

Hesperian Health Guides

Financial Statements

Year ended June 30, 2018

with

Report of Independent Auditors



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Report of Independent Auditors

To the Board of Directors
of Hesperian Health Guides

We have audited the accompanying financial statements of Hesperian Health Guides (Hesperian) which comprise the statements of financial position as of June 30, 2018, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hesperian as of June 30, 2018, 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.

Report on Summarized Comparative Information

We have previously audited the financial statements of Hesperian as of and for the year ended June 30, 2017 and, in our report dated October 11, 2017, we expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which the management of Hesperian derived it.

WMB2, LLP
Larkspur, California
April 15, 2019

Hesperian Health Guides
Statements of Financial Position
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 159,514	\$ 71,359
Contributions receivable due within one year	255,585	254,380
Accounts receivable	13,002	36,526
Other receivables	1,685	3,021
Inventory	<u>196,602</u>	<u>169,116</u>
Total current assets	626,388	534,402
Contributions receivable	45,887	137,131
Property and equipment, net	1,378	2,327
Deposit and prepaid expenses	<u>45,388</u>	<u>38,805</u>
Total assets	<u>\$ 719,041</u>	<u>\$ 712,665</u>
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 20,757	\$ 26,864
Grants payable	3,774	9,795
Notes payable	85,000	-
Accrued liabilities	109,671	117,545
Deferred revenue	<u>-</u>	<u>27,063</u>
Total current liabilities	219,202	181,267
Deferred rent	13,908	22,013
Net assets		
Unrestricted	158,616	54,382
Temporarily restricted	<u>327,315</u>	<u>455,003</u>
Total net assets	<u>485,931</u>	<u>509,385</u>
Total liabilities and net assets	<u>\$ 719,041</u>	<u>\$ 712,665</u>

See accompanying notes.

Hesperian Health Guides
Statement of Activities and Changes in Net Assets
Year ended June 30, 2018 with comparative totals only for the year ended June 30, 2017

	Unrestricted	Temporarily Restricted	2018 Totals	2017 Totals
Support and revenue				
Contributions - foundations	\$ 423,258	\$ 382,623	\$ 805,881	\$ 880,763
Contributions - individuals	365,329	87,151	452,480	421,650
Contributions - corporations	7,995	66,000	73,995	52,460
Government grants	-	-	-	14,796
Fee for service	88,310	-	88,310	179,079
Publication revenue	152,815	-	152,815	210,016
Digital revenue	6,004	-	6,004	7,447
Planned giving	20,000	-	20,000	34,702
Interest and other income	(702)	-	(702)	3,899
Net assets released from restrictions	663,462	(663,462)	-	-
Total support and revenue	1,726,471	(127,688)	1,598,783	1,804,812
Expenses				
Program services:				
Book development	390,103	-	390,103	416,857
Digital platform	267,565	-	267,565	200,869
Health outreach	418,991	-	418,991	515,999
Fulfillment	155,332	-	155,332	168,027
Total program services	1,231,991	-	1,231,991	1,301,752
Supporting services:				
Management and general	109,888	-	109,888	138,656
Fundraising	280,358	-	280,358	247,045
Total supporting services	390,246	-	390,246	385,701
Total expenses	1,622,237	-	1,622,237	1,687,453
Change in net assets	104,234	(127,688)	(23,454)	117,359
Net assets, beginning of year	54,382	455,003	509,385	392,026
Net assets, end of year	<u>\$ 158,616</u>	<u>\$ 327,315</u>	<u>\$ 485,931</u>	<u>\$ 509,385</u>

See accompanying notes.

Hesperian Health Guides
Statement of Functional Expenses
Year ended June 30, 2018 with comparative totals only for the year ended June 30, 2017

	Program Services					Supporting Services			2018 Totals	2017 Totals
	Book Development	Digital Platform	Health Outreach	Fulfillment	Totals	Management and General	Fundraising	Totals		
Salaries	\$ 267,613	\$ 179,155	\$ 221,439	\$ 70,097	\$ 738,304	\$ 69,894	\$ 193,185	\$ 263,079	\$ 1,001,383	\$ 1,011,549
Payroll taxes	20,570	13,396	16,724	5,237	55,927	5,515	14,704	20,219	76,146	85,052
Benefits	33,175	22,560	26,398	8,984	91,117	9,003	22,903	31,906	123,023	123,299
Total personnel	321,358	215,111	264,561	84,318	885,348	84,412	230,792	315,204	1,200,552	1,219,900
Advertising	342	229	528	89	1,188	92	248	340	1,528	1,543
Complimentary copies	637	163	11,874	-	12,674	30	1,528	1,558	14,232	16,577
Cost of goods sold	-	-	-	39,304	39,304	-	-	-	39,304	50,068
Depreciation	-	949	-	-	949	-	-	-	949	948
Field testing	2,307	-	-	-	2,307	-	-	-	2,307	43
Financial fees, licenses and royalties	2,383	2,702	1,933	6,675	13,693	1,955	5,423	7,378	21,071	18,209
Grants to partners	-	-	61,973	-	61,973	-	-	-	61,973	59,785
Gratis shipping	-	-	7,332	-	7,332	-	-	-	7,332	9,031
Insurance	1,749	1,174	1,419	458	4,800	473	1,268	1,741	6,541	8,594
Meetings and conferences	422	259	10,594	101	11,376	591	754	1,345	12,721	10,207
Memberships and publications	619	180	847	31	1,677	268	87	355	2,032	2,310
Miscellaneous and small purchases	867	582	716	348	2,513	235	629	864	3,377	4,590
Occupancy	31,319	20,826	25,297	7,890	85,332	8,398	22,499	30,897	116,229	112,297
Office supplies and communications	3,164	2,123	3,837	1,646	10,770	990	3,514	4,504	15,274	14,627
Postage and shipping	337	69	2,870	11,865	15,141	220	4,721	4,941	20,082	24,750
Printing and copying	908	609	5,285	238	7,040	246	5,392	5,638	12,678	9,005
Professional services	21,198	19,568	11,235	136	52,137	10,551	376	10,927	63,064	105,346
Software and related	954	639	775	1,002	3,370	1,010	690	1,700	5,070	3,464
Travel, events and training	-	-	6,666	-	6,666	-	1,175	1,175	7,841	6,477
Web hosting services	1,539	2,382	1,249	1,231	6,401	417	1,262	1,679	8,080	9,682
Total expenses	\$ 390,103	\$ 267,565	\$ 418,991	\$ 155,332	\$ 1,231,991	\$ 109,888	\$ 280,358	\$ 390,246	\$ 1,622,237	\$ 1,687,453

See accompanying notes.

Hesperian Health Guides
Statements of Cash Flows
Years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Change in net assets	\$ (23,454)	\$ 117,359
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	949	948
Changes in certain assets and liabilities		
Contributions receivable	90,039	(284,182)
Accounts receivable	23,524	(13,437)
Other receivables	1,336	(1,816)
Inventory	(27,486)	41,521
Deposit and prepaid expenses	(6,583)	14,227
Accounts payable	(6,107)	14,282
Grants payable	(6,021)	(7,654)
Accrued liabilities	(7,874)	7,559
Deferred revenue	(27,063)	27,063
Deferred rent	(8,105)	(4,811)
	<u>3,155</u>	<u>(88,941)</u>
Cash used by operating activities		
Cash flows from financing activities		
Proceeds from notes payable	186,370	50,000
Principal payments on notes payable	(101,370)	(50,000)
	<u>85,000</u>	<u>-</u>
Cash used by financing activities		
Change in cash and cash equivalents	88,155	(88,941)
Cash and cash equivalents, beginning of year	<u>71,359</u>	<u>160,300</u>
Cash and cash equivalents, end of year	<u>\$ 159,514</u>	<u>\$ 71,359</u>

See accompanying notes.

Hesperian Health Guides
Notes to Financial Statements
June 30, 2018

Note 1 – Organization and nature of activities

For over 40 years, Hesperian Health Guides has helped people take greater control over their health and lives. The organization develops, produces, and distributes simply written, illustrated, motivating materials that provide people, regardless of educational background, with comprehensive information and practical solutions to take action on a range of health problems.

When provided with Hesperian's clear and practical information people can, and do, take charge of their health: seeking health services where they exist, responsibly delivering basic care where there are no services, and improving conditions in their homes, neighborhoods and communities. Millions of people from 222 countries and territories rely on Hesperian resources. They include parents, caregivers, community volunteers, community health workers, teachers, health promoters, humanitarian and aid workers, Peace Corps volunteers, staff of international NGOs, and staff at country-level ministries of health. With an "open copyright" policy, Hesperian encourages other organizations and individuals to reproduce, translate and adapt its publications for distribution on a not-for-profit basis. Hesperian guides are now available in 85 languages, with 295 titles in all. Hesperian develops publications in collaboration with health workers and grassroots organizations from around the world. These partners participate in all phases of publication development including defining the scope and content, contributing to, and reviewing and field-testing of draft materials.

This year Hesperian developed, produced and released: the new Spanish and Nepali adaptations of *Health Actions for Women* working with partner organizations in Latin America and Nepal, We also produced and released the **Spanish language edition of *Recruiting the Heart***, sharing how to build a community-based organization to prevent and treat chronic health conditions. We developed and released a booklet on Diabetes, a Spanish language booklet on *Sexual Harassment at Work*, and a *Water and Sanitation* booklet in Haitian Kreyol. *New Where There Is No Doctor* module on heart disease and high blood pressure was released, and modules on mosquito-borne illness and vaccines were developed and tested. We completed field testing of *Helping Children Affected by HIV*. We developed and tested two mobile apps on reproductive health. We carried out significant updates to medical information in *Disabled Village Children*, *Where There Is No Dentist*, and *Where There Is No Doctor* updating this information in print, e-book, and online formats.

Hesperian Health Guides
Notes to Financial Statements
June 30, 2018

Note 1 – Organization and nature of activities (continued)

Hesperian staff supported partners working on 96 adaptations of Hesperian materials into 51 languages including: Bahasa, Bambara, Bangia, Chinese, French, Haitian, Kreyol, Khmer, Lao, Malagasy, Nepali, Portuguese, Somali, Swahili, Urdu, Uzbek, Vietnamese and many more languages.

Hesperian's website supports free access to its publications. Over 5 million people used Hesperian's online health information, now in 18 languages on the HealthWiki, a mobile-friendly platform accessible even in locations with low bandwidth and intermittent connectivity. PDF versions of Hesperian books are also available in 40 languages for free download. Our digital resources grew exponentially this year as we digitized 44 new materials in 16 languages in the HealthWiki, and published 33 new PDFs in 14 languages. This year we added three new languages to the HealthWiki – Bangla, Nepali, and Somali.

Hesperian's Gratis Book Program sends free books to health workers, educators, and community leaders around the world who cannot afford them even at a deeply discounted price, distributing more than 1,000 free books this year.

Note 2 – Summary of significant accounting policies

Basis of accounting

Hesperian prepares its financial statements using the accrual basis of accounting. Hesperian records revenues when earned and expenses when incurring the related obligations.

Basis of presentation

Hesperian presents information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The three classes are differentiated by donor restrictions.

Hesperian Health Guides
Notes to Financial Statements
June 30, 2018

Note 2 – Summary of significant accounting policies (continued)

Unrestricted net assets – consist of resources which have not been specifically restricted by a donor. Unrestricted net assets may be designated for specific purposes by Hesperian or may be limited by contractual agreements with outside parties.

Temporarily restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of Hesperian pursuant to those stipulations. Temporarily restricted net assets can also include accumulated appreciation of permanently restricted endowment funds that have not been appropriated by the Board in accordance with the California Uniform Prudent Management of Institutional Funds Act of 2008 (UPMIFA).

Permanently restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that require the gift to be invested in perpetuity. The income from such invested assets, including realized and unrealized gains, is generally available to support the activities of the organization. Donors may also restrict all or part of the income and/or appreciation from these investments to permanently restricted net assets, resulting in increases/decreases to these net assets. Through the year ended June 30, 2018, Hesperian had received no permanently restricted net assets.

Contributions

Hesperian receives grants primarily to support the development, production and distribution of its educational materials. Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution.

Unrestricted contributions and grants are recorded as unrestricted revenue when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction.

Hesperian Health Guides
Notes to Financial Statements
June 30, 2018

Note 2 – Summary of significant accounting policies (continued)

Contributions (continued)

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed goods and services

This year, Hesperian's effectiveness was tremendously enhanced by the work of 169 volunteers who contributed approximately 6,971 volunteer hours, working around the world in capacities such as researchers and reviewers, book packers, field testers, translators, website coders, and data analysts.

Donated labor is not recognized as contribution revenue in the financial statements unless the labor is ordinarily purchased and of a specialized nature. Hesperian makes significant use of volunteers with a wide range of skills; however, these services did not meet the criteria for valuation and recordation during the year ended June 30, 2018.

Government grants

Government grants and contracts are conditional cost-reimbursement contracts. Hesperian does not recognize support from these contracts until it fulfills the conditions; generally, by expending costs and performing services to accomplish the requirements of the contracts.

Fee for service

Fee for service contracts are cost-reimbursement contracts. Hesperian recognizes revenues from cost-reimbursement contracts when incurring the related expenses.

Publication revenue

Hesperian's sources of revenue include publication sales, which Hesperian recognizes upon shipment to the customer.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and on deposit with various commercial banks and a registered investment company (custodian), available on demand.

Hesperian Health Guides
Notes to Financial Statements
June 30, 2018

Note 2 – Summary of significant accounting policies (continued)

Contributions receivable

Contributions receivable consist of grants and pledges due from donors. Pledges receivable consist of uncollected unconditional promises to give. Hesperian records multi-year pledges and pledges originally due in over one year at their present value when pledged.

Accounts receivable

Accounts receivable, all due within one year, consist principally of amounts due from publication sales and fee for service.

Allowance for uncollectible receivables

Hesperian uses the allowance method to account for uncollectible receivables. Under this method, Hesperian reviews all receivables for any problems with collectability. If Hesperian feels that there may be a problem with collections, an allowance is provided for the receivable. When attempts to collect a specific receivable are unsuccessful, the account is considered uncollectible and is written off against the allowance. As of June 30, 2018, Hesperian concluded that an allowance for doubtful accounts was not material to its financial position.

Inventory

Inventory consists of printed materials available for sale at the lower of cost (first-in, first-out basis) or market value. Cost is determined by the manufacturers' printing and binding unit price. Other costs to research, write, edit and field test books are charged to expenses as incurred.

Property and equipment

Property and equipment consist of furniture, equipment and computer software. Hesperian capitalizes purchased and donated property and equipment at cost and fair value, respectively, when such cost or fair value exceeds \$2,500. Maintenance and repair costs are expensed as incurred. Hesperian depreciates property and equipment using the straight-line method over the estimated useful lives of the property and equipment. The estimated useful lives of furniture, equipment and computer software range from five to seven years.

Hesperian Health Guides
Notes to Financial Statements
June 30, 2018

Note 2 – Summary of significant accounting policies (continued)

Deferred revenue

Deferred revenue consists of amounts advanced or drawn down under fee for service contracts that exceed revenue earned.

Income taxes

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Interpretation Number 48 (FIN 48), "Accounting for Uncertainty in Income Taxes", an interpretation of FASB Accounting Standards Codification (ASC) 740. Under FIN 48, Hesperian is required to report information regarding its exposure to various tax positions taken by Hesperian and requires a two-step process that separates recognition from measurement. The first step is determining whether a tax position has met the recognition threshold; the second step is measuring a tax position that meets the recognition threshold.

Management believes that Hesperian has adequately addressed all tax positions and that there are no unrecorded tax liabilities. Tax years 2014 to 2017 are open for examination by the Internal Revenue Service and years 2013 to 2017 by the California Franchise Tax Board. Governmental authorities have informed Hesperian that it is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code (IRC) and section 23701d of the California Revenue and Taxation Code.

Additionally, governmental authorities have classified Hesperian as an organization that is not a private foundation under IRC section 509(a)(1) and 170(b)(1)(A)(vi). Consequently, donors are entitled to the highest charitable income tax deduction allowed by law. The management of Hesperian believes that no activities of Hesperian jeopardized its exemption from income taxes or its classification as a "public charity." Consequently, Hesperian provided no income tax provision herein.

Advertising costs

Hesperian expenses costs incurred for producing and communicating advertising when incurred. Advertising costs for the year ended June 30, 2018 were \$1,528.

Shipping and handling costs

Shipping and handling costs are included in postage and shipping and gratis shipping expenses. Shipping and handling costs for the year ended June 30, 2018 were \$27,414.

Hesperian Health Guides
Notes to Financial Statements
June 30, 2018

Note 2 – Summary of significant accounting policies (continued)

Allocation of functional expenses

Functional expenses of Hesperian include program and supporting expenses. Supporting expenses include management and general, and fundraising. Hesperian records expenses that directly benefit an activity to that specific activity. Hesperian allocates expenses that do not directly benefit an activity between program and supporting based on estimates of the relative benefits to each. Hesperian bases its estimates on either time spent by personnel on various activities or space used by various activities, whichever Hesperian deems more relevant to the particular expense. The management of Hesperian reviews and adjusts the estimates and bases at least annually.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the management of Hesperian to make estimates and assumptions that affect certain amounts and disclosures reported herein. Although Hesperian bases estimates on its knowledge of current events and plans for the future, actual results may vary from estimates.

Prior year summarized comparative information

The financial statements include certain prior year summarized comparative information in total, but not by net asset classification. Such information does not always include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, read such information in conjunction with the financial statements for the year ended June 30, 2017, from which the summarized comparative information was derived. Hesperian has reclassified certain prior year amounts to conform to the current year presentation.

Subsequent events

Hesperian evaluated subsequent events for recognition and disclosure through April 15, 2019, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2018 that required recognition or disclosure in such financial statements.

Hesperian Health Guides
Notes to Financial Statements
June 30, 2018

Note 3 – Receivables

Contributions receivable as of June 30, 2018, total as follows:

Kadoorie Charitable Foundation	\$ 137,131
Philanthropic Ventures Foundation	116,387
M.A.C. Aids Fund	20,000
Ipas	10,154
Several	<u>17,800</u>
Contributions receivable, gross	301,472
Contributions receivable due within one year	<u>255,585</u>
Contributions receivable	<u><u>\$ 45,887</u></u>

Note 4 – Property and equipment

Property and equipment as of June 30, 2018, total as follows:

Furniture and equipment	\$ 18,473
Computer software	<u>7,734</u>
Property and equipment, at cost	26,207
Accumulated depreciation	<u>(24,829)</u>
Property and equipment, net	<u><u>\$ 1,378</u></u>

Note 5 – Notes payable

Hesperian has two notes payable totaling \$85,000. One note is payable to an individual and the other is payable to a foundation. The notes are unsecured and non-interest bearing. They are due at various times through February 15, 2019.

Hesperian Health Guides
Notes to Financial Statements
June 30, 2018

Note 6 – Temporarily restricted net assets

As of and during the year ended June 30, 2018, temporarily restricted net assets reconciled as follows:

<u>Program</u>	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
New Where There Is No Doctor	\$ 327,343	\$ 2,175	\$(153,765)	\$ 175,753
Workers' Guide to Health and Safety	4,000	15,838	(19,838)	-
Fracking	-	3,000	-	3,000
Health Actions for Women	9,015	34,600	(43,615)	-
Helping Children Affected by HIV	54,956	35,050	(79,139)	10,867
Latino Health Access	3,581	6,000	(9,581)	-
Digital Commons	36,247	343,663	(253,241)	126,669
Gratis Book Program	4,024	20,540	(18,526)	6,038
Translations Partners	12,202	4,551	(16,753)	-
Communications	809	4,460	(4,432)	837
Advocacy	-	681	(681)	-
Healthy Food and Livelihoods Fund	2,826	65,216	(63,891)	4,151
Total	<u>\$ 455,003</u>	<u>\$ 535,774</u>	<u>\$(663,462)</u>	<u>\$ 327,315</u>

Note 7 – Concentrations, credit and market risk

Marketable securities are subject to credit and market risks. Credit risk is the probability that parties holding or supporting an investment will default or otherwise fail to perform. Market risk is the inherent change in the value of an investment due to changes in conditions. Hesperian does not invest in speculative investments.

Contributions receivable are subject to collection risk. Collection risk is the probability that the financial condition or other circumstances of a donor may change, reducing or eliminating the subsequent collection of contributions receivable.

For the year ended June 30, 2018, Hesperian received \$593,388 from two foundations.

Hesperian Health Guides
Notes to Financial Statements
June 30, 2018

Note 8 – Commitments and contingencies

Hesperian leases office space in Berkeley, California. The monthly lease payment at June 30, 2018 was \$9,679. The lease expires August 30, 2019.

The future minimum payments required through the end of the lease agreement total as follows for the years ending June 30:

2019	\$ 116,729
2020	<u>19,939</u>
Total future lease payments	<u>\$ 136,668</u>

Rent expense for the year ended June 30, 2018 was \$105,222.

Deferred rent accrued in the accompanying statement of financial position results from the excess of rental expense determined on a straight-line basis during the lease term over monthly cash rental payments.

Hesperian has received support that may be subject to audit or review by the grantor agencies. Management believes that Hesperian has complied with all aspects of the grant provisions and that disallowed costs, if any, would be insignificant to the financial position of Hesperian.

Hesperian has been advised that it is a beneficiary of the proceeds of one estate. The amount has not yet been accurately determined or received as of June 30, 2018.

Note 9 – Retirement plan

Hesperian offers a 403(b) retirement plan and eligible employees may elect to defer a portion of their annual compensation, up to the maximum allowed by the Internal Revenue Service. Hesperian contributes 1% of eligible employees' gross wages. For the year ended June 30, 2018, the employer contribution totaled \$7,950. Employer contributions are vested after three years of employment.