

**HEALTHRIGHT INTERNATIONAL, INC.
AND SUBSIDIARY**

Consolidated Financial Statements

For the Years Ended December 31, 2021 and 2020



HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
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For the Years Ended December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
HealthRight International, Inc. and Subsidiary

Opinion

We have audited the accompanying consolidated financial statements of HealthRight International, Inc. and Subsidiary (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of HealthRight International, Inc. and Subsidiary 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about HealthRight International, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

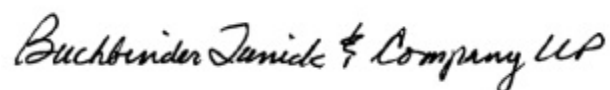
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 HealthRight International, Inc. and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HealthRight International, Inc. and Subsidiary'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.



BUCHBINDER TUNICK & COMPANY LLP

New York, NY
November 23, 2022

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Consolidated Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
ASSETS		
Assets:		
Cash and cash equivalents	\$ 1,235,086	\$ 1,365,307
Unconditional promises to give	-	72,925
Grants receivable	450,918	73,366
Prepaid expenses and other assets	22,943	16,164
Property assets, net	156,042	174,138
Total assets	\$ 1,864,989	\$ 1,701,900
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 87,983	\$ 107,118
PPP loan	107,537	147,057
EIDL loan	149,900	149,900
Total liabilities	345,420	404,075
Net assets:		
Without donor restrictions	(68,493)	(419,201)
With donor restrictions	1,588,062	1,717,026
Total net assets	1,519,569	1,297,825
Total liabilities and net assets	\$ 1,864,989	\$ 1,701,900

See notes to consolidated financial statements.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Consolidated Statements of Activities
For the years ended December 31, 2021 and 2020

	2021			2020		
	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions
Revenue:						
Foreign government grants	\$ 4,148,621	\$ -	\$ 4,148,621	\$ 2,691,685	\$ -	\$ 2,691,685
Foundation contributions	840,910	66,085	774,825	1,091,882	128,378	963,504
Corporate contributions	414,407	21,210	393,197	348,048	187,440	160,608
Individual contributions	416,980	416,980	-	461,495	461,495	-
In-kind contributions	261,305	261,305	-	291,555	291,555	-
Paycheck Protection Program loan forgiveness	147,057	147,057	-	-	-	-
Special events	244,892	244,892	-	224,046	224,046	-
Less: direct benefit costs	(14,082)	(14,082)	-	(5,400)	(5,400)	-
Other income	66,392	66,392	-	74,328	74,328	-
Net assets released from purpose restrictions:						
Satisfaction of program restrictions	-	5,445,607	(5,445,607)	-	3,861,812	(3,861,812)
Total revenue	<u>6,526,482</u>	<u>6,655,446</u>	<u>(128,964)</u>	<u>5,177,639</u>	<u>5,223,654</u>	<u>(46,015)</u>
Expenses:						
Program services:						
Human Rights Programming	5,522,922	5,522,922	-	4,094,800	4,094,800	-
Supporting activities:						
Management and general	588,084	588,084	-	301,169	301,169	-
Fundraising	177,565	177,565	-	219,884	219,884	-
Total expenses	<u>6,288,571</u>	<u>6,288,571</u>	<u>-</u>	<u>4,615,853</u>	<u>4,615,853</u>	<u>-</u>
Change in net assets before net (losses) on foreign currency transactions	237,911	366,875	(128,964)	561,786	607,801	(46,015)
Net (losses) on foreign currency transactions	<u>(16,167)</u>	<u>(16,167)</u>	<u>-</u>	<u>(14,999)</u>	<u>(14,999)</u>	<u>-</u>
Change in net assets	221,744	350,708	(128,964)	546,787	592,802	(46,015)
Net assets:						
Beginning of year	<u>1,297,825</u>	<u>(419,201)</u>	<u>1,717,026</u>	<u>751,038</u>	<u>(1,012,003)</u>	<u>1,763,041</u>
End of year	<u>\$ 1,519,569</u>	<u>\$ (68,493)</u>	<u>\$ 1,588,062</u>	<u>\$ 1,297,825</u>	<u>\$ (419,201)</u>	<u>\$ 1,717,026</u>

See notes to consolidated financial statements.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Consolidated Statements of Functional Expenses
For the years ended December 31, 2021 and 2020

	2021				2020			
	Total	Program Services	Supporting Activities		Total	Program Services	Supporting Activities	
		Human Rights Programming	Management and General	Fundraising		Human Rights Programming	Management and General	Fundraising
Expenses:								
Salaries	\$ 1,703,951	\$ 1,356,036	\$ 179,906	\$ 168,009	\$ 1,562,483	\$ 1,312,752	\$ 114,322	\$ 135,409
Payroll taxes and employee benefits	285,056	244,064	40,992	-	272,375	230,001	38,320	4,054
Program consultants	1,310,037	1,064,502	239,345	6,190	1,232,037	1,116,629	43,345	72,063
Professional fees	184,497	143,684	40,813	-	207,329	153,911	53,418	-
Training and workshops	728,407	728,309	98	-	391,389	390,807	582	-
Rent and utilities	62,877	62,877	-	-	55,638	55,226	412	-
Materials and supplies	606,378	597,912	8,466	-	252,855	244,142	3,627	5,086
Furniture and equipment	9,002	8,480	522	-	160,590	158,735	1,805	50
Program expenses - other	202,549	202,549	-	-	70,715	70,715	-	-
Marketing and promotion	267,698	267,541	157	-	89,191	85,666	330	3,195
Vehicle expenses	27,101	27,101	-	-	13,679	13,679	-	-
Travel and meals	136,322	134,802	1,520	-	126,667	122,031	4,624	12
Insurance	28,481	8,987	19,494	-	18,272	3,030	15,242	-
Telephone, postage and internet	48,081	42,566	5,515	-	20,637	15,599	5,038	-
Ukrainian community shelter repairs	568,374	568,374	-	-	101,582	93,047	8,535	-
Fees, charges and taxes	18,206	10,734	6,731	741	14,946	6,139	8,807	-
Donations	30,047	30,047	-	-	-	-	-	-
Miscellaneous	53,411	6,261	44,525	2,625	6,383	3,606	2,762	15
Depreciation	18,096	18,096	-	-	19,085	19,085	-	-
Total expenses	\$ 6,288,571	\$ 5,522,922	\$ 588,084	\$ 177,565	\$ 4,615,853	\$ 4,094,800	\$ 301,169	\$ 219,884

See notes to consolidated financial statements.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 221,744	\$ 546,787
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	18,096	19,085
Paycheck Protection Program loan forgiveness	(147,057)	-
Changes in operating assets and liabilities:		
Decrease in unconditional promises to give	72,925	52,075
(Increase) decrease in grants receivable	(377,552)	64,998
(Increase) in prepaid expenses and other assets	(6,779)	(500)
(Decrease) increase in accounts payable and accrued expenses	<u>(19,135)</u>	<u>55,272</u>
Net cash (used in) provided by operating activities	<u>(237,758)</u>	<u>737,717</u>
Cash flows from financing activities:		
Proceeds from PPP loan	107,537	147,057
Proceeds from EIDL loan	<u>-</u>	<u>149,900</u>
Net cash provided by financing activities	<u>107,537</u>	<u>296,957</u>
Net (decrease) increase in cash and cash equivalents	(130,221)	1,034,674
Cash and cash equivalents:		
Beginning of year	<u>1,365,307</u>	<u>330,633</u>
End of year	<u>\$ 1,235,086</u>	<u>\$ 1,365,307</u>

See notes to consolidated financial statements.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

Note 1 - Nature of Operations

HealthRight International, Inc. (“HealthRight” or the “Organization”) (a nonprofit 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. and Subsidiary.

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 the accrual basis in accordance with accounting principles generally accepted in the United States of America.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements (Continued)
December 31, 2021 and 2020

Note 2 - Summary of Significant Accounting Policies (Continued)

Basis of 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 consolidated statements 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. All significant intercompany accounts and transactions between the entities have been eliminated in the consolidation.

Use of Estimates

The preparation of consolidated 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 consolidated 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 Consolidated Financial Statements (Continued)
December 31, 2021 and 2020

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 computed 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 consolidated statements of activities as net assets released from purpose 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 years ended December 31, 2021 and 2020, the value of contributed services (medical evaluations) meeting the requirements for recognition totaled \$261,305 and \$291,555, respectively, and was recorded as in-kind contributions. The value of contributed goods during the years ended December 31, 2021 and 2020 was deemed immaterial.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements (Continued)
December 31, 2021 and 2020

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 statements of activities and functional expenses. Accordingly, certain costs have been allocated among program services and supporting activities 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
Training and workshops	Purpose of services provided
Rent and utilities	Asset usage
Materials and supplies	Asset usage
Furniture and equipment	Asset usage
Marketing and promotion	Time and effort
Travel and meals	Time and effort
Insurance	Asset usage
Telephone, postage and internet	Asset usage
Fees, charges and taxes	Asset usage
Miscellaneous	Asset usage

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements (Continued)
December 31, 2021 and 2020

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 Organization 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, 2021, the Organization's Form 990s for the years 2017 through 2020 remain eligible for examination by the IRS.

Note 4 - Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk include cash. 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, 2021 and 2020, property assets, at cost, consist of the following:

	2021	2020
Halfway houses	\$ 192,812	\$ 192,812
Furniture and fixtures	74,098	74,098
	266,910	266,910
Less: accumulated depreciation	(110,868)	(92,772)
Net property assets	\$ 156,042	\$ 174,138

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements (Continued)
December 31, 2021 and 2020

Note 5 - Property Assets (Continued)

Depreciation expense amounted to \$18,096 and \$19,085 for the years ended December 31, 2021 and 2020, 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 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, 2020, program services are continuing to be provided and are expected to continue through at least December 31, 2022.

Note 6 - Unconditional Promises to Give

At December 31, 2021 and 2020, pledges receivable consisted of:

	2021	2020
Amounts due in:		
Less than one year	\$ -	\$ 72,925
One to five years	-	-
Unconditional promises to give	\$ -	\$ 72,925

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements (Continued)
December 31, 2021 and 2020

Note 7 - Net Assets with Donor Restrictions

The Organization's net assets are divided into net assets with donor restrictions and net assets without donor restrictions. As of December 31, 2021 and 2020, the Organization's net assets with donor restrictions consisted of the following:

	<u>2021</u>	<u>2020</u>
Restricted by program:		
HIV Prevention - Ukraine	\$ -	\$ 7,783
Primary Health Care Reform for Adolescents - Ukraine	54,686	34,675
Ukraine - Halfway House Support	-	43,107
Ukraine and Kazakhstan - other	49,770	147,665
Health and Psychological Needs of Long Island's Vulnerable Immigrants	-	50,000
Community Outreach Program - Uganda	132,912	237,183
Journey to Scale - Uganda	64,155	282,119
Alcohol Disorders and Associated Adversities Among Conflict-Affected Populations - Uganda	367,233	192,687
Mental Health Services - Burundi and Uganda	-	38,368
Ensuring Quality in Psychological Support - Uganda	-	59,680
Self-help Intervention - South Sudanese Refugees	-	44,694
Integrated Physical and Psychological Rehabilitation Assistance for Victims - Uganda	140,104	122,349
Uganda - other	69,426	71,452
Assisting Child Trafficking and Exploitation Victims in Vietnam	144,722	69,472
Co-design and Implement Family Planning Supply Chain Models - Kenya	37,204	161,375
SACCO Health & Wellness Project - Kenya	-	25,199
Mental Health Solutions to Address COVID Impact - Kenya	242,196	-
Improving Mental Health of Perinatal Women - Kenya	108,987	60,595
Kenya - other	<u>176,667</u>	<u>68,623</u>
Total net assets with donor restrictions	<u>\$ 1,588,062</u>	<u>\$ 1,717,026</u>

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements (Continued)
December 31, 2021 and 2020

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 \$49,774 and \$42,919 in 2021 and 2020, 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, 2021 and 2020 was \$30,645 and \$2,480, respectively.

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.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements (Continued)
December 31, 2021 and 2020

Note 10 - Affiliation Agreement (Continued)

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

- a) Colocation
- 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 - Paycheck Protection Program Loans

In May 2020, the Organization entered into a Paycheck Protection Program Term Note (the “PPP Note”) with JPMorgan Chase Bank in the amount of \$147,057. The PPP Note was issued to the Organization pursuant to Coronavirus, Aid, Relief, and Economic Security Act’s (the “CARES Act”). (P.L. 116-136) Paycheck Protection Program (the “Program”). Under the Program, all or a portion of the PPP Note may be forgiven in accordance with the Program requirements. The PPP Note carries a maturity date of May 2022, at a 1% interest rate. The amount of the forgiveness shall be calculated (and may be reduced) in accordance with the requirements of the Program, including the provisions of the CARES Act. No more than 25% of the amount forgiven can be attributable to non-payroll costs, as defined in the Program. The loan was forgiven in full on April 19, 2021.

In January 2021, the Organization entered into a second Paycheck Protection Program Term Note (the “second PPP Note”) with JPMorgan Chase Bank in the amount of \$107,787. The second PPP Note was issued to the Organization pursuant to Coronavirus, Aid, Relief, and Economic Security Act’s (the “CARES Act”). (P.L. 116-136) Paycheck Protection Program (the “Program”). Under the Program, all or a portion of the second PPP Note may be forgiven in accordance with the Program requirements. The second PPP Note carries a maturity date of January 2026, at a 1% interest rate. The amount of the forgiveness shall be calculated (and may be reduced) in accordance with the requirements of the Program, including the provisions of the CARES Act. No more than 25% of the amount forgiven can be attributable to non-payroll costs, as defined in the Program.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements (Continued)
December 31, 2021 and 2020

Note 12 - EIDL Loan

On June 4, 2020, the Organization entered into an Economic Injury Disaster Loan (“EIDL”) with the United States Small Business Administration (the “Loan”) in the amount of \$149,900. The Loan was issued to the Organization pursuant to Section 7(b) of the Small Business Act, as amended. The Loan carries a maturity date of June 4, 2050, at a 2.75% interest rate. Installment payments will begin thirty months from the date of the loan.

Future principal repayments are as tabulated:

<u>Years Ending December 31,</u>	<u>Amount</u>
2022	\$ 291
2023	3,624
2024	3,713
2025	3,828
2026	3,935
Thereafter	<u>134,509</u>
Total	<u>\$ 149,900</u>

Note 13 - Availability and Liquidity

The following represents the Organizations’ financial assets at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,235,086	\$ 1,365,307
Grants receivable	<u>450,918</u>	<u>73,366</u>
Total financial assets	1,686,004	1,438,673
Less amounts not available to be used for operations:		
Grants receivable	<u>450,918</u>	<u>73,366</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,235,086</u>	<u>\$ 1,365,307</u>

The Organization’s goal is to generally maintain financial assets to meet 90 days of operating expenses (approximately \$1,570,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts.

HEALTHRIGHT INTERNATIONAL, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements (Continued)
December 31, 2021 and 2020

Note 14 - Subsequent Events

The Organization has evaluated subsequent events and transactions through November 23, 2022, the date that the consolidated financial statements were available to be issued.

The second PPP Note loan balance of \$107,537 was forgiven in January 2022.

Note 15 - Top Ratings by Charity Rating Sites

Key charity rating sites, including Charity Watch, GuideStar, and Charity Navigator, have awarded the Organization their top ratings for trust, quality, and impact. These ratings are important for individual and institutional donors who want to be ensured that their charitable contributions will be well managed and further the Organization's mission to improve health outcomes among marginalized communities. This recognition reflects a multi-year, organization-wide effort to ensure that the Organization's governance practices, financial management, and programmatic impact are on par with the very best global-health nonprofits.