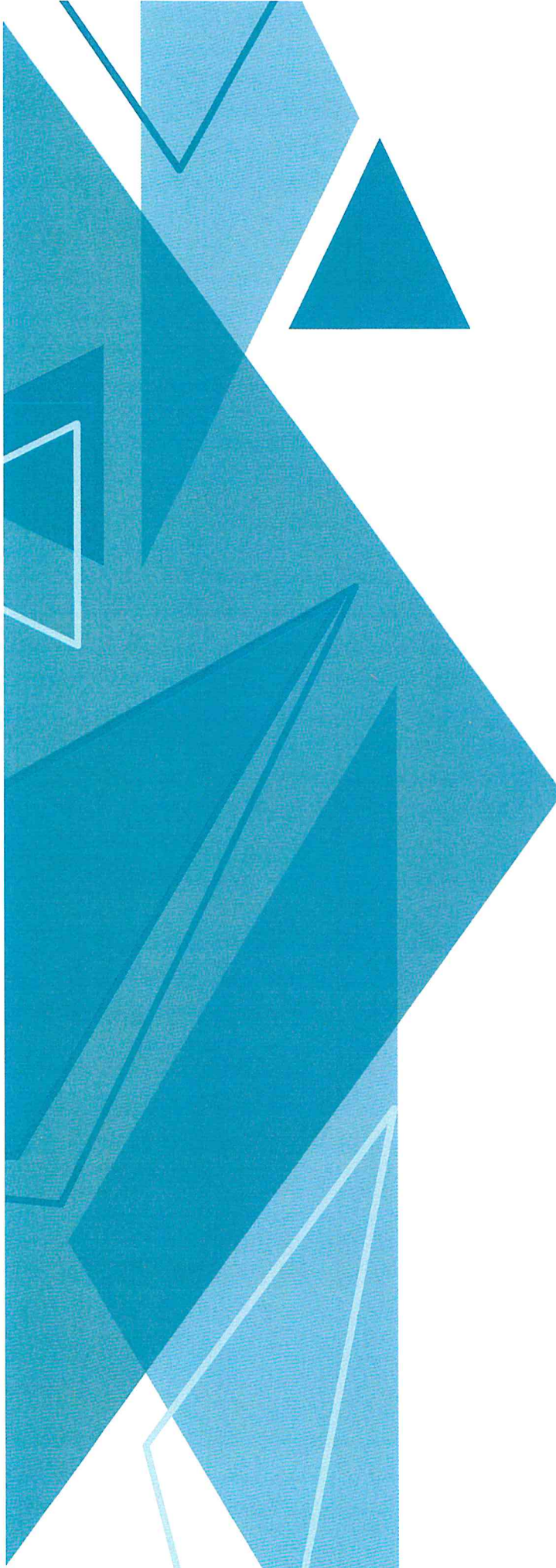




Build Health International, Inc.

**Financial Statements
June 30, 2022 and 2021**

EJCALLAHAN
& ASSOCIATES, LLC

BUILD HEALTH INTERNATIONAL, INC.

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CERTIFIED PUBLIC ACCOUNTANTS – BUSINESS CONSULTANTS

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Build Health International, Inc., which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, schedules of functional expenses, and cash flows for the years 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 Build Health International, Inc. as of June 30, 2022 and 2021 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Build Health International, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Build Health International's ability to continue as a going concern within one year after the date of the financial statements are available to be issued.

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

One Pleasure Island Road, Suite 2A, Wakefield, MA 01880 | 21 McGrath Highway, Suite 204, Quincy, MA 02169

P: 617-974-7697 | F: 781-569-0460 | ecallahan@ejccpa.com

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 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 Build Health International Inc.'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 Build Health International Inc.'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.

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, 2022 and 2021, 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
January 19, 2023

BUILD HEALTH INTERNATIONAL, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

	2022	2021
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2,530,428	\$ 707,849
Accounts receivable	197,239	267,071
Investments	6,314,988	4,353,836
Total Current Assets	9,042,655	5,328,756
Noncurrent Assets:		
Deposits	31,975	18,775
Accrued revenue	192,842	73,224
Property and equipment, net	123,640	142,339
Total Noncurrent Assets	348,457	234,338
Total Assets	\$ 9,391,112	\$ 5,563,094
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 268,540	\$ 214,042
Accrued payroll	135,634	76,162
Deferred revenue	1,042,628	-
Total Current Liabilities	1,446,802	290,204
Total Liabilities	1,446,802	290,204
Net Assets:		
Without donor restrictions	1,776,248	2,681,480
With donor restrictions	6,168,062	2,591,410
Total Net Assets	7,944,310	5,272,890
Total Liabilities and Net Assets	\$ 9,391,112	\$ 5,563,094

See accompanying notes to financial statements.

BUILD HEALTH INTERNATIONAL, INC.
SCHEDULE OF FUNCTIONAL EXPENSES

For the years ended June 30, 2022 and 2021

	Year Ended June 30, 2022			Year Ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:						
Projects	\$ 9,253,460	\$ -	\$ 9,253,460	\$ 6,527,547	\$ -	\$ 6,527,547
Grants	500,626	5,739,571	6,240,197	578,825	2,591,410	3,170,235
Donations	264,147	169,779	433,926	131,599	-	131,599
Total revenues and other support	10,018,233	5,909,350	15,927,583	7,237,971	2,591,410	9,829,381
Net assets released from restriction	2,332,698	(2,332,698)	-	-	-	-
Total revenues and other support	12,350,931	3,576,652	15,927,583	7,237,971	2,591,410	9,829,381
Expenses:						
Program services	11,203,058	-	11,203,058	6,538,764	-	6,538,764
General and administrative	996,436	-	996,436	565,239	-	565,239
Fundraising	423,997	-	423,997	291,994	-	291,994
Total expenses	12,623,491	-	12,623,491	7,395,997	-	7,395,997
Change in net assets from operations	(272,560)	3,576,652	3,304,092	(158,026)	2,591,410	2,433,384
Non-operating (loss) revenue:						
Other income	6,176	-	6,176	-	-	-
Investment (loss) income, net	(638,848)	-	(638,848)	1,038,325	-	1,038,325
Total non-operating revenue	(632,672)	-	(632,672)	1,038,325	-	1,038,325
Change in net assets	(905,232)	3,576,652	2,671,420	880,299	2,591,410	3,471,709
Net assets, beginning of year	2,681,480	2,591,410	5,272,890	1,801,181	-	1,801,181
Net assets, end of year	\$ 1,776,248	\$ 6,168,062	\$ 7,944,310	\$ 2,681,480	\$ 2,591,410	\$ 5,272,890

See accompanying notes to financial statements.

BUILD HEALTH INTERNATIONAL, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

For the years ended June 30, 2022 and 2021

	Health Care Infrastructure	General and Administrative	Fundraising	Total Expenses
Building materials and vendors	\$ 6,872,340	\$ -	\$ -	\$ 6,872,340
Salaries, wages, and benefits	2,560,816	503,629	297,191	3,361,636
Program logistics	1,073,607	-	-	1,073,607
Office expenses	-	324,818	9,050	333,868
Occupancy costs	123,928	57,806	-	181,734
Professional services	-	48,745	82,590	131,335
Training and conferences	-	52,404	-	52,404
Depreciation and amortization	36,206	-	-	36,206
Donations	-	-	15,154	15,154
Fundraising events	-	-	8,646	8,646
Other operating costs	536,161	9,034	11,366	556,561
Total	\$ 11,203,058	\$ 996,436	\$ 423,997	\$ 12,623,491

See accompanying notes to financial statements.

BUILD HEALTH INTERNATIONAL, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended June 30, 2021

	Health Care		General and		Fundraising	Total Expenses
	Infrastructure		Administrative			
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	\$ 6,538,764	\$	565,239	\$	291,994	\$ 7,395,997

See accompanying notes to financial statements.

BUILD HEALTH INTERNATIONAL, INC.

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities:		
Change in net assets	\$ 2,671,420	\$ 3,471,709
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	36,206	51,505
Realized and unrealized loss (gain) on investments, net	638,848	(1,038,325)
Changes in assets and liabilities:		
Accounts receivable	69,832	189,001
Deposits	(13,200)	(3,875)
Accrued revenue	(119,618)	(73,224)
Accounts payable	54,498	(89,039)
Accrued payroll	59,472	25,564
Deferred revenue	1,042,628	(2,859,839)
Net Cash Provided by (Used) in Operating Activities	4,440,086	(326,523)
Cash Flows from Investing Activities:		
Purchases of property and equipment	(17,507)	(97,376)
(Purchases) Proceeds from sale of investments	(2,600,000)	398,978
Proceeds from margin loan	-	575,000
Repayment of margin loan	-	(575,000)
Net Cash (Used in) Provided by Investing Activities	(2,617,507)	301,602
Net Change in Cash and Cash Equivalents	1,822,579	(24,921)
Cash and Cash Equivalents - Beginning of Year	707,849	732,770
Cash and Cash Equivalents - End of Year	\$ 2,530,428	\$ 707,849
Supplemental disclosure of cash flow information:		
Cash payments for:		
Interest	\$ -	\$ 1,086
Supplemental disclosure of noncash investing and financing activities:		
Contributions of securities	\$ -	\$ 86,945

See accompanying notes to financial statements.

BUILD HEALTH INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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, 2022 and 2021

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, 2022 and 2021, deposits in excess of federally insured limits were \$2,331,265 and \$419,191, 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, 2022 and 2021.

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, 2022 and 2021, there were no impairment losses recognized for long-lived assets.

BUILD HEALTH INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2022 and 2021

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, 2022 and 2021, there were no projects, grants, and donations 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, 2022 and 2021, the amount of exchange transactions that are classified as deferred revenue is \$1,042,628 and \$0, respectively. At June 30, 2022 and 2021, the amount of exchange transactions that are classified as accrued revenue is \$192,842 and \$73,224, respectively.

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 years ended June 30, 2022 and 2021 were \$304 and \$760, respectively.

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, 2022 and 2021

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, 2018.

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 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, 2021 financial statements have been reclassified to conform to the June 30, 2022 presentation without any effect on income.

Subsequent Events – Management evaluated events or transactions subsequent to the balance sheet date for potential recognition or disclosure in the financial statements through January 19, 2023, which is the date the financial statements were available for issue.

BUILD HEALTH INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2022 and 2021

Note 2 – Investments

Investments are carried at fair value and consist of the following at June 30, 2022:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Money market funds	\$ 2,025,948	\$ 2,025,948	\$ -
Mutual funds	2,859,903	2,804,429	(55,474)
Common stock	1,326,146	1,451,587	125,441
Exchange-traded funds	14,437	13,034	(1,403)
Other	16,615	19,990	3,375
Total investments	<u>\$ 6,243,049</u>	<u>\$ 6,314,988</u>	<u>\$ 71,939</u>

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>

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

	2022	2021
Net (decrease) increase in fair value of investments, including realized and unrealized gains and losses	\$ (788,933)	\$ 928,119
Interest and dividend income	150,085	110,206
	<u>\$ (638,848)</u>	<u>\$ 1,038,325</u>

BUILD HEALTH INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2022 and 2021

Note 3 – Leases

Operating Leases

The Foundation rents its main operating facility. Monthly rent payments were \$9,133. The lease was amended in June 2022 to monthly rent payments of \$12,005. The lease expires December 2025. Rent expense related to this operating facility for the years ended June 30, 2022 and 2021 were \$109,596 and \$109,596, 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 years ended June 30, 2022 and 2021 was \$47,461 and \$9,186, respectively, for warehouse space.

The Foundation also entered into a new lease agreement effective July 15, 2022 for a one-year period with monthly rental payments of \$3,500.

Future Minimum Lease Payments

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

Years Ending June 30,	
2023	\$ 147,560
2024	147,060
2025	144,060
2026	72,030
	<u>\$ 510,710</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.

BUILD HEALTH INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2022 and 2021

Note 4 – Fair Value Measurement – Continued

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, exchange traded 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.

Fair values of financial instruments measured on a recurring basis at June 30, 2022 are as follows:

	Fair Value	Level 1	Level 2	Level 3
Money market funds	\$ 2,025,948	\$ 2,025,948	\$ -	\$ -
Mutual funds	2,804,429	2,804,429	-	-
Common stock	1,451,587	1,451,587	-	-
Exchange-traded funds	13,034	13,034	-	-
Other	19,990	19,990	-	-
	<u>\$ 6,314,988</u>	<u>\$ 6,314,988</u>	<u>\$ -</u>	<u>\$ -</u>

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>

BUILD HEALTH INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2022 and 2021

Note 5 – Property and Equipment

Property and equipment consist of the following at June 30:

	2022	2021
Motor vehicles	\$ 178,627	\$ 178,627
Construction equipment	89,690	89,690
Leasehold improvements	84,761	67,254
Computers and equipment	6,265	6,265
Warehouse equipment	6,250	6,250
	<u>365,593</u>	<u>348,086</u>
Accumulated depreciation and amortization	<u>241,953</u>	<u>205,747</u>
	<u><u>\$ 123,640</u></u>	<u><u>\$ 142,339</u></u>

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 did not borrow any funds during the year ended June 30, 2022. 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.

BUILD HEALTH INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2022 and 2021

Note 8 – Net Assets with Donor Restrictions

	<u>2022</u>	<u>2021</u>
Restricted for mission-related projects	<u>\$ 6,168,062</u>	<u>\$ 2,591,410</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>2022</u>	<u>2021</u>
Release of:		
Restriction for mission-related projects	<u>\$ 2,332,698</u>	<u>\$ -</u>

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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,530,428	\$ 707,849
Accounts receivable	197,239	267,071
Investments	<u>6,314,988</u>	<u>4,353,836</u>
Total assets available for general expenditure	<u>\$ 9,042,655</u>	<u>\$ 5,328,756</u>