

**HEALTHRIGHT INTERNATIONAL, INC.
AND SUBSIDIARY**

Consolidated Financial Statements

For the Years Ended December 31, 2018 and 2017



HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Consolidated Financial Statements
For the Years Ended December 31, 2018 and 2017

INDEX

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7-15



INDEPENDENT AUDITOR'S REPORT

Board of Directors
HealthRight International, Inc. and Subsidiary

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of HealthRight International, Inc. and Subsidiary ("HealthRight" or the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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.

One Pennsylvania Plaza
Suite 3500
New York, New York 10119
212.695.5003

6720-A Rockledge Drive
Suite 510
Bethesda, Maryland 20817
240.200.1400

150 Clove Road
5th Floor
Little Falls, New Jersey 07424
973.812.0100

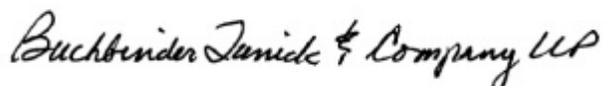
Buchbinder Tunick & Company LLP
Certified Public Accountants
buchbinder.com
Follow us on 

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of HealthRight International, Inc. and Subsidiary as of December 31, 2018 and 2017, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, management has adopted the new accounting pronouncement ASU 2016-14, Not for Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.



BUCHBINDER TUNICK & COMPANY LLP

New York, NY
September 27, 2019

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Consolidated Statements of Financial Position
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Assets:		
Cash and cash equivalents	\$ 312,701	\$ 578,293
Unconditional promises to give, net	143,260	573,766
Prepaid expenses and other assets	11,897	7,809
Property assets, net	<u>212,308</u>	<u>213,574</u>
Total assets	<u>\$ 680,166</u>	<u>\$ 1,373,442</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	<u>\$ 130,840</u>	<u>\$ 274,866</u>
Total liabilities	<u>130,840</u>	<u>274,866</u>
Net assets:		
Without donor restrictions	(633,249)	(530,202)
With donor restrictions	<u>1,182,575</u>	<u>1,628,778</u>
Total net assets	<u>549,326</u>	<u>1,098,576</u>
Total liabilities and net assets	<u>\$ 680,166</u>	<u>\$ 1,373,442</u>

See notes to financial statements.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Consolidated Statements of Activities
For the years ended December 31, 2018 and 2017

	2018			2017		
	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions
Revenue:						
Foreign government grants	\$ 1,854,392	\$ -	\$ 1,854,392	\$ 1,829,578	\$ -	\$ 1,829,578
Foundation contributions	161,635	76,808	84,827	319,632	50,400	269,232
Corporate contributions	154,859	94,859	60,000	129,218	68,888	60,330
Individual contributions	183,702	183,702	-	340,813	340,813	-
In-kind contributions	295,244	295,244	-	233,320	233,320	-
Special events	242,775	242,775	-	104,621	104,621	-
Less: direct benefit costs	(82,112)	(82,112)	-	(63,370)	(63,370)	-
Other income	68,866	68,866	-	90,698	90,698	-
Net assets released from purpose restrictions:						
Satisfaction of program restrictions	-	2,940,017	(2,940,017)	-	1,703,246	(1,703,246)
Total revenue	<u>2,879,361</u>	<u>3,820,159</u>	<u>(940,798)</u>	<u>2,984,510</u>	<u>2,528,616</u>	<u>455,894</u>
Expenses:						
Program services	3,380,757	3,380,757	-	2,386,756	2,386,756	-
Supporting activities:						
Management and general	962,192	962,192	-	645,891	645,891	-
Fundraising	35,343	35,343	-	37,804	37,804	-
Total expenses	<u>4,378,292</u>	<u>4,378,292</u>	<u>-</u>	<u>3,070,451</u>	<u>3,070,451</u>	<u>-</u>
Change in net assets before net (losses) on foreign currency transactions	(1,498,931)	(558,133)	(940,798)	(85,941)	(541,835)	455,894
Net (losses) on foreign currency transactions	<u>(28,216)</u>	<u>(28,216)</u>	<u>-</u>	<u>(54,955)</u>	<u>(54,955)</u>	<u>-</u>
Change in net assets before transfer	(1,527,147)	(586,349)	(940,798)	(140,896)	(596,790)	455,894
Net assets:						
Beginning of year	<u>1,098,576</u>	<u>(530,202)</u>	<u>1,628,778</u>	<u>1,239,472</u>	<u>66,588</u>	<u>1,172,884</u>
	(428,571)	(1,116,551)	687,980	1,098,576	(530,202)	1,628,778
Transfer from Peter C. Alderman Foundation, Inc.	<u>977,897</u>	<u>483,302</u>	<u>494,595</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 549,326</u>	<u>\$ (633,249)</u>	<u>\$ 1,182,575</u>	<u>\$ 1,098,576</u>	<u>\$ (530,202)</u>	<u>\$ 1,628,778</u>

See notes to financial statements.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Consolidated Statements of Functional Expenses
For the years ended December 31, 2018 and 2017

	2018				2017			
	Total	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising
Expenses:								
Salaries	\$ 1,087,809	\$ 801,654	\$ 262,693	\$ 23,462	\$ 785,400	\$ 536,321	\$ 227,508	\$ 21,571
Payroll taxes and employee benefits	156,750	85,815	68,623	2,312	212,895	147,895	63,440	1,560
Program consultants	1,512,196	1,186,687	321,341	4,168	865,521	774,238	80,433	10,850
Professional fees	303,650	66,484	232,876	4,290	241,677	30,269	209,968	1,440
Training and workshops	223,556	223,556	-	-	259,151	257,351	1,800	-
Rent and utilities	43,253	40,710	2,543	-	34,252	28,607	5,645	-
Materials and supplies	76,325	73,373	2,830	122	61,790	56,105	3,819	1,866
Furniture and equipment	32,833	31,976	857	-	16,598	16,523	75	-
Program expenses - other	88,707	88,707	-	-	54,710	54,710	-	-
Vehicle expenses	13,860	13,860	-	-	8,674	8,674	-	-
Travel and meals	163,285	126,685	35,926	674	95,558	69,159	25,882	517
Insurance	15,665	3,940	11,725	-	14,091	3,491	10,600	-
Telephone, postage and internet	26,959	18,140	8,599	220	16,989	10,112	6,877	-
Recruiting	-	-	-	-	34,585	34,585	-	-
Donations	-	-	-	-	25,817	25,817	-	-
Ukrainian Halfway House support	124,683	124,683	-	-	199,963	199,963	-	-
Grants to other organizations	403,701	403,701	-	-	84,337	84,337	-	-
Fees, charges and taxes	12,763	4,971	7,752	40	9,836	3,165	6,671	-
Miscellaneous	74,592	68,110	6,427	55	37,911	34,738	3,173	-
Depreciation	17,705	17,705	-	-	10,696	10,696	-	-
Total expenses	\$ 4,378,292	\$ 3,380,757	\$ 962,192	\$ 35,343	\$ 3,070,451	\$ 2,386,756	\$ 645,891	\$ 37,804

See notes to financial statements.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Consolidated Statements of Cash Flows
For the years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ (1,527,147)	\$ (140,896)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	17,705	10,696
Changes in operating assets and liabilities:		
Decrease in unconditional promises to give	661,338	328,551
(Increase) decrease in prepaid expenses and other assets	(4,088)	11,457
(Decrease) increase in accounts payable and accrued expenses	<u>(156,029)</u>	<u>177,640</u>
Net cash (used in) provided by operating activities	<u>(1,008,221)</u>	<u>387,448</u>
Cash flows from investing activities:		
(Purchases of) property assets	<u>-</u>	<u>(42,063)</u>
Net cash (used in) operating activities	<u>-</u>	<u>(42,063)</u>
Net (decrease) increase in cash and cash equivalents	(1,008,221)	345,385
Cash and cash equivalents:		
Beginning of year	<u>578,293</u>	<u>232,908</u>
Transfer of Cash from Peter C. Alderman Foundation, Inc. due to acquisition	(429,928)	578,293
End of year	<u>742,629</u>	<u>-</u>
End of year	<u>\$ 312,701</u>	<u>\$ 578,293</u>

See notes to financial statements.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Notes to Financial Statements
December 31, 2018 and 2017

Note 1 - Nature of Operations

HealthRight International, Inc. (“HealthRight” or the “Organization”), formerly Doctors of the World-U.S.A., Inc., is an international health and human rights organization founded in 1990 by a group of volunteer physicians including the late Dr. Jonathan Mann, a pioneer in the field of health and human rights. The Organization owns a 100% interest in the Ukrainian Foundation for Public Health (the “Ukrainian Foundation”). On December 2, 2008, HealthRight amended its Certificate of Incorporation to change its name to HealthRight International, Inc.

Working with local partners, HealthRight’s projects build long-term solutions focused on ending TB and HIV epidemics, caring for neglected and abandoned children, maternal and infant health, and providing assistance to torture survivors. In addition to the United States of America, HealthRight has operated programs in over 30 countries. The Organization primarily receives its support from contributions from corporations and individuals. The Organization adheres to the New York Prudent Management of Institutional Funds Act and the New York State Non-Profit Revitalization Act of 2013.

The Ukrainian Foundation facilitates related efforts to improve health and support services for vulnerable populations for the purpose of resource mobilization for developing, supporting, and providing charitable care and support to vulnerable and at-risk population groups, including, but not limited to, women, children, youth, and families in difficult life situations through access to social, psychological, pedagogical and other types of services in order to enhance their medical, psycho-social, or material conditions and to gain equal opportunities for development and participation in society. The Ukrainian Foundation is a charitable organization incorporated by HealthRight in Ukraine and is regulated by the Constitution of Ukraine and the Law of Ukraine on charity and charitable organizations.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying consolidated financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2018 and 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

Consolidated Financial Statements Presentation

The consolidated financial statements of HealthRight, International, Inc. and Subsidiary have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require HealthRight, International, Inc. and Subsidiary to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of trustees.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Basis of Consolidation

The consolidated financial statements include the accounts of the Organization and its wholly owned subsidiary, the Ukrainian Foundation for Public Health (the "Ukrainian Foundation"). All significant intercompany accounts and transactions between the entities have been eliminated in the consolidation.

Use of Estimates

The preparation of financial statements in accordance 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2018 and 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash equivalents represent short-term investments that have an original maturity at the time of acquisition of three months or less.

Property Assets

Property assets are stated at cost. Depreciation of property assets is provided on the straight-line method over the estimated useful lives of 5 to 40 years.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (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 statement of activities as net assets released from restrictions.

Unconditional Promises to Give

Unconditional promises to give are recognized as revenue in the period received.

Donated Goods and Services

Donated goods and services are measured at their fair value as determined by management. During the year ended December 31, 2018, the value of contributed services (medical evaluations) meeting the requirements for recognition totaled \$295,244 (\$233,320 in 2017) and was recorded as a program expense. The value of contributed goods during the years ended December 31, 2018 and 2017 were deemed immaterial.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2018 and 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

Foreign Currency Transactions

Transaction gains and losses of the Organization arise from foreign exchange rate fluctuations on certain contributions and financial activities denominated in currencies other than the U.S. dollar are included in the consolidated statements of activities.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of activities and consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The following expenses are allocated:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries, payroll taxes and employee benefits	Time and effort
Program consultants and professional fees	Purpose of services provided
Rent and utilities	Asset usage
Materials and supplies	Asset usage
Furniture and equipment	Asset usage
Travel and meals	Time and effort
Insurance	Asset usage
Telephone, postage and internet	Asset usage
Fees, charges and taxes	Asset usage
Miscellaneous	Asset usage

New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2018 and 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

Subsequent Events

The Organization has evaluated subsequent events and transactions through September 27, 2019, the date that the consolidated financial statements were available to be issued.

Note 3 - Tax Status

The Organization has been determined by the Internal Revenue Service (the "IRS") to be a Section 501(c)(3) educational organization exempt from federal income taxes. As such, contributions to the School entitle donors to the maximum charitable contribution deduction allowed under the Internal Revenue Code (the "IRC").

The Organization files an annual Form 990, *Return of Organization Exempt from Income Tax*, with the IRS. At December 31, 2018, the Organization's Form 990s for the years 2014 through 2017 remain eligible for examination by the IRS.

Note 4 - Concentrations of Credit Risk

Cash is a financial instrument that potentially subjects the Organization to concentrations of credit risk. While the Organization attempts to limit any financial exposure by maintaining accounts at high quality financial institutions, its deposit balances may, at times, exceed federally insured limits. The Organization has not experienced any losses on such accounts.

Note 5 - Property Assets

As of December 31, 2018 and 2017, property assets, at cost, consist of the following:

	2018	2017
Halfway houses	\$ 192,812	\$ 192,812
Furniture and fixtures	74,098	51,395
	266,910	244,207
Less: accumulated depreciation	(54,602)	(30,633)
Net property assets	\$ 212,308	\$ 213,574

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2018 and 2017

Note 5 - Property Assets (Continued)

Depreciation expense amounted to \$17,705 and \$10,696 for the years ended December 31, 2018 and 2017, respectively.

In January, 2013, the Organization purchased halfway houses at a cost of \$192,812, in accordance with the Charitable Donation Agreement between the Charitable Foundation for Development of Ukraine (“CFDU”) and the International Charitable Fund “Ukrainian Foundation for Public Health” (“UFPH”). The halfway houses will be used by the Organization’s benefactors as long as the program services are provided. Ownership of the halfway houses will be turned over to the Ukrainian government when the program services are no longer provided. As of December 31, 2018, program services are continuing to be provided and are expected to continue through at least December 31, 2019.

Note 6 - Unconditional Promises to Give

At December 31, 2018 and 2017, pledges receivable consisted of:

	<u>2018</u>	<u>2017</u>
Amounts due in:		
Less than one year	\$ 146,749	\$ 466,207
One to five years	<u>-</u>	<u>125,155</u>
Unconditional promises to give	146,749	591,362
Less:		
Discount to present value	<u>(3,489)</u>	<u>(17,596)</u>
Unconditional promises to give, net	<u>\$ 143,260</u>	<u>\$ 573,766</u>

Unconditional promises to give are discounted at a rate of 2.87%.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2018 and 2017

Note 7 - Net Assets

The Organization's net assets are divided into net assets with donor restrictions and without donor restrictions. As of December 31, 2018 and 2017, the Organization's net assets with donor restrictions consisted of the following:

	<u>2018</u>	<u>2017</u>
Restricted by program:		
HIV Prevention - Ukraine	\$ 384,215	\$ 540,748
Primary Health Care Reform for Adolescents - Ukraine	183,226	301,834
Pre-exposure Prophylaxis Demonstration Project - Kenya	123,426	182,862
Teacher Implemented Child and Family Violence Prevention - Nepal	-	76,113
Ukraine - Halfway House support	95,390	446,869
Ukraine and Kazakhstan - other	103,979	26,047
Health and Psychological Needs of Long Island's Vulnerable Immigrants	5,744	54,305
USA - other	19,522	-
Community outreach program - Uganda	208,071	-
Mental health services - Burundi and Uganda	49,594	-
Uganda - other	<u>19,408</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 1,192,575</u>	<u>\$ 1,628,778</u>

Note 8 - Lease Commitment

Effective July 1, 2014, the Organization entered into an affiliation agreement with New York University. Such agreement includes the use of certain office facilities. See Note 10, Affiliation Agreement.

The Organization also leases office space in other locations internationally. These operating leases are renewed monthly. Rent expense covering all locations was \$30,514 and \$19,518 in 2018 and 2017, respectively.

Note 9 - Retirement Plan

The Organization sponsors a 403(b) retirement savings plan for all eligible employees. Pension expense for the years ended December 31, 2018 and 2017 was \$1,879 and \$4,509, respectively.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2018 and 2017

Note 10 - Affiliation Agreement

The Organization entered into an Affiliation Agreement (the “Agreement”) with New York University (“NYU”), an unrelated not-for-profit education corporation in February 2014.

The Agreement creates an affiliation between the Organization and NYU (the “Affiliation”) to work together to facilitate NYU faculty and student opportunities for applied research, an expanded curriculum, and enhanced in-service learning in the field of global public health. The Organization will benefit from the Affiliation by securing its U.S. operations, and gaining the involvement of specialists and researchers in its programs, with the Organization’s belief that the presence of an operating global non-governmental, non-profit organization on a university campus is an innovative, exciting and cost-effective approach which offers both parties to this agreement expanded opportunities to accomplish their independent but complementary missions. The leaders of both parties have concluded that the Affiliation is beneficial to both.

The Affiliation revolves around seven (7) key elements, all working toward a common goal of building lasting access to health for excluded communities. These elements are based on the foundational element that both NYU and the Organization remain as separate, independent organizations. Those elements include:

- a) Co-location
- b) Shared expertise among NYU faculty and HealthRight staff
- c) Student engagement
- d) Curricular opportunities
- e) Governance
- f) Programming
- g) HealthRight Executive Director

Note 11 - Going Concern

As indicated in the accompanying financial statements, the Organization showed a balance of \$(633,249) in its unrestricted net assets as of December 31, 2018. This factor would create uncertainty about the Organization as a going concern. The board of directors of the Organization has evaluated this condition and determined that a two million dollar multi-year grant award and other grants won in 2019 as well as cost saving initiatives alleviates this uncertainty.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2018 and 2017

Note 12 - Acquisition of Peter C. Alderman Foundation, Inc.

On April 20, 2018, the Organization acquired Peter C. Alderman Foundation, Inc. ("PCAF"), a New York nonprofit organization that worked with survivors of terrorism and mass violence by training indigenous health workers and establishing trauma treatment systems in post-conflict countries around the globe. HealthRight's primary reason for acquiring PCAF was to better meet the mental health needs of the marginalized communities they served around the world and greatly enhance HealthRight's ability to deliver comprehensive, transformational health solutions. HealthRight assumed the rights, title and interest of all assets and liabilities of PCAF and HealthRight did not pay for PCAF's assets and liabilities.

Five of PCAF's board members joined HealthRight's board.

Fair values of PCAF's major classes of assets acquired by HealthRight as of the date of acquisition are as follows:

Cash	\$ 742,629
Unconditional promises to give	230,831
Property assets, net	16,437
Accrued expenses	<u>(12,000)</u>
 Total assets and liabilities acquired	 <u>\$ 977,897</u>

Note 13 - Availability and Liquidity

The following represents the Organizations' financial assets at December 31, 2018:

	<u>2018</u>
Cash and cash equivalents	\$ 312,701
Unconditional promises to give, net	143,260
Prepaid expenses and other assets	<u>11,897</u>
 Financial assets available to meet general expenditures over the next twelve months	 <u>\$ 467,858</u>

The Organization's goal is to generally maintain financial assets to meet 90 days of operating expenses (approximately \$1,000,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts.