

**Médecins Sans Frontières USA, Inc.
d/b/a Doctors Without Borders USA, Inc.**

Financial Statements

December 31, 2023 and 2022

Médecins Sans Frontières USA, Inc. d/b/a Doctors Without Borders USA, Inc.

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Independent Auditors' Report

To the Board of Directors of
Médecins Sans Frontières USA, Inc. d/b/a Doctors Without Borders USA, Inc.

Opinion

We have audited the financial statements of Médecins Sans Frontières USA, Inc. d/b/a Doctors Without Borders USA, Inc. (MSF USA), which comprise the statement of financial position as of December 31, 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of MSF USA as of December 31, 2023, 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 (GAAP).

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 MSF USA 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.

Other Matter

The financial statements of MSF USA as of and for the year ended December 31, 2022, were audited by other auditors, whose report dated May 12, 2023, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 MSF USA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MSF USA'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 MSF USA'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.

Baker Tilly US, LLP

Uniondale, New York
May 16, 2024

Médecins Sans Frontières USA, Inc. d/b/a Doctors Without Borders USA, Inc.

Statements of Financial Position

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 85,388,166	\$ 77,563,028
Short-term investments, at fair value	175,743,014	161,443,272
MSF USA network receivables	4,565,217	4,692,735
Contributions receivable	88,559,179	38,944,539
Pledges receivable, net	2,959,770	4,210,494
Loan receivable	23,124,678	22,088,420
Prepaid expenses and other assets	8,130,906	15,601,349
Long-term investments, at fair value	58,951,377	54,337,906
Fixed assets, net	54,544,902	57,138,061
	<u>501,967,209</u>	<u>436,019,804</u>
Total assets	<u>\$ 501,967,209</u>	<u>\$ 436,019,804</u>
Liabilities and Net Assets		
Liabilities		
Grants payable	\$ 197,113,804	\$ 49,102,638
Accounts payable and accrued expenses	17,190,143	21,666,616
MSF USA network payables	409,441	279,745
Capitalized lease obligation	73,919	1,662
Revocable endowment	3,250,000	3,250,000
Annuity and other life income agreement obligations	20,340,390	19,209,076
	<u>238,377,697</u>	<u>93,509,737</u>
Total liabilities	<u>238,377,697</u>	<u>93,509,737</u>
Net Assets		
Without donor restrictions:		
Undesignated	201,809,360	295,824,157
Board-designated for reserves	2,029,864	1,829,537
	<u>203,839,224</u>	<u>297,653,694</u>
Total without restrictions	<u>203,839,224</u>	<u>297,653,694</u>
With donor restrictions	<u>59,750,288</u>	<u>44,856,373</u>
Total net assets	<u>263,589,512</u>	<u>342,510,067</u>
Total liabilities and net assets	<u>\$ 501,967,209</u>	<u>\$ 436,019,804</u>

See notes to financial statements

Médecins Sans Frontières USA, Inc. d/b/a Doctors Without Borders USA, Inc.

Statements of Activities

Year Ended December 31, 2023 (With Summarized Comparative Totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
Revenues				
Public support:				
Contributions and private grants				
Individual donors/marketing	\$ 463,719,183	\$ 48,002,905	\$ 511,722,088	\$ 447,007,709
Sustainer giving	60,849,159	37,216	60,886,375	56,084,063
Planned giving	132,498,779	4,685,987	137,184,766	124,795,063
Foundations	11,262,190	6,208,555	17,470,745	20,277,513
Corporations	12,747,625	3,799,587	16,547,212	21,631,747
Multi-year grants and contributions pledged	-	1,500,000	1,500,000	5,300,000
Total public support	681,076,936	64,234,250	745,311,186	675,096,095
Other revenues:				
Investment income (loss), net	14,449,011	6,053,772	20,502,783	(16,552,144)
Actuarial loss on annuity and trust obligations	-	(1,527,783)	(1,527,783)	(890,838)
Rental income	48,000	-	48,000	39,000
MSF USA network grants	6,404,851	-	6,404,851	5,583,304
Seconded field staff grants	6,925,885	-	6,925,885	6,181,986
Miscellaneous	(179,110)	-	(179,110)	(1,907,451)
Total other revenues	27,648,637	4,525,989	32,174,626	(7,546,143)
Total public support and other revenues	708,725,573	68,760,239	777,485,812	667,549,952
Contributed Nonfinancial Assets	2,602,566	-	2,602,566	2,362,851
Net Assets Released From Restrictions	53,866,324	(53,866,324)	-	-
Total revenues and contributed nonfinancial assets	765,194,463	14,893,915	780,088,378	669,912,803
Expenses				
Program services:				
Emergency and medical programs	715,702,982	-	715,702,982	514,055,079
Program support and development	18,418,396	-	18,418,396	16,094,583
Field staff	6,790,371	-	6,790,371	6,646,308
Communications	3,650,088	-	3,650,088	3,483,343
Total program services	744,561,837	-	744,561,837	540,279,313
Supporting services:				
Management and general	9,606,105	-	9,606,105	7,927,231
Fundraising	102,238,425	-	102,238,425	101,199,897
Total supporting services	111,844,530	-	111,844,530	109,127,128
Total expenses	856,406,367	-	856,406,367	649,406,441
Contributed Nonfinancial Assets	2,602,566	-	2,602,566	2,362,851
Total expenses and contributed nonfinancial assets	859,008,933	-	859,008,933	651,769,292
(Deficiency) excess of revenue over expenses	(93,814,470)	14,893,915	(78,920,555)	18,143,511
Change in net assets	(93,814,470)	14,893,915	(78,920,555)	18,143,511
Net Assets, Beginning	297,653,694	44,856,373	342,510,067	324,366,556
Net Assets, Ending	\$ 203,839,224	\$ 59,750,288	\$ 263,589,512	\$ 342,510,067

See notes to financial statements

Médecins Sans Frontières USA, Inc. d/b/a Doctors Without Borders, USA Inc.

Statement of Activities

Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2022</u>
Revenues			
Public support:			
Contributions and private grants			
Individual donors/marketing	\$ 408,081,879	\$ 38,925,830	\$ 447,007,709
Sustainer giving	56,057,154	26,909	56,084,063
Planned giving	121,059,293	3,735,770	124,795,063
Foundations	10,265,545	10,011,968	20,277,513
Corporations	13,240,673	8,391,074	21,631,747
Multi-year grants and contributions pledged	-	5,300,000	5,300,000
Total public support	<u>608,704,544</u>	<u>66,391,551</u>	<u>675,096,095</u>
Other revenues			
Investment loss, net	(8,060,258)	(8,491,886)	(16,552,144)
Actuarial loss on annuity and trust obligations	-	(890,838)	(890,838)
Rental income	39,000	-	39,000
MSF USA network grants	5,583,304	-	5,583,304
Seconded field staff grants	6,181,986	-	6,181,986
Miscellaneous	(1,907,451)	-	(1,907,451)
Total other revenues	<u>1,836,581</u>	<u>(9,382,724)</u>	<u>(7,546,143)</u>
Total public support and other revenues	610,541,125	57,008,827	667,549,952
Contributed Nonfinancial Assets	2,362,851	-	2,362,851
Net Assets Released From Restrictions	<u>52,614,079</u>	<u>(52,614,079)</u>	<u>-</u>
Total revenues and contributed nonfinancial assets	<u>665,518,055</u>	<u>4,394,748</u>	<u>669,912,803</u>
Expenses			
Program services:			
Emergency and medical programs	514,055,079	-	514,055,079
Program support and development	16,094,583	-	16,094,583
Field staff	6,646,308	-	6,646,308
Communications	3,483,343	-	3,483,343
Total program services	<u>540,279,313</u>	<u>-</u>	<u>540,279,313</u>
Supporting services:			
Management and general	7,927,231	-	7,927,231
Fundraising	101,199,897	-	101,199,897
Total supporting services	<u>109,127,128</u>	<u>-</u>	<u>109,127,128</u>
Total expenses	649,406,441	-	649,406,441
Contributed Nonfinancial Assets	<u>2,362,851</u>	<u>-</u>	<u>2,362,851</u>
Total expenses and contributed nonfinancial assets	<u>651,769,292</u>	<u>-</u>	<u>651,769,292</u>
Excess of revenue over expenses	<u>13,748,763</u>	<u>4,394,748</u>	<u>18,143,511</u>
Change in net assets	13,748,763	4,394,748	18,143,511
Net Assets, Beginning	<u>283,904,931</u>	<u>40,461,625</u>	<u>324,366,556</u>
Net Assets, Ending	<u>\$ 297,653,694</u>	<u>\$ 44,856,373</u>	<u>\$ 342,510,067</u>

See notes to financial statements

Médecins Sans Frontières USA, Inc. d/b/a Doctors Without Borders USA, Inc.

Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services				Supporting Services				Total
	Emergency and Medical Programs	Program Support and Development	Field Staff (1)	Communications	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and benefits	\$ -	\$ 14,605,586	\$ 5,802,837	\$ 2,770,321	\$ 23,178,744	\$ 6,580,511	\$ 12,870,977	\$ 19,451,488	\$ 42,630,232
Grants for emergency and medical projects	715,702,982	-	-	-	715,702,982	-	-	-	715,702,982
Printing and publications	-	3,910	-	116,086	119,996	486	16,616,225	16,616,711	16,736,707
Rent and occupancy costs	-	325,108	-	91,532	416,640	247,548	363,372	610,920	1,027,560
Consultancy and project development	-	90,100	38,693	118,948	247,741	110,614	19,226,416	19,337,030	19,584,771
Fundraising services	-	20,824	-	40,223	61,047	30,760	18,085,924	18,116,684	18,177,731
Office expense and management	-	33,983	-	5,142	39,125	76,381	31,334	107,715	146,840
Office supplies	-	6,295	-	912	7,207	5,266	6,657	11,923	19,130
Insurance, office and field	-	38,530	806,632	8,275	853,437	29,329	42,804	72,133	925,570
Postage/freight/shipping	-	19,519	3,497	4,385	27,401	10,536	12,227,184	12,237,720	12,265,121
Professional fees	-	1,158,773	6,450	106,857	1,272,080	703,169	13,141,396	13,844,565	15,116,645
Travel and transportation	-	464,490	123,340	45,613	633,443	343,729	261,354	605,083	1,238,526
Bank charges and other fees	-	749	956	10	1,715	333,567	4,807,703	5,141,270	5,142,985
Interest expense	-	1,515	-	325	1,840	1,153	1,683	2,836	4,676
Telecommunications	-	71,177	134	19,085	90,396	39,751	95,510	135,261	225,657
Dues and subscriptions	-	313,105	61	169,630	482,796	245,254	2,014,725	2,259,979	2,742,775
Recruiting and relocation	-	118,747	7,771	19,712	146,230	428,171	323,774	751,945	898,175
Representation/meetings	-	13,866	-	13,894	27,760	1,370	200,469	201,839	229,599
Depreciation and amortization	-	1,132,119	-	119,138	1,251,257	418,510	1,920,918	2,339,428	3,590,685
Total expenses	\$ 715,702,982	\$ 18,418,396	\$ 6,790,371	\$ 3,650,088	\$ 744,561,837	\$ 9,606,105	\$ 102,238,425	\$ 111,844,530	\$ 856,406,367

(1) Field staff expenses include costs for U.S. residents working on assignments in MSF USA field projects overseas and will fluctuate year-to-year in response to emergency and medical needs.

See notes to financial statements

Médecins Sans Frontières USA, Inc. d/b/a Doctors Without Borders USA, Inc.

Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services				Supporting Services				Total
	Emergency and Medical Programs	Program Support and Development	Field Staff (1)	Communications	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and benefits	\$ -	\$ 12,382,037	\$ 6,103,793	\$ 2,417,789	\$ 20,903,619	\$ 5,059,674	\$ 10,626,667	\$ 15,686,341	\$ 36,589,960
Grants for emergency and medical projects	514,055,079	-	-	-	514,055,079	-	-	-	514,055,079
Printing and publications	-	3,461	10	138,712	142,183	232	20,040,758	20,040,990	20,183,173
Rent and occupancy costs	-	290,244	-	82,356	372,600	205,587	361,136	566,723	939,323
Consultancy and project development	-	26,245	55,779	57,858	139,882	78,736	21,138,499	21,217,235	21,357,117
Fundraising services	-	1,719	-	300	2,019	7,031	15,620,873	15,627,904	15,629,923
Office expense and management	-	69,729	-	15,466	85,195	115,864	111,510	227,374	312,569
Office supplies	-	9,546	90	2,003	11,639	8,875	14,044	22,919	34,558
Insurance, office and field	-	196,010	412,401	38,880	647,291	191,003	241,822	432,825	1,080,116
Postage/freight/shipping	-	12,008	4,641	305,959	322,608	7,793	12,298,703	12,306,496	12,629,104
Professional fees	-	970,995	-	78,346	1,049,341	802,626	14,126,098	14,928,724	15,978,065
Travel and transportation	-	360,924	69,524	33,014	463,462	171,281	105,690	276,971	740,433
Bank charges and other fees	-	1,243	-	262	1,505	196,111	3,632,598	3,828,709	3,830,214
Interest expense	-	28,049	-	5,564	33,613	19,683	34,605	54,288	87,901
Telecommunications	-	78,426	9	20,108	98,543	41,406	105,130	146,536	245,079
Dues and subscriptions	-	355,853	61	151,823	507,737	235,515	1,310,272	1,545,787	2,053,524
Recruiting and relocation	-	80,391	-	10,734	91,125	360,936	150,427	511,363	602,488
Representation/meetings	-	10,844	-	4,493	15,337	1,301	39,367	40,668	56,005
Depreciation and amortization	-	1,216,859	-	119,676	1,336,535	423,577	1,241,698	1,665,275	3,001,810
Total expenses	\$ 514,055,079	\$ 16,094,583	\$ 6,646,308	\$ 3,483,343	\$ 540,279,313	\$ 7,927,231	\$ 101,199,897	\$ 109,127,128	\$ 649,406,441

(1) Field staff expenses include costs for U.S. residents working on assignments in MSF USA field projects overseas and will fluctuate year-to-year in response to emergency and medical needs.

See notes to financial statements

Médecins Sans Frontières USA, Inc. d/b/a Doctors Without Borders USA, Inc.

Statements of Cash Flows

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (78,920,555)	\$ 18,143,511
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	3,590,685	3,001,810
Unrealized (gains) losses on investments	(11,742,402)	20,089,678
Realized losses on investments	1,722,118	2,453,110
Change in present value of pledge receivables	(57,726)	189,764
Actuarial losses on annuity and trust obligations	1,527,783	890,838
Actuarial liability for annuities and trusts issued	3,229,794	2,731,529
Loan receivable	(1,036,258)	-
Changes in operating assets and liabilities:		
Decrease (increase) in:		
MSF USA network receivables	127,518	(180,167)
Contributions receivable	(49,614,640)	(789,875)
Pledges receivable, net	1,308,450	(2,288,900)
Prepaid expenses and other assets	7,470,443	(10,749,089)
Increase (decrease) in:		
Grants payable	148,011,166	(48,273,946)
Accounts payable and accrued expenses	(4,476,473)	2,436,744
MSF USA network payables	129,696	127,661
Net cash flows from operating activities	<u>21,269,599</u>	<u>(12,217,332)</u>
Cash Flows From Investing Activities		
Purchases of fixed assets	(997,526)	(5,325,553)
Purchases of investments	(90,040,972)	(150,016,963)
Proceeds from sale of investments	<u>81,148,043</u>	<u>153,639,474</u>
Net cash flows from investing activities	<u>(9,890,455)</u>	<u>(1,703,042)</u>
Cash Flows From Financing Activities		
Capital lease obligations	72,257	(17,985)
Annuity and trust payments	(3,626,263)	(3,501,892)
Principal payments on mortgage payable	<u>-</u>	<u>(7,658,987)</u>
Net cash flows from financing activities	<u>(3,554,006)</u>	<u>(11,178,864)</u>
Net increase (decrease) in cash and cash equivalents	7,825,138	(25,099,238)
Cash and Cash Equivalents, Beginning	<u>77,563,028</u>	<u>102,662,266</u>
Cash and Cash Equivalents, Ending	<u>\$ 85,388,166</u>	<u>\$ 77,563,028</u>
Supplemental Disclosure of Cash Flow Information		
Interest paid	<u>\$ 4,676</u>	<u>\$ 87,901</u>

See notes to financial statements

Médecins Sans Frontières USA, Inc. d/b/a Doctors Without Borders USA, Inc.

Notes to Financial Statements
December 31, 2023 and 2022

1. Description of the Organization

Médecins Sans Frontières USA, Inc., doing business as Doctors Without Borders USA, Inc. (MSF USA), was organized in New York State under Section 402 of the Not-for-Profit Corporation Law.

MSF USA is a private, not-for-profit organization devoted to assisting victims of disasters and conflicts worldwide, regardless of race, political beliefs or religion. The purposes of MSF USA are:

- To support medical-humanitarian projects, conducted primarily by the international Médecins Sans Frontières network, wherever in the world a humanitarian crisis may exist.
- To raise funds in the United States to finance these projects.
- To facilitate the recruitment of medical and other professionals from the United States to participate in these projects.
- Advocate for, and increase public awareness of, populations at risk.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting and have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to not-for-profit organizations. In the statements of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

Net Asset Classifications

MSF USA's net assets and its support, revenue and expenses are based on the existence or absence of donor-imposed restrictions. The amounts are classified in either of the two classes of net assets defined below and displayed in the statements of financial position, and the amounts of change in each of those classes of net assets are displayed in the statements of activities.

These classes are defined as follows:

Net Assets Without Donor Restrictions - This class consists of net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operations of MSF USA. Certain net assets without donor restrictions are designated by the Board of Directors for specified purposes. Revenues are reported as increases in net assets without donor restrictions, unless their use is limited by donor-imposed restrictions. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by donors or by law. Expenses are reported as decreases in net assets without donor restrictions.

Net Assets With Donor Restrictions - This class consists of net assets with donor restrictions whose use is limited by donor-imposed, time and/or purpose restrictions. MSF USA reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires - that is, when a stipulated time restriction ends, or purpose restriction is accomplished - the net assets are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Net assets with donor restrictions also include the assets whereby donors have stipulated that the principal contributed be invested and retained in perpetuity, with investment return available for expenditure according to the restrictions, if any, imposed by those donors.

Médecins Sans Frontières USA, Inc. d/b/a Doctors Without Borders USA, Inc.

Notes to Financial Statements

December 31, 2023 and 2022

Cash and Cash Equivalents

MSF USA considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents, except for cash included in endowment accounts.

Investments

Investments are reported at fair value based upon quoted market prices. Investment return, net is reported in the statements of activities and consists of interest and dividend income, and realized and unrealized gains and losses, less external and direct internal investment expenses.

Investment securities, in general, are exposed to various risks such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based on the markets' fluctuations, and that such changes could materially affect the amounts reported in the financial statements.

Contributions and Pledges Receivable

Contributions and pledges receivable and unconditional promises to give that are expected to be collected within one year are recorded at their net realizable values. Unconditional promises to give that are expected to be collected in future years are recorded at present value of estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received.

Provision for Credit Losses

MSF USA evaluates its network receivables, loan receivable and guarantees to determine if an allowance for credit losses is required. The evaluation considers any credit losses expected to arise over the life of the financial instrument and includes consideration of past events and historical loss experience, current events and also future events. MSF USA utilizes the loss rate method in determining its lifetime expected credit losses. In determining its loss rates, MSF USA evaluates information related to historical losses, adjusted for current conditions and further adjusted for the period of time that can be reasonably forecasted. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider all the following as applicable: past due amounts, payor type, creditworthiness of obligor and the effect of other external forces, such as economic conditions and legal and regulatory requirements. There was no allowance for credit losses as of December 31, 2023.

Provision for Doubtful Accounts

MSF USA provides an allowance for doubtful accounts for pledges and contributions receivable that are specifically identified by management as to their uncertainty in regard to collectability. Allowance for doubtful pledges receivable accounts was \$31,383 and \$44,600 as of December 31, 2023 and 2022, respectively. There was no allowance for contributions receivable accounts for both years.

Fixed Assets

Fixed assets are recorded at cost or, if contributed, at market value at date of contribution. Maintenance and repairs are charged to expense in the period incurred and betterments are capitalized. It is MSF USA's policy to capitalize all fixed asset purchases greater than \$5,000. Depreciation is computed using the straight-line method over the estimated useful lives. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the related assets.

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The estimated useful lives of the assets are as follows:

	<u>Years</u>
Furniture, fixtures and equipment	3 - 10
Leasehold improvements	9 - 14
Building improvements	10 - 39
Building	39
Software	3 - 5

Impairment of Long-Lived Assets

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 360, *Property, Plant, and Equipment*, requires MSF USA to review long-lived assets, such as fixed assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. There were no impairments recognized in 2023 and 2022.

Charitable Gift Annuities

MSF USA is party to a number of charitable gift annuities in which donors have contributed assets to MSF USA in exchange for promises by MSF USA to pay fixed amounts to the donors, or to individuals or organizations designated by the donors, until the death of the donor or the donor's beneficiary. Contributions of charitable gift annuities are recognized at the date the agreement is established, net of the liability recorded for the present value of the estimated future payments to be made by MSF USA. Due to time restrictions within the agreements, the net contribution of new charitable gift annuities is classified as public support with purpose and time donor restrictions and reflected as planned giving on the statements of activities. Changes in the liability are accounted for prospectively as a change in estimate. Discount rates that approximate current market conditions to reflect the time value of money are employed to determine the net present value of both contributions and annuity liabilities pertaining to these deferred giving arrangements. Discount rates are established in the year that the gift is received and do not change. Discount rates ranged from 1.6% to 5.8% during the years ended December 31, 2023 and 2022.

Contributed Nonfinancial Assets

MSF USA received significant contributed nonfinancial assets of time and pro-bono services in 2023 and 2022. Contributed nonfinancial assets are recognized as contributions if they (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by MSF USA. At the end of the financial year MSF USA recognizes contributed nonfinancial assets and a corresponding expense in an amount approximating the estimated fair value of the services. During financial year 2023, MSF USA received contributed nonfinancial assets for legal services, media production, advertisements and medical software development.

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The value of contributed nonfinancial assets to MSF USA consisted of the following for the years ended:

	<u>2023</u>	<u>2022</u>
Legal	\$ 2,322,722	\$ 1,849,101
Fundraising media expense	279,844	338,905
Medical software development	-	174,845
Total	<u>\$ 2,602,566</u>	<u>\$ 2,362,851</u>

All contributed nonfinancial assets were utilized by MSF USA's programs and supporting services. There were no donor-imposed restrictions associated with the contributed nonfinancial assets received. All services are valued at the customary hourly rate for the service provided. MSF USA receives donated services from a variety of unpaid volunteers assisting the MSF organization. MSF USA does not attribute a monetary valuation to these volunteer hours because it does not meet the criteria to be recognized.

Grant Expense and Payable

Grant expense is recorded when an unconditional promise to a grantee is made. MSF USA records grants as liabilities upon approval by the Board of Directors. Grants awarded and not paid during the fiscal year are due to be paid in the first quarter of the following fiscal period.

Income Taxes

MSF USA was incorporated in the state of New York and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and, therefore, has made no provision for income taxes in the accompanying financial statements. MSF USA has been determined by the Internal Revenue Service (IRS) not be a "private foundation" within the meaning of Section 509(a) of the IRC. MSF USA does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits.

Contributions and Private Grants Revenue

Contributions received and unconditional promises to give that are reasonably determinable are recorded as public support in the period received and are considered to be available without donor restrictions unless specifically restricted by the donor.

Conditional contributions, including conditional promises to give, are not recognized as revenue until they become unconditional, that is, when the conditions, including both a barrier and right of return or release, are substantially met. MSF USA records contributions as net assets with donor restrictions if they are received with donor stipulations that limit their use either through purpose or time restrictions. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is fulfilled, 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 donor restrictions.

MSF USA reports gifts of land, buildings and equipment as contributions without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as additions to net assets with donor restrictions. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Use of Estimates

In preparing financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reported period. Actual results could differ from those estimates.

Allocation Methodology

Common costs incurred for the administration of the various programs are allocated directly to these respective programs as incurred and/or utilizing predetermined allocation rates established by management. Common costs include information technology, general, facilities and office management costs. These costs are allocated based on estimates of relative full time employee equivalent utilization of such support activities.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current-year presentation. The reclassifications have no effect on net assets or operating results of the prior year.

Recently Adopted Accounting Pronouncements

The FASB issued Accounting Standards Update (ASU) issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)*. The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. The adoption of ASU No. 2016-13 had no impact on the financial statements. There were no additional reserves for credit losses required related to loans receivable and guarantees.

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3. Liquidity and Availability of Resources

MSF USA's financial assets available within one year of the statements of financial position date for general expenditures are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 85,388,166	\$ 77,563,028
Investments	234,694,391	215,781,178
MSF USA network receivables	4,565,217	4,692,735
Contributions receivable	88,559,179	38,944,539
Pledges receivable	2,959,770	4,210,494
Loan receivable	23,124,678	22,088,420
Less, financial assets generally unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Perpetual endowments	(2,529,260)	(1,839,699)
Term and revocable endowments	(11,753,823)	(13,056,534)
Restricted by donor with time and/or purpose restrictions	(27,600,329)	(15,477,968)
Annuity and other life income agreement obligations	(20,340,390)	(19,209,076)
Board designations:		
Amounts set aside for liquidity reserve	(2,029,864)	(1,829,537)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 375,037,735</u>	<u>\$ 311,867,580</u>

Liquidity Management

MSF USA is supported by contributions with and without donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, MSF USA must maintain sufficient resources to meet those responsibilities to its donors. Accordingly, a portion of MSF USA's financial assets may not be available for general expenditures within one year of the accompanying financial statement dates.

As a result of the above, MSF USA has a liquidity and investment policy in place to insure the availability of funds to meet obligations as they become due. Financial assets not required to meet near-term obligations are invested over various time horizons to ensure liquidity, preservation of capital and the balancing of market risk and minimization of volatility. In order to meet those objectives, MSF USA has established the following financial asset pools:

Operating Fund - This fund consists of funds needed to manage MSF USA's short-term cash flow needs. These funds are not invested.

Short-Term Fund - This fund contains short-term financial assets with maturities up to, but not exceeding, 24 months. This fund's investment objective is to emphasize preservation of capital and liquidity with an emphasis on minimizing return volatility (rather than maximizing returns) and investing in securities that can be readily and efficiently sold.

Long-Term Fund - This fund is comprised of financial assets invested over a longer-term horizon to garnish higher returns while balancing additional market risk and liquidity. The time horizon for this asset pool is two to ten years.

Endowments, Charitable Gift Annuities and Board-Designated Reserves - In addition to the above-mentioned funds, MSF USA also holds a portion of its financial assets in various types of endowments (perpetual, revocable and term); charitable gift annuities; and a Board-designated reserve. The composition and management of those funds are more fully described in Notes 6, 10 and 12.

4. Investments and Fair Value Measurements

ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in the active market for identical assets or liabilities (Level 1 measurement) and the lowest priority to the unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from and corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for the assets and a liability measured at fair value:

Equities - Equities consist of publicly traded U.S. stocks, which are priced based on quoted prices on an exchange, and American Depository Receipts, which are valued based on the quoted prices of the underlying foreign stock.

Mutual funds and real asset funds - These investments are priced based on the closing price of the fund or other observable market data using nationally recognized pricing services.

Fixed income, U.S. government obligations and municipal bonds - These investments are valued quoted prices for level 1 and other pricing models using standard inputs for level 2.

Investments that are subjective to restrictions or Board designations are considered as long-term investments while the rest are considered as short-term investments.

Changes in methodologies used reflect judgements and considerations specific to individual investments and changes in the overall portfolio.

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The following tables present MSF USA's fair value hierarchy for those assets measured at fair value on a recurring basis:

Fair Value Measurements as of December 31, 2023				
	Level 1	Level 2	Level 3	Total
Equities	\$ 19,562,430	\$ 6,381,808	\$ -	\$ 25,944,238
Mutual funds	30,309,400	-	-	30,309,400
Fixed income	-	106,991,207	-	106,991,207
Real asset funds	3,938,426	-	-	3,938,426
Municipal bonds	1,410,192	664,205	-	2,074,397
U.S. government obligations	48,107,066	345,007	-	48,452,073
Total	<u>\$ 103,327,514</u>	<u>\$ 114,382,227</u>	<u>\$ -</u>	217,709,741
Cash and cash equivalents				<u>16,984,650</u>
Total investments				<u>\$ 234,694,391</u>

Fair Value Measurements as of December 31, 2022				
	Level 1	Level 2	Level 3	Total
Equities	\$ 25,672,102	\$ -	\$ -	\$ 25,672,102
Mutual funds	8,891,177	-	-	8,891,177
Fixed income	144,336,959	-	-	144,336,959
Real asset funds	3,915,938	-	-	3,915,938
Municipal bonds	2,374,025	-	-	2,374,025
U.S. government obligations	14,679,089	-	-	14,679,089
Total	<u>\$ 199,869,290</u>	<u>\$ -</u>	<u>\$ -</u>	199,869,290
Cash and cash equivalents				<u>15,911,888</u>
Total investments				<u>\$ 215,781,178</u>

5. Pledges Receivable, Net

As of December 31, 2023 and 2022, MSF USA had gross pledges receivable of \$3,138,333 and \$4,460,000, respectively.

As of December 31, 2023 and 2022, the net present value of pledges receivable was calculated at discount rates ranging from 4.01% to 4.79% and 4.22% to 4.73%, respectively. These rates are equal to the risk-free interest rate, which is the U.S. Treasury note interest rate in effect at the time the contributions are made and equal in duration to the length of time over which that contribution is expected to be paid.

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The following represents future payments due:

	<u>2023</u>	<u>2022</u>
Amount due in:		
One year	\$ 2,655,000	\$ 2,672,500
Two to five years	483,333	1,787,500
Contributions pledged	3,138,333	4,460,000
Less:		
Pledge bad debt allowance	(31,383)	(44,600)
Net present value discount	(147,180)	(204,906)
Net present value	<u>\$ 2,959,770</u>	<u>\$ 4,210,494</u>

6. Charitable Gift Annuities Payable

Under the Charitable Gift Annuity agreement, donors make contributions in exchange for a promise to receive a fixed amount over a specified period of time, usually the life of the donor or beneficiary. During the term of the agreement, MSF USA acts as custodian of these funds, whereby the asset and the net present value of the related liability are reflected in the statements of financial position. After the term of the agreement, the remaining assets belong to MSF USA.

The Charitable Gift Annuity program assets are managed by an investment firm subject to MSF USA's investment policy statement. For this pool of assets, MSF USA's investment policy includes the following objectives: growth and income, a moderate risk tolerance and a three to less than seven year investment horizon. Asset classes may include cash equivalents, fixed-income and equity investments. While infrequent, nontraditional, illiquid or nonmarketable securities may be used to help provide uncorrelated returns relative to the equity and fixed-income allocations.

As of December 31, 2023 and 2022, the Charitable Gift Annuity investment account, included in investments, at fair value as part of mutual funds, municipal bonds and U.S. government obligations, had a fair market value of \$41,457,226 and \$36,941,247 and the related liability amounted to \$20,340,390 and \$19,209,076, respectively. As of December 31, 2023, MSF USA had adequate reserves among its assets for its Charitable Gift Annuity program.

The actuarial loss on annuity and trust obligations amounted \$(1,527,783) and \$(890,838) for 2023 and 2022, respectively.

7. Fixed Assets, Net

	<u>2023</u>	<u>2022</u>
Land	\$ 18,878,293	\$ 18,878,293
Building	23,068,644	23,068,644
Software	15,050,365	13,697,427
Furniture, fixtures and equipment	6,837,025	7,253,547
Building improvements	11,038,829	10,977,719
Leasehold improvements	35,247	35,247
Total fixed assets	74,908,403	73,910,877
Less, accumulated depreciation and amortization	(20,363,501)	(16,772,816)
Fixed assets, net	<u>\$ 54,544,902</u>	<u>\$ 57,138,061</u>

Total depreciation and amortization expense for 2023 and 2022 amounted to \$3,590,685 and \$3,001,810, respectively.

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8. Pension Plans

For all employees, MSF USA matches each contribution up to \$1,200 per year and provides a yearly safe harbor distribution of not less than 3%. MSF USA also makes a discretionary employer contribution of 2% of eligible wages when it is financially feasible to do so. Employer contributions vest over a two-year period. During the years ended December 31, 2023 and 2022, MSF USA contributed \$1,837,742 and \$1,564,815, respectively.

9. Loan Receivable

As part of Resource Sharing Agreement 4 (RSA4), MSF USA entered into a loan agreement on March 12, 2020 with Médecins Sans Frontières Logistique (MSF Logistique), where MSF USA agreed to provide a loan up to €20 million to MSF Logistique. The interest on the loan equals to the annual yield rate earned on MSF USA's short-term investments on the last day of each calendar month. Both principal and interest are payable at maturity on June 30, 2024. However, should for any reason the Boards of MSF USA and MSF Logistique agree to terminate the RSA4 arrangement, all loan principal and interest become due to MSF USA immediately. As of December 31, 2023 and 2022, the total of loan principal and interest receivable was \$23,124,678 and \$22,088,420, respectively.

10. Board-Designated Fund

The Board of Directors designated a bequest received in prior years as a reserve balance. As such, the Board of Directors has limited spending from this fund to amounts appropriated pursuant to MSF USA's spending policy (see Note 12). The balance in this reserve fund was \$2,029,864 and \$1,829,537 as of December 31, 2023 and 2022, respectively.

11. Net Assets With Donor Restrictions

	<u>2023</u>	<u>2022</u>
Net assets with donor restrictions:		
Purpose-restricted for emergency and medical relief	\$ 24,640,599	\$ 11,267,474
Perpetual in nature (inclusive of original contribution plus accumulated unappropriated earnings)	2,529,260	1,839,699
Term-restricted endowments	8,503,823	9,806,534
Annuity and charitable remainder trusts	21,116,836	17,732,172
Pledges receivable, net	<u>2,959,770</u>	<u>4,210,494</u>
Total	<u>\$ 59,750,288</u>	<u>\$ 44,856,373</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors:

	<u>2023</u>	<u>2022</u>
Purpose restrictions accomplished:		
Emergency and medical relief	\$ 48,450,350	\$ 49,824,078
Time restrictions expired:		
Passage of specified time	2,821,666	2,790,001
Release of appropriated endowment	<u>2,594,308</u>	<u>-</u>
Total restrictions released	<u>\$ 53,866,324</u>	<u>\$ 52,614,079</u>

12. Endowment Fund

Interpretation of Relevant Law

MSF USA's endowment fund consists of both donor-restricted endowment funds and unrestricted funds designated by the Board of Directors to function as endowments.

MSF USA follows the guidance of New York Prudent Management of Institutional Funds Act (NYPMIFA), an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The law allows organizations to cope more easily with fluctuations in the value of their endowment and access to funds needed in difficult times. This law should provide some relief to organizations that have found themselves with underwater endowments. It also expands the options available to organizations seeking relief from donor restrictions on funds that have become obsolete, impracticable or wasteful. NYPMIFA applies to New York not-for-profit, education and religious corporations; associations organized and operated exclusively for charitable purposes; and certain trusts.

Under ASC No. 958-205, the following applies to the endowment funds:

Investment and Spending Policies

MSF USA has adopted investment and spending policies for endowment assets that attempt to provide a stream of returns that would be utilized to fund various programs, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that MSF USA must hold in perpetuity, and as directed by the donors, and those unrestricted assets that are Board-designated, as approved by the Board of Directors of MSF USA. The endowment funds are invested in vehicles, such as money market funds, equities, fixed-income, real estate and tangible assets.

MSF USA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the funds.
- The purposes of MSF USA and the donor-restricted endowment funds.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation/depreciation of investments.
- Other resources of MSF USA.
- The investment and spending policies of MSF USA.

MSF USA has adopted a spending policy of 2% to 4% per year of a 20-quarter rolling average. The amount of the annual draw is reviewed and approved annually by the Board of Directors. MSF USA appropriated \$2,631,106 and \$0 of the endowment funds in 2023 and 2022, respectively.

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or state standards require MSF USA to retain as a fund of perpetual duration. As of December 31, 2023 and 2022, no donor-restricted endowment funds have fallen below the required level.

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The following table represents the endowment net asset composition by type of fund:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donors	\$ -	\$ 13,218,714	\$ 13,218,714
Board-designated endowment funds	1,115,784	-	1,115,784
Total corpus of the endowment funds	1,115,784	13,218,714	14,334,498
Cumulative net investment gains	1,091,881	1,122,575	2,214,456
Cumulative release of income into operations	(177,801)	(3,308,206)	(3,486,007)
Total spendable funds	914,080	(2,185,631)	(1,271,551)
Total endowment net assets	\$ 2,029,864	\$ 11,033,083	\$ 13,062,947
	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donors	\$ -	\$ 12,759,209	\$ 12,759,209
Board-designated endowment funds	1,115,784	-	1,115,784
Total corpus of the endowment funds	1,115,784	12,759,209	13,874,993
Cumulative net investment gains (loss)	854,756	(399,078)	455,678
Cumulative release of income into operations	(141,003)	(713,898)	(854,901)
Total spendable funds	713,753	(1,112,976)	(399,223)
Total endowment net assets	\$ 1,829,537	\$ 11,646,233	\$ 13,475,770

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MSF USA classifies the original value of gifts received with donor stipulations that require them to be held in perpetuity as restricted net assets. Income earned on such gifts is also classified as restricted and is later appropriated based on the implementation of the above-described spending policy.

The following table represents the reconciliation of changes in endowment net assets:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	\$ 1,829,537	\$ 11,646,233	\$ 13,475,770
Contributions	-	459,505	459,505
Investment return	237,125	1,521,653	1,758,778
Endowment loss designated for current operations	(36,798)	(2,594,308)	(2,631,106)
Total	<u>\$ 2,029,864</u>	<u>\$ 11,033,083</u>	<u>\$ 13,062,947</u>
	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	\$ 2,154,758	\$ 13,076,740	\$ 15,231,498
Contributions	-	350,000	350,000
Investment loss	(325,221)	(1,780,507)	(2,105,728)
Endowment income (loss) designated for current operations	-	-	-
Total	<u>\$ 1,829,537</u>	<u>\$ 11,646,233</u>	<u>\$ 13,475,770</u>

Revocable Endowment

A revocable endowment includes gifts that require that the total donation be invested and only the income made available for program operations. The original donation total may be due back to the donor at the end of the term. The balance as of December 31, 2023 and 2022 was \$3,250,000.

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13. Grants

During the years ended December 31, 2023 and 2022, MSF USA awarded grants for emergency and medical relief projects to Médecins Sans Frontières' international members for overseas operations and to the Drugs for Neglected Diseases Initiative, a not-for-profit organization, of which MSF USA was a founding member, as follows:

	<u>2023</u>	<u>2022</u>
Afghanistan	\$ 13,724,940	\$ 7,381,002
Angola	2,755,555	1,040,717
Armenia	1,400,000	-
Bangladesh	11,584,967	10,379,085
Belgium	1,172,414	188,889
Bulgaria	500,000	-
Burkina Faso	25,842,157	13,107,730
Burundi	2,298,851	2,222,222
Cameroon	750,000	-
Central African Republic	41,010,469	37,819,260
Chad	38,041,801	12,746,005
Colombia	555,555	-
Democratic Republic of the Congo (DRC)	85,043,689	48,970,445
Egypt	264,368	-
Eswatini	400,000	919,540
Ethiopia	22,949,438	7,344,444
France	4,705,882	1,764,706
Greece	2,550,000	745,211
Guatemala	2,000,000	-
Guinea	7,471,264	6,666,667
Haiti	38,155,680	34,334,804
Honduras	2,300,000	57,471
India	4,328,544	3,888,889
Iraq	7,245,098	11,814,740
Italy	3,777,778	-
Ivory Coast	9,390,694	7,875,000
Jordan	14,705,882	10,588,235
Kenya	10,715,145	11,679,513
Kiribati	600,000	-
Kyrgyzstan	850,000	-
Lebanon	6,490,230	12,690,331
Liberia	4,000,000	5,294,118
Libya	8,816,993	7,549,020
Madagascar	1,544,118	1,882,353
Malawi	7,823,529	7,058,824
Malaysia	1,333,333	555,556
Mali	26,234,640	23,875,817
Mexico	5,946,666	2,605,326
Mozambique	6,888,888	4,204,381
Myanmar	5,866,667	2,777,778
Niger	27,821,746	24,977,963
Nigeria	43,669,313	38,168,530
Pakistan	4,078,431	9,093,954
Palestinian Territories	3,783,622	7,947,712
Peru	1,882,353	588,235
Philippines	117,647	100,000
Poland	655,862	211,111
Sierra Leone	6,452,168	5,888,889

Médecins Sans Frontières USA, Inc. d/b/a Doctors Without Borders USA, Inc.

Notes to Financial Statements
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Somalia	\$ 2,810,458	\$ 2,191,796
South Africa	-	55,556
South Sudan	62,443,317	38,464,602
Sudan	17,654,810	14,030,528
Syria	16,403,572	3,699,346
Thailand	-	1,000,000
Turkey	2,147,732	-
Uganda	7,441,176	2,941,176
Ukraine	13,828,078	5,729,093
Uzbekistan	2,777,778	1,111,111
Venezuela	888,889	1,833,333
Yemen	51,668,312	42,428,499
MSF International	14,103,892	10,537,518
Access campaign	1,667,402	1,657,521
Drugs for neglected diseases initiative	1,260,514	1,208,775
Other	110,675	161,752
Total	<u>\$ 715,702,982</u>	<u>\$ 514,055,079</u>

Grants payable were \$197,113,804 and \$49,102,638 at December 31, 2023 and 2022, respectively.

14. Commitments and Contingencies

Guarantees

To assist MSF International in entering into foreign exchange transactions, MSF USA has provided three banks with guarantees that total \$25,000,000 as of December 31, 2023. These guarantees expire in December 2024. The fair value of the obligations owed under the foreign exchange transactions as of December 31, 2023 was approximately 3.5 million euros. No liability was included in the accompanying statements of financial position related to MSF USA's obligations under these guarantees, as management believes that the primary obligors have the ability to meet their obligations.

Litigation

MSF USA is a defendant in several lawsuits arising in the normal course of operations. All of the significant suits and many of the others involve insured risks, subject to deductibles and co-insurance requirements. While outside counsel cannot predict the outcome of such litigation, management does not expect the net financial outcome to have a material effect on the financial position, change in net assets and cash flows of MSF USA.

Concentration of Credit Risk

The financial instruments that potentially subject MSF USA to concentration of credit risk consist primarily of cash and cash equivalents and investments. At various times, MSF USA has cash deposits at financial institutions that exceed the Federal Deposit Insurance Corporation (FDIC) limit.

MSF USA's investments consist of a variety of investment securities and investment funds. Investments in general are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of MSF USA's investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

15. Subsequent Events

MSF USA evaluated events subsequent to May 16, 2024, the date on which the financial statements were available to be issued. There were no subsequent events requiring adjustment to the financial statements or disclosures.