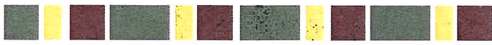


DESIGN OUTREACH, INC.

FINANCIAL STATEMENTS

December 31, 2024 and 2023



INDEPENDENT AUDITORS' REPORT

To The Board of Trustees and Management of
Design Outreach, Inc.
Columbus, Ohio

Opinion

We have audited the accompanying financial statements of Design Outreach, which comprise of the statement of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, statements, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Design Outreach as of December 31, 2024 and 2023, and the results of its operations 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. 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 Design Outreach and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Design Outreach'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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted audit standards, we:

- Exercise professional judgement 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 Design Outreach’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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Design Outreach’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.



Winkel Green & Company LLP
Columbus, Ohio
June 25, 2025

Design Outreach
Statement of Financial Position
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
<u>Current Assets</u>		
Cash	\$ 659,615	\$ 348,435
Prepaid Expenses	32,964	65,556
Inventory	556,191	522,762
Other Current Receivables	1,489	-
Total Current Assets	<u>1,250,259</u>	<u>936,753</u>
 Fixed Assets		
Leasehold Improvements (See Note 10)	20,974	35,778
Equipment	312,683	281,090
Accumulated Depreciation	<u>(155,864)</u>	<u>(99,087)</u>
Total Fixed Assets	177,793	217,781
 <u>Other Assets</u>		
Right to Use Asset (See Note 10)	133,352	191,442
Note Receivable - Employees	100	1,944
Security Deposit	4,130	4,130
Software (See Note 10)	1,796	2,929
Video (See Note 10)	-	12,890
Total Other Assets	<u>139,378</u>	<u>213,335</u>
 Total Assets	<u>\$ 1,567,430</u>	<u>\$ 1,367,869</u>
 Liabilities & Net Assets		
Accounts Payable	\$ 67,572	\$ 89,018
Credit Cards	21,771	13,973
Current Portion of Lease Obligation	59,872	62,832
Other Payable	7,952	3,919
Accrued Expenses	32,791	37,794
Promissory Note Payable - Related Party	3,000	-
Promissory Note	117,000	-
Promissory Note	25,000	-
Total Current Liabilities	<u>334,958</u>	<u>207,536</u>
 Non-Current Liabilities		
Promissory Note Payable - Related Party	-	3,000
Promissory Note Payable	-	117,000
Lease Obligation	88,091	147,963
Total Noncurrent Liability	<u>88,091</u>	<u>267,963</u>
 Total Liabilities	423,049	475,499
 Net Assets		
Without Donor Restriction	675,836	221,949
With Donor Restriction	468,545	670,421
Total Net Assets	<u>1,144,381</u>	<u>892,370</u>
 Total Liabilities & Net Assets	<u>\$ 1,567,430</u>	<u>\$ 1,367,869</u>

Design Outreach

Statement of Activities

For the Years ended December 31, 2024 with comparative totals for 2023

	Without Donor Restriction	With Donor Restriction	2024	2023
Public Support & Revenue				
Donations	\$ 2,318,703	\$ 1,248,360	\$ 3,567,063	\$ 3,109,288
Sales	182,587	-	182,587	178,444
In-Kind Donations	1,203,909	-	1,203,909	1,508,236
Other Income	14,940	-	14,940	19,050
	3,720,139	1,248,360	4,968,499	4,815,018
Net Assets Released	1,450,236	(1,450,236)	-	-
	\$ 5,170,375	\$ (201,876)	\$ 4,968,499	\$ 4,815,018
Expenses				
Programs	\$ 4,038,956	\$ -	\$ 4,038,956	\$ 3,519,827
Administration & General	272,862	-	272,862	302,310
Fundraising	404,670	-	404,670	695,793
Total Expenses	4,716,488	-	4,716,488	4,517,930
	453,887	(201,876)	252,011	297,088
Total Increase (Decrease) in Net Assets				
Beginning Net Assets	221,949	670,421	892,370	595,282
Ending Net Assets	\$ 675,836	\$ 468,545	\$ 1,144,381	\$ 892,370

Design Outreach Inc.
Statement of Functional Expenses
For the Years ended December 31, 2024 with comparative totals for 2023

	<u>Program Services</u>	<u>Administration & General</u>	<u>Fundraising</u>	<u>2024</u>	<u>2023</u>
Payroll and Related Expenses	\$ 1,093,005	\$ 140,045	\$ 221,755	\$ 1,454,805	\$ 1,291,472
Office Supplies & Expense	59,102	21,203	12,580	92,884	91,284
Life Pump Expenses	677,699	-	-	677,699	481,434
DO Medical	42,697	-	-	42,697	-
Maxlife Upgrade	35,546	-	-	35,546	-
Malawi Field Office	417,677	-	-	417,677	352,976
Insurance	18,353	-	-	18,353	16,468
Life Latrine	3,148	-	-	3,148	-
Fundraising Materials	-	13,976	43,112	57,088	62,242
Technology	23,739	2,884	4,449	31,072	40,425
Legal & Professional	116,880	9,787	15,100	141,766	90,609
Bank Charges	191	891	-	1,082	1,506
Merchant Processing	-	56,948	-	56,948	46,938
Rent	30,657	999	999	32,654	29,727
Research & Development	9,132	-	-	9,132	19,569
Shipping and Delivery	-	3,630	3,630	7,260	5,254
Stewardship	76,299	-	74,494	150,793	209,143
Taxes & License	-	47	-	47	521
Travel Expense	117,718	6,553	1,289	125,561	151,177
Interest	9,436	1,352	2,085	12,873	5,783
Other Expense	234	33	52	319	-
Utilities	8,484	900	900	10,283	8,523
Volunteer Hours	1,203,909	-	-	1,203,909	1,508,236
Amortization of RUA	42,580	6,099	9,410	58,089	58,088
Amortization - Leashold Improvement	10,852	1,554	2,399	14,805	8,636
Amortization - Software/Video	-	-	3,219	3,219	2,132
Depreciation	41,617	5,962	9,198	56,777	35,787
	<u>\$ 4,038,956</u>	<u>\$ 272,862</u>	<u>\$ 404,670</u>	<u>\$ 4,716,488</u>	<u>\$ 4,517,930</u>

Design Outreach Inc.
Statement of Cash Flows
For the Years ended December 31, 2024 with Comparative Totals for 2023

	2024	2023
Cash Flows from Operating Activities		
Non-Cash Adjustment		
Increase (Decrease) in Net Assets	\$ 252,011	\$ 297,088
Loan Forgiveness	-	(20,000)
Depreciation and Amortization	132,890	104,644
Loss on Disposal of Video Software	10,805	-
(Increase) in Accounts Receivable	(1,489)	-
Decrease in Prepaid Expense	32,592	51,299
(Increase) Decrease in Inventory	(33,429)	(397,313)
(Decrease) in Accounts Payable	(21,446)	74,188
Increase (Decrease) in Other Payable	4,033	(7,285)
(Decrease) Increase in Accrued Expenses	(5,003)	(11,206)
Increase in Credit Card	7,798	2,039
Net Cash Provided by Operations	378,762	93,454
 Cash Flows (Used) by Investing Activities		
Video Asset	-	(14,000)
Software Purchase	-	(1,049)
Purchase Equipment	(31,594)	(159,638)
Net Cash (Used) by Investing	(31,594)	(174,687)
 Cash Flows from Financing Activities		
Lease Obligation Payment	(62,832)	(36,736)
Note Receivable - Employees	1,844	4,424
Note Loan	25,000	-
Net Cash Provided (Used) by Financing	(35,988)	(32,312)
 Increase (Decrease) in Cash	311,180	(113,545)
 Beginning Cash	348,435	461,980
 Ending Cash	\$ 659,615	\$ 348,435