

BUILD HEALTH INTERNATIONAL, INC.

FINANCIAL STATEMENTS

June 30, 2021 and 2020

BUILD HEALTH INTERNATIONAL, INC.

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CERTIFIED PUBLIC ACCOUNTANTS – BUSINESS CONSULTANTS

To the Board of Trustees of
Build Health International, Inc.
Beverly, Massachusetts

Independent Auditor's Report

We have audited the accompanying financial statements of Build Health International, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years 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 of America; 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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.

Member: American Institute of CPA's | Massachusetts Society of CPA's

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Build Health International, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

E. J. Callahan & Associates, L.L.C.

Wakefield, Massachusetts
September 16, 2021

BUILD HEALTH INTERNATIONAL, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2021 and 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 707,849	\$ 732,770
Accounts receivable	267,071	456,072
Investments	4,353,836	3,714,489
Total Current Assets	<u>5,328,756</u>	<u>4,903,331</u>
Noncurrent Assets:		
Deposits	18,775	14,900
Accrued revenue	73,224	-
Property and equipment, net	142,339	96,468
Total Noncurrent Assets	<u>234,338</u>	<u>111,368</u>
Total Assets	<u>\$ 5,563,094</u>	<u>\$ 5,014,699</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 214,042	\$ 303,081
Accrued payroll	76,162	50,598
Deferred revenue	-	618,429
Total Current Liabilities	<u>290,204</u>	<u>972,108</u>
Noncurrent Liabilities:		
Deferred revenue	-	2,241,410
Total Noncurrent Liabilities	<u>-</u>	<u>2,241,410</u>
Total Liabilities	<u>290,204</u>	<u>3,213,518</u>
Net Assets:		
Without donor restrictions	2,681,480	1,801,181
With donor restrictions	2,591,410	-
Total Net Assets	<u>5,272,890</u>	<u>1,801,181</u>
Total Liabilities and Net Assets	<u>\$ 5,563,094</u>	<u>\$ 5,014,699</u>

See accompanying notes to financial statements.

BUILD HEALTH INTERNATIONAL, INC.

STATEMENTS OF ACTIVITIES

For the years ended June 30, 2021 and 2020

	Year Ended June 30, 2021			Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:						
Projects	\$ 6,527,547	\$ -	\$ 6,527,547	\$ 4,250,664	\$ -	\$ 4,250,664
Grants	578,825	2,591,410	3,170,235	939,018	-	939,018
Donations	131,599	-	131,599	118,597	-	118,597
Total revenues and other support	7,237,971	2,591,410	9,829,381	5,308,279	-	5,308,279
Net assets released from restriction	-	-	-	-	-	-
Total revenues and other support	7,237,971	2,591,410	9,829,381	5,308,279	-	5,308,279
Expenses:						
Program services	6,538,764	-	6,538,764	4,672,014	-	4,672,014
General and administrative	565,239	-	565,239	460,256	-	460,256
Fundraising	291,994	-	291,994	135,555	-	135,555
Total expenses	7,395,997	-	7,395,997	5,267,825	-	5,267,825
Change in net assets from operations	(158,026)	2,591,410	2,433,384	40,454	-	40,454
Non-operating revenue:						
Investment income, net	1,038,325	-	1,038,325	132,662	-	132,662
Total non-operating revenue	1,038,325	-	1,038,325	132,662	-	132,662
Change in net assets	880,299	2,591,410	3,471,709	173,116	-	173,116
Net assets, beginning of year	1,801,181	-	1,801,181	1,628,065	-	1,628,065
Net assets, end of year	\$ 2,681,480	\$ 2,591,410	\$ 5,272,890	\$ 1,801,181	\$ -	\$ 1,801,181

See accompanying notes to financial statements.

BUILD HEALTH INTERNATIONAL, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended June 30, 2021

	Program Services	Support Services		
	Health Care Infrastructure	General and Administrative	Fundraising	Total Expenses
Building materials and vendors	\$ 3,476,346	\$ -	\$ -	\$ 3,476,346
Salaries, wages, and benefits	1,952,644	365,653	188,567	2,506,864
Program logistics	679,239	-	-	679,239
Professional services	9,547	59,255	91,495	160,297
Occupancy costs	83,595	52,409	-	136,004
Office expenses	5,383	71,704	9,201	86,288
Depreciation and amortization	51,505	-	-	51,505
Donations	-	16,200	-	16,200
Fundraising events	-	-	2,731	2,731
Other operating costs	280,505	18	-	280,523
Total	<u>\$ 6,538,764</u>	<u>\$ 565,239</u>	<u>\$ 291,994</u>	<u>\$ 7,395,997</u>

See accompanying notes to financial statements.

BUILD HEALTH INTERNATIONAL, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended June 30, 2020

	Program Services	Support Services		
	Health Care Infrastructure	General and Administrative	Fundraising	Total Expenses
Building materials and vendors	\$ 2,391,491	\$ -	\$ -	\$ 2,391,491
Salaries, wages, and benefits	1,444,473	336,535	125,725	1,906,733
Program logistics	507,307	-	-	507,307
Occupancy costs	83,088	51,863	-	134,951
Professional services	35,894	15,065	3,145	54,104
Office expenses	4,418	41,793	1,537	47,748
Depreciation and amortization	44,596	-	-	44,596
Donations	-	15,000	-	15,000
Fundraising events	-	-	5,148	5,148
Other operating costs	160,747	-	-	160,747
Total	<u>\$ 4,672,014</u>	<u>\$ 460,256</u>	<u>\$ 135,555</u>	<u>\$ 5,267,825</u>

See accompanying notes to financial statements.

BUILD HEALTH INTERNATIONAL, INC.

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities:		
Change in net assets	\$ 3,471,709	\$ 173,116
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	51,505	44,596
Realized and unrealized gain on investments, net	(1,038,325)	(132,662)
Changes in assets and liabilities:		
Accounts receivable	189,001	(221,831)
Deposits	(3,875)	400
Accrued revenue	(73,224)	-
Accounts payable	(89,039)	265,714
Accrued payroll	25,564	4,190
Deferred revenue	(2,859,839)	(280,987)
Net Cash Used in Operating Activities	<u>(326,523)</u>	<u>(147,464)</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	(97,376)	(14,484)
Proceeds from sale of investments	398,978	422,201
Proceeds from margin loan	575,000	-
Repayment of margin loan	(575,000)	-
Net Cash Provided by Investing Activities	<u>301,602</u>	<u>407,717</u>
Net Change in Cash and Cash Equivalents	(24,921)	260,253
Cash and Cash Equivalents - Beginning of Year	<u>732,770</u>	<u>472,517</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 707,849</u></u>	<u><u>\$ 732,770</u></u>
Supplemental disclosure of cash flow information:		
Cash payments for:		
Interest	<u><u>\$ 1,086</u></u>	<u><u>\$ -</u></u>
Supplemental disclosure of noncash investing and financing activities:		
Contributions of securities	<u><u>\$ 86,945</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

BUILD HEALTH INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

Note 1 – Nature of Operations and Significant Accounting Policies

Nature of Operations

Build Health International, Inc., (the "Foundation") was originally incorporated in the Commonwealth of Massachusetts in 1999 and was developed to conduct a wide array of international philanthropy efforts. In 2013, the Foundation became a 501(c)(3) organization. The Foundation's specific mission is to develop health care infrastructure in impoverished countries, promote international development and philanthropy. In addition to designing and building infrastructure in resource poor settings, the Foundation provides consulting and planning services to partner organizations who are focused in healthcare and poverty alleviation in impoverished countries.

Summary of Significant Accounting Policies

A summary of the significant accounting policies followed by the Foundation in the preparation of the accompanying financial statements is set forth below:

Basis of Accounting – The Foundation prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation – The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net Assets With Donor Restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2021 and 2020

Note 1 – Nature of Operations and Significant Accounting Policies – Continued

Cash and Cash Equivalents – For purposes of reporting cash flows, the Foundation considers all highly liquid investments purchased with a maturity of three months or less at acquisition as cash and cash equivalents in the accompanying balance sheet. The Foundation has interest bearing deposits in financial institutions that maintained federal insurance in full for all accounts and limited coverage up to \$250,000 per financial institution. The portion of the deposits in excess of this amount is not subject to such insurance and represents a credit risk to the Foundation. At times, balances held at each financial institution may exceed \$250,000, which represents a credit risk to the Foundation. At June 30, 2021 and 2020, deposits in excess of federally insured limits were \$419,191 and \$446,698, respectively.

Accounts Receivable – Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for doubtful accounts, and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements. There was no allowance for doubtful accounts at June 30, 2021 and 2020.

Investments – The Foundation reports investments at fair value. Fair value is determined as more fully described under fair value measurements in Note 4. Investment returns are reported as follows:

- As increases in net assets with donor restrictions if the terms of the gift require that they be added to the principal of a permanent endowment fund;
- As increases (decreases) in net assets with donor restrictions if the terms of the gift or state law impose restrictions on the current use of the income or net gains; and
- As increases (decreases) in net assets without donor restrictions in all other cases.

Property and Equipment – Property and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is 5 years. Leasehold improvements are amortized over the estimated useful life of the improvement. Additions, renewals, and betterments that significantly extend the life of the asset are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred.

For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

Impairment of Long-Lived Assets – The Foundation reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is present when the sum of the undiscounted cash flows expected to result from use of the assets is less than the carrying value. If impairment is present, the carrying value of the impaired asset is reduced to its fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. During the years ended June 30, 2021 and 2020, there were no impairment losses recognized for long-lived assets.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2021 and 2020

Note 1 – Nature of Operations and Significant Accounting Policies – Continued

Projects, Grants, and Donations – Projects, grants, and donations, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is at the time when the conditions on which they depend are substantially met.

Projects, grants, and donations received with donor-imposed conditions that include one or more barriers and a right of return are deferred until the barriers are overcome or the right of return is released. At June 30, 2021 there were no projects, grants, and donations classified as deferred revenue. At June 30, 2020, \$2,591,410 of projects, grants, and donations were classified as deferred revenue. During the year ending June 30, 2021, the entire June 30, 2020 balance of \$2,591,410 was converted into a temporary restricted grant based on donor instructions to release the right of return. This conversion resulted in the recognition of the full amount as revenue with donor restrictions.

Projects representing exchange transactions are recognized on the percentage of completion method, whereby revenues on long-term contracts are recorded on the basis of the Foundation's estimates of the percentage of completion of contracts based on the ratio of actual cost incurred to total estimated costs. This cost-to-cost method is used because management considers it to be the best available measure of progress on these contracts. Revenues from cost-plus-fee contracts are recognized on the basis of costs incurred during the period plus the fee earned, measured on the cost-to cost method. At June 30, 2021, \$73,224 of exchange transactions are classified as accrued revenue. At June 30, 2020, \$268,429 of exchange transactions are classified as deferred revenue.

Projects, grants, and donations that are restricted by the donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the projects, grants, and donations are recognized. All other donor-restricted projects, grants, and donations are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When restrictions expire, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Functional Expenses – The cost of providing construction, design and consulting, and related costs for building health infrastructure have been summarized on a functional basis on the statement of functional expenses. Accordingly, certain costs have been allocated among the programs benefited.

Advertising – Advertising costs are expensed as incurred. Advertising costs for the year ended June 30, 2021 were \$760. There were no advertising costs for the year ended June 30, 2020.

Income Tax Status – The Foundation is recognized as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code") whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax. The Foundation is also exempt from state income taxes.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2021 and 2020

Note 1 – Nature of Operations and Significant Accounting Policies – Continued

Income Tax Status – Continued – The Foundation recognizes and measures its unrecognized tax positions in accordance with FASB ASC 740, Income Taxes. Under that guidance, the Foundation assesses the likelihood, based on technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax positions is adjusted when new information is available, or when an event occurs that requires a change. The Foundation adopted the provisions of this standard on July 1, 2009 and has not identified any uncertain tax positions. Interest and penalties associated with unrecognized income taxes are classified as additional income taxes in the statement of activities. The Foundation is generally not subject to examination by taxing jurisdictions for years prior to June 30, 2017.

Paycheck Protection Program Loan – On April 24, 2020, the Foundation entered into a loan with a financial institution in the principal amount of \$344,000 pursuant to the Paycheck Protection Program (“PPP”) under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The PPP contains events of default and other conditions customary for an advance of this type. Under the terms of the CARES Act, PPP Loan recipients can apply for and be granted forgiveness for all or a portion of advance granted under the PPP, with such forgiveness to be determined, subject to limitations, based on the use of the proceeds for payment of eligible costs. The terms of any forgiveness are subject to further regulations and guidelines the Small Business Administration (“SBA”) may adopt in the future.

The Foundation has accounted for the transaction in accordance with ASC 958-605, Not-for-Profit Entities–Revenue Recognition, as a conditional contribution. Conditional contributions are recognized as revenue when the conditions are substantially met or explicitly waived, or where conditions are met over time or in stages, contributions are recognized as the qualifying expenses are incurred. The proceeds from the PPP are initially recognized as a refundable advance until the conditions for forgiveness are substantially met. The contribution is recognized as revenue as it incurs qualifying PPP costs. The PPP Loan was fully forgiven on November 2, 2020.

Reclassifications – Certain amounts in the June 30, 2020 financial statements have been reclassified to conform to the June 30, 2021 presentation without any effect on income.

Subsequent Events – As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the Foundation. The duration of these uncertainties and ultimate financial effects cannot be reasonably estimated at this time.

The IRS approved the Foundation’s request to change the classification from private foundation to be treated as a public charity, effective July 1, 2021 through June 30, 2026.

Management evaluated events or transactions subsequent to the balance sheet date for potential recognition or disclosure in the financial statements through September 16, 2021, which is the date the financial statements were available for issue.

BUILD HEALTH INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2021 and 2020

Note 2 – Investments

Investments are carried at fair value and consist of the following at June 30, 2021:

	Cost	Fair Value	Unrealized Appreciation
Money market funds	\$ 75,604	\$ 75,604	\$ -
Mutual funds	2,209,591	2,611,892	402,301
Common stock	1,173,333	1,666,340	493,007
Total investments	<u>\$ 3,458,528</u>	<u>\$ 4,353,836</u>	<u>\$ 895,308</u>

Investments are carried at fair value and consist of the following at June 30, 2020:

	Cost	Fair Value	Unrealized Appreciation
Money market funds	\$ 43,516	\$ 43,516	\$ -
Mutual funds	2,327,564	2,372,002	44,438
Common stock	1,143,969	1,298,971	155,002
Total investments	<u>\$ 3,515,049</u>	<u>\$ 3,714,489</u>	<u>\$ 199,440</u>

Investment income and net realized and unrealized gains consist of the following at June 30:

	2021	2020
Net increase in fair value of investments, including realized and unrealized gains and losses	\$ 928,119	\$ 17,900
Interest and dividend income	<u>110,206</u>	<u>114,762</u>
	<u>\$ 1,038,325</u>	<u>\$ 132,662</u>

Note 3 – Leases

Operating Leases

The Foundation rents its main operating facility. Monthly rent payments are \$9,133. The lease expires in December 2025. Rent expense related to this operating facility for the years ended June 30, 2021 and 2020 were \$109,596 and \$111,096, respectively. The Foundation also entered into several month-to-month leases for warehouse space in Salem, MA, Plaistow, NH, and Fond-des-Blancs, Haiti. Included in rent expense for the year ended June 30, 2021 was \$9,186 for warehouse space. Included in rent expense for the year ended June 30, 2020 was \$5,840 for temporary office space rental in Boston, MA.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2021 and 2020

Note 3 – Leases – Continued

Future Minimum Lease Payments

Aggregate future minimum lease payments on all operating leases are as follows:

Year Ending June 30,	
2022	\$ 109,596
2023	109,596
2024	109,596
2025	109,596
2026	54,798
	<u>\$ 493,182</u>

Note 4 – Fair Value Measurement

The Foundation is subject to the provisions of FASB ASC 820, Fair Value Measurements and Disclosures. ASC 820 defines fair value, establishes a framework to measure fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 quoted inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access.

Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly. These may include quoted prices for similar securities.

Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the valuation methods.

Money market funds, mutual funds and common stock are principally valued at the regular trading session closing price on the exchange or market in which such funds are principally traded, using the market approach.

BUILD HEALTH INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2021 and 2020

Note 4 – Fair Value Measurement – Continued

Fair values of financial instruments measured on a recurring basis at June 30, 2021 are as follows:

	Fair Value	Level 1	Level 2	Level 3
Money market funds	\$ 75,604	\$ 75,604	\$ -	\$ -
Mutual funds	2,611,892	2,611,892	-	-
Common stock	1,666,340	1,666,340	-	-
	<u>\$ 4,353,836</u>	<u>\$ 4,353,836</u>	<u>\$ -</u>	<u>\$ -</u>

Fair values of financial instruments measured on a recurring basis at June 30, 2020 are as follows:

	Fair Value	Level 1	Level 2	Level 3
Money market funds	\$ 43,516	\$ 43,516	\$ -	\$ -
Mutual funds	2,372,002	2,372,002	-	-
Common stock	1,298,971	1,298,971	-	-
	<u>\$ 3,714,489</u>	<u>\$ 3,714,489</u>	<u>\$ -</u>	<u>\$ -</u>

Note 5 – Property and Equipment

Property and equipment consist of the following at June 30:

	2021	2020
Motor vehicles	\$ 178,627	\$ 126,901
Construction equipment	89,690	50,290
Leasehold improvements	67,254	67,254
Computers and equipment	6,265	6,265
Warehouse equipment	6,250	-
	<u>348,086</u>	<u>250,710</u>
Accumulated depreciation and amortization	<u>205,747</u>	<u>154,242</u>
	<u>\$ 142,339</u>	<u>\$ 96,468</u>

BUILD HEALTH INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2021 and 2020

Note 6 – Financing Arrangements

Margin Loan

During the year ended June 30, 2021, the Foundation entered into a margin account loan agreement with Fidelity Investments. Under this agreement, the Foundation can borrow against its investment account. Borrowings are collateralized by cash and securities held by the lending broker and bear interest at 0.75% at June 30, 2021. The Foundation borrowed \$576,086, including interest of \$1,086, during the year ended June 30, 2021. The balance of the margin loan, including interest, was repaid during the year ended June 30, 2021.

Note 7 – Paycheck Protection Program Advance

On April 24, 2020, the Foundation entered into a loan with a financial institution in the principal amount of \$344,000 pursuant to the Paycheck Protection Program under the CARES Act. The PPP Advance is unsecured and guaranteed by the SBA. The Foundation has applied to the financial institution for forgiveness of the PPP Advance, with the amount which may be forgiven equal to the sum of payroll costs, covered rent and mortgage obligations, and covered utility payments, if any, incurred by the Foundation as calculated in accordance with the terms of the CARES Act. As of June 30, 2020, the Foundation utilized the entire amount of \$344,000 of the proceeds on qualifying payroll costs and rent obligations and has recognized this amount within Grants on the Statements of Activities for the fiscal year ended June 30, 2020. The PPP Advance was fully forgiven on November 2, 2020.

Note 8 – Net Assets with Donor Restrictions

	<u>2021</u>	<u>2020</u>
Restricted for mission-related projects	<u>\$ 2,591,410</u>	<u>\$ -</u>

Note 9 – Net Assets with Donor Restrictions Released

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the restricted purposes for the years ended June 30, as follows:

	<u>2021</u>	<u>2020</u>
Release of:		
Restriction for mission-related projects	<u>\$ -</u>	<u>\$ -</u>

BUILD HEALTH INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2021 and 2020

Note 10 – Assets Available for General Expenditure (Net)

The following represents the financial assets available for general expenditure within one year of June 30:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 707,849	\$ 732,770
Accounts receivable	267,071	456,072
Investments	<u>4,353,836</u>	<u>3,714,489</u>
Total assets available for general expenditure	<u>\$ 5,328,756</u>	<u>\$ 4,903,331</u>