) before reconciling items totaled \$502,442 which less than the federally insured limit. However, SSI has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

As of December 31, 2022, and 2021, SSI's cash consisted of the following:

	<u>2022</u>	<u>2021</u>
Bank of America - checking	\$ 31,876	\$ 26,899
Charles Schab and Company - savings	2,514	2,514
Citi Bank - checking	139,838	108,842
Citi Bank - savings	146,720	55,790
Edward Jones - money market	25,906	25,620
First Republic Bank - checking	151,325	151,325
Nicaragua Bank -checking	155,562	50,421
PayPal	4,263	3,703
Petty cash		<u>500</u>
Total cash and cash equivalents	<u>\$ 658,004</u>	<u>\$ 425,614</u>

**NOTE 4 - CONCENTRATIONS OF CREDIT RISK**

Approximately 99% and 99% of total revenue and support generated by SSI for the years ended December 31, 2022, and 2021, respectively, are from government contracts.

**SUSTAINABLE SCIENCES INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 5 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

SSI monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. SSI had the following financial assets that could readily be made available within one year to fund expenses without limitations at December 31, 2022, and 2021:

	2022	2021
Financial assets at year end:		
Cash and cash equivalents	\$ 658,004	\$ 425,614
Accounts receivable	609,095	347,900
Total financial assets	1,267,099	773,514
Less amounts not available to be used within one year:		
Designated by board for contingencies	(15,600)	(15,600)
Purpose restriction	(25,000)	(25,000)
Financial assets available to meet general expenditures within one year	\$ 1,226,499	\$ 732,914

SSI is substantially supported by government contracts.

**NOTE 6 - PROPERTY AND EQUIPMENT**

Property and equipment as of December 31, 2022 and 2021 were as follows:

	2022	2021
Land	\$ 50,741	\$ 50,741
Building	202,966	202,963
Equipment	655,352	589,750
Vehicles	195,740	195,741
Subtotal	1,104,799	1,039,195
Less: accumulated depreciation	(694,441)	(612,274)
Total property and equipment, net	\$ 410,358	\$ 426,921

Depreciation expense for the years ended December 31, 2022 and 2021 were \$82,168 and \$125,773 respectively.

**SUSTAINABLE SCIENCES INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenses represent payments due to vendors and contractors for services received.

As of December 31, 2022, and 2021, accounts payable and accrued expenses consist of the following:

	2022	2021
Accounts payable	\$ 78,461	\$ 154,264
Accrued vacation	353,762	308,188
Other current liabilities	378,779	424,202
Total	\$ 811,002	\$ 886,654

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

*Obligations under Operating Leases:*

SSI leases a facility under a one-year operating lease. Rent expense under the operating leases for the year ended December 31, 2022 and 2021 was \$24,072 and \$28,600, respectively.

*Contracts:*

SSI's grants and contracts are subject to inspection and audit by the appropriate governmental funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, SSI has no provisions for the possible disallowance of program costs on its financial statements.

**NOTE 9 - RESTATEMENT**

In our audit of the financial statements for the year ended December 31, 2022, we identified that SSI did not record accounts payable for professional services and operational supplies that were expended in the prior period. The error was corrected retrospectively in the periods presented for the fiscal year ended December 31, 2021. This adjustment rectified amounts pertaining to accounts payables by \$86,261 ensuring a transparent reflection of the organization's financial standing.

**NOTE 10 - EVALUATION OF SUBSEQUENT EVENTS**

The management of SSI has evaluated subsequent events through September 30, 2023, the date at which the financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.



## **SUPPLEMENTARY INFORMATION**

**SUSTAINABLE SCIENCES INSTITUTE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Federal Grantor/Pass-Through Grantor /Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Grantor Contract Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Health and Human Services</b>			
<b>National Institute of Health</b>			
Allergy, Immunology and Transplantation Research - Characterization of 3rd and 4th Dengue Virus Infections in a Pediatric Cohort Study and Arbovirus Supplement	93.855	R01AI099631	\$ <u>130,770</u>
Subtotal - National Institute of Health			<u>130,770</u>
<b>Passed through The Regents of the University of California</b>			
Allergy, Immunology and Transplantation Research - Protective Immunity Following Dengue Virus Natural Infections and Vaccination (Core C)	93.855	P01AI106695 / 00010453	500,172
Allergy, Immunology and Transplantation Research - American and Asian Centers for Arboviral Research and Enhanced Surveillance (A2CARES)	93.855	U01AI151788 / 00010418	529,861
Allergy, Immunology and Transplantation Research - Living in the post-Zika world: Impact of interactions between Dengue and Zika viruses	93.855	U01AI153416 / 00010758	<u>410,871</u>
Subtotal Passed-Through - The Regents of the University of California			<u>1,440,904</u>
<b>Passed through Icahn School of Medicine at Mount Sinai</b>			
Allergy, Immunology and Transplantation Research - Dengue Human Immunology Project Consortium (Project 1)	93.855	U19 AI118610 / 0255- C164-4609	<u>151,188</u>
Subtotal Passed-Through - Icahn School of Medicine at Mount Sinai			<u>151,188</u>
<b>Passed through The Regents of the University of Michigan</b>			
Allergy, Immunology and Transplantation Research - Dynamics of Influenza Transmission in Nicaraguan Households	93.855	R01AI120997 / 3004306005	134,568
Allergy, Immunology and Transplantation Research - Dynamics of Influenza Transmission in Nicaraguan Households - SARS Cov-2 Supplement	93.855	R01AI120997 / 3004306005	<u>86,181</u>
Subtotal Passed-Through - The Regents of the University of Michigan			<u>220,749</u>
<b>Passed through St. Jude Children's Research Hospital</b>			
DIVINCI-Dissection of Influenza Vaccination and Infection for Childhood Immunity	93.855	5U01AI144616-04 / 112525040-8077034	523,608
Household Respiratory Virus SARS-CoV-2 Transmission and Immunity Sub-Study (HRTS)	93.855	U01AI144616-03S1 / 112525031-8003099	<u>50,676</u>
Subtotal Passed-Through - St. Jude Children's Research Hospital			<u>574,284</u>
Subtotal Pass-Through - 93.855 - Allergy and Infectious Disease Research			<u>2,387,125</u>

See the accompanying notes to schedule of expenditures of federal awards.

**SUSTAINABLE SCIENCES INSTITUTE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

Federal Grantor/Pass-Through Grantor /Program Title	Federal Assistance Listing Number	Grantor Contract Number	Federal Expenditures
<b>Passed through The University of North Carolina at Chapel Hill</b>			
Child Health and Human Development Extramural Research - Understanding maternal-fetal Zika virus transmission and its complications in Nicaragua	93.865	5R01HD094009-03 / 5112246	<u>93,899</u>
Subtotal Passed-Through - The University of North Carolina at Chapel Hill			<u>93,899</u>
Subtotal Pass-Through - 93.865 - Child Health and Human Development Extramural Research			<u>93,899</u>
<b>Passed through The Regents of the University of Michigan</b>			
St. Jude's Children's Research Hospital, Inc., Center of Excellence for Influenza Research and Surveillance - Nicaragua Household Influenza Cohort Study	93.RD	112092010-8010269 / 3006767306	495,081
St. Jude's Children's Research Hospital, Inc. Center of Excellence for Influenza Research and Surveillance - Immunology of a Nicaraguan Cohort, Option 17-EA	93.RD	112107015-7854642 / 3005711470	40,619
St. Jude's Children's Research Hospital, Inc. Center of Excellence for Influenza Research and Surveillance - Immunology of a Nicaraguan Cohort, Option 18F-EA	93.RD	112092010-7583332 / 3005729532	121,555
St. Jude's Children's Research Hospital, Inc. Center of Excellence for Influenza Research and Surveillance - Immunology of a Nicaraguan Cohort, Covid-19 Supplement	93.000	112104050-7936391 / 3006149760	<u>56,325</u>
Subtotal Passed-Through - The Regents of the University of Michigan			<u>713,580</u>
Subtotal Pass-Through - 93.000 - Immunology of Influenza in a Nicaraguan Cohort			<u>713,580</u>
Total Expenditures - U.S. Department of Health and Human Services			<u>3,325,374</u>
Total Expenditures of Federal Awards			<u>\$ 3,325,374</u>

See the accompanying notes to schedule of expenditures of federal awards.

**SUSTAINABLE SCIENCES INSTITUTE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**DECEMBER 31, 2022**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of SSI under programs of the federal government for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations for SSI, it is not intended to and does not present the financial position, changes in net assets, or cash flows of SSI.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance and OMB Circular A122, Cost Principles for Non-profit Organizations, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Grant periods for some of the grants included in this schedule are different from the accounting year of SSI. Expenditures reported on this schedule only include expenditures for the period of January 01, 2022 through December 31, 2022, which is SSI's accounting year.

**NOTE 3 - INDIRECT COST RATE**

SSI has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 4 - SUBRECIPIENTS**

SSI did not provide any federal awards to subrecipients for the year ended December 31, 2022.

## COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Sustainable Sciences Institute  
Oakland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Sustainable Sciences Institute ("SSI"), a nonprofit organization, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered SSI's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SSI's internal control. Accordingly, we do not express an opinion on the effectiveness of SSI's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether SSI's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of entity internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering entity internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Harshmal & Company LLP*

Oakland, California  
September 30, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Sustainable Sciences Institute  
Oakland, California

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited Sustainable Sciences Institute's ("SSI"), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of SSI's major federal programs for the year ended December 31, 2022. SSI's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, SSI complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of SSI and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of SSI's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to SSI's federal programs.



### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on SSI's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about SSI's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 SSI's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of SSI's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of SSI's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Harshmal & Company LLP*

Oakland, California  
September 30, 2023

**SUSTAINABLE SCIENCES INSTITUTE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Section I - Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness?	None reported
• Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness?	None reported
Noncompliance material to federal awards?	No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with <i>Uniform Guidance 2 CFR 200.516(a)</i> ?	No

**Identification of federal program:**

Federal Assistance Listing Number	Name of Federal Program or Cluster
93.855	Allergy and Infectious Disease Research

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Instances where results of audit follow-up procedures disclosed that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding?	No

**SUSTAINABLE SCIENCES INSTITUTE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Section II - Financial Statements Findings**

There are no findings related to the financial statements.

**Section III - Federal Award Findings and Questioned Costs**

There are no findings related to the federal awards.

**SUSTAINABLE SCIENCES INSTITUTE  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

SSI had no findings or questioned costs noted in the prior year that requires a status.