

GLOBAL HEALTH CORPS, INC.
FINANCIAL STATEMENTS
YEARS ENDED JULY 31, 2021 AND 2020

GLOBAL HEALTH CORPS, INC.
YEARS ENDED JULY 31, 2021 AND 2020
TABLE OF CONTENTS

	Page
Independent Auditor's Report	1 - 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statement of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 12



Schultheis & Panettieri LLP

Accountants and Consultants

Please Reply to:

450 Wireless Boulevard
Hauppauge, NY 11788
Telephone: (631) 273-4778
Fax: (631) 273-3488

21 Vernon Street
Floral Park, NY 11001
Telephone: (516) 216-5695

485A US Route 1 South
Suite 360
Iselin, NJ 08830
Telephone: (732) 268-1301

www.snpcpa.com

PARTNERS

Carol Westfall, CPA
Vincent F. Panettieri, CPA
Max Capone, CPA
James M. Heinzman, CPA
Donna Panettieri, CPA
Peter M. Murray, CPA
Gary Waldren, CPA
Alexander Campo, CPA.CITP
Jennifer Evans, CPA
Richard B. Silvestro, CPA
Jamie L. Krainski, CPA
Vincent A. Gelpi, CPA

DIRECTORS

Stephen Bowen
Anthony Sgroi
William R. Shannon
William Austin
Kimberly Miller
Michael Fox
Viorel Kuzma

Independent Auditor's Report

Board of Directors
Global Health Corps, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of the Global Health Corps, Inc. (the "Organization") which comprise the statements of financial position as of July 31, 2021 and 2020, and the related statement of activities for the year ended July 31, 2021, and statements of functional expenses and cash flows for the years ended July 31, 2021 and 2020, 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 audit to obtain reasonable assurance about whether the financial statements are free of 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of July 31, 2021 and 2020, and its changes in net assets for the year ended July 31, 2021 and its functional expenses and cash flows for the years ended July 31, 2021 and 2020, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's July 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 11, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Handwritten signature in cursive script, reading "Schullhas & Perrotti LLP".

Hauppauge, New York
February 1, 2022

GLOBAL HEALTH CORPS, INC.

STATEMENTS OF FINANCIAL POSITION

JULY 31, 2021 AND 2020

	2021	2020
Assets		
Current assets		
Cash	\$ 1,893,093	\$ 1,959,735
Receivables		
Corporate, government and foundation grants	1,281,399	1,792,073
Prepaid expenses	71,895	35,930
Total current assets	3,246,387	3,787,738
Property and equipment - net	12,190	25,487
Other assets	91,789	95,034
Total assets	\$ 3,350,366	\$ 3,908,259
Liabilities and Net Assets		
Current liabilities		
Notes payable - short term	\$ 375,000	\$ 275,000
Accounts payable and accrued expenses	263,196	179,461
Total current liabilities	638,196	454,461
Net assets		
Without donor restrictions	1,281,830	1,187,073
With donor restrictions	1,430,340	2,266,725
Total net assets	2,712,170	3,453,798
Total liabilities and net assets	\$ 3,350,366	\$ 3,908,259

GLOBAL HEALTH CORPS, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JULY 31, 2021

(WITH COMPARATIVE TOTALS FOR 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue and support				
Corporate, government and foundation grants	\$ 1,702,395	\$ 667,975	\$ 2,370,370	\$ 2,347,992
Individual contributions	92,723	675,000	767,723	140,800
Other income	-	-	-	1,500
In-kind contributions	61,518	-	61,518	153,469
Interest	18,954	-	18,954	14,102
Net assets released from restrictions:				
Satisfaction of program restrictions	2,179,360	(2,179,360)	-	-
Total revenue and support	4,054,950	(836,385)	3,218,565	2,657,863
Expenses				
Program services - Fellows support	1,419,242	-	1,419,242	1,781,704
Program services - Alumni support	877,489	-	877,489	721,925
Fundraising	725,233	-	725,233	490,337
Management and general	938,229	-	938,229	788,114
Total expenses	3,960,193	-	3,960,193	3,782,080
Change in net assets	94,757	(836,385)	(741,628)	(1,124,217)
Net assets				
Beginning of year	1,187,073	2,266,725	3,453,798	4,578,015
End of year	<u>\$ 1,281,830</u>	<u>\$ 1,430,340</u>	<u>\$ 2,712,170</u>	<u>\$ 3,453,798</u>

GLOBAL HEALTH CORPS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDING JULY 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	2021							
	Program Services			Supporting Services				
	Fellow Support	Alumni Support	Total	Management & General	Fundraising	Total	Grand Total	2020
Payroll	\$ 661,515	\$ 475,632	\$ 1,137,147	\$ 395,126	\$ 513,271	\$ 908,397	\$ 2,045,544	\$ 1,719,910
Taxes and benefits	99,583	34,195	133,778	28,407	36,901	65,308	199,086	144,947
Training and events	627	22,975	23,602	-	-	-	23,602	103,926
Stipends and awards	172,994	-	172,994	-	-	-	172,994	173,909
Healthcare	103,203	56,274	159,477	46,749	60,727	107,476	266,953	257,642
Travel and meals	13,714	9,701	23,415	1,654	-	1,654	25,069	47,468
Professional development	24,754	5,572	30,326	10,282	2,943	13,225	43,551	39,431
Recruitment and selection	9,539	3,565	13,104	1,789	1,856	3,645	16,749	21,866
Professional fees	76,608	219,945	296,553	229,025	37,057	266,082	562,635	619,871
Occupancy	179,026	24,697	203,723	90,012	45,152	135,164	338,887	386,805
Office	49,909	22,702	72,611	86,687	27,280	113,967	186,578	194,017
Telephone	25,737	1,923	27,660	6,672	-	6,672	34,332	27,615
Printing and postage	1,909	222	2,131	4,880	-	4,880	7,011	9,845
Insurance	124	86	210	23,648	46	23,694	23,904	21,530
Depreciation	-	-	-	13,298	-	13,298	13,298	13,298
Total	\$ 1,419,242	\$ 877,489	\$ 2,296,731	\$ 938,229	\$ 725,233	\$ 1,663,462	\$ 3,960,193	\$ 3,782,080

See Notes to Financial Statements

GLOBAL HEALTH CORPS, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JULY 31, 2021 AND 2020

	2021	2020
<i>Cash flows from Operating Activities</i>		
Change in net assets	\$ (741,628)	\$ (1,124,217)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	13,298	13,298
Receivable - Corporate, government, and foundation grants	510,673	1,743,746
Prepaid expenses	(35,965)	(12,375)
Other assets	3,245	21,682
Accounts payable and accrued expenses	83,735	(258,964)
Net cash provided by (used in) operating activities	(166,642)	383,170
<i>Cash flows from Financing Activities</i>		
Proceeds from notes payable	375,000	275,000
Forgiveness from notes payable	(275,000)	-
Net cash provided by (used in) financing activities	100,000	275,000
Net increase (decrease) in cash	(66,642)	658,170
Cash		
Beginning of year	1,959,735	1,301,565
End of year	\$ 1,893,093	\$ 1,959,735

Supplemental cash flow information:

For the years ended July 31, 2021 and 2020, the Organization paid \$0 in interest on notes payable.

GLOBAL HEALTH CORPS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JULY 31, 2021 AND 2020

Note 1 - Description of Organization and Significant Accounting Policies

General information

Global Health Corps, Inc. (the "Organization") is a tax-exempt organization that operates as a voluntary health and welfare entity. The Organization's mission is to mobilize a diverse community of leaders to build the movement for global health equity. The organization envisions a world where every person lives a healthy, dignified life.

Management has evaluated subsequent events through the date of the auditor's report, the date the financial statements were available to be issued.

Basis of accounting

The financial statements are presented on the accrual basis of accounting.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Revenue recognition

Grants and contributions are recorded at fair value on the earlier of the receipt of cash or an unconditional promise to give. Contributions are recognized as public support pursuant to the terms of the gifts. Unless specifically restricted by the donor, all contributions are considered to be without donor restrictions. Noncash gifts are recorded at their fair value.

Three grantors accounted for 40% and 41% of total corporate, government and foundation grant revenue for the years ended July 31, 2021 and 2020, respectively.

In March 2020, the COVID-19 outbreak in the United States caused business disruption through government mandated closings in various industries. This matter has negatively impacted operating results as many donors opted for single year grant commitments instead of multiyear renewals along with numerous fundraising events being canceled throughout the year. The duration of these business disruptions relating to COVID-19 cannot be reasonably estimated at this time.

GLOBAL HEALTH CORPS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JULY 31, 2021 AND 2020

Note 1 - Description of Organization and Significant Accounting Policies (cont'd)

Receivables

Corporate, government and foundation grants receivable are recorded at net realizable value. Total corporate and foundation grants receivable as of July 31, 2021 and 2020, were \$1,281,399 and \$1,792,073, respectively. One grantor accounted for approximately 47% and 71% of the Organization's total receivables as of July 31, 2021 and 2020, respectively.

Functional allocation of expenses

The financial statements report certain categories of expenses that are attributable to more than one function. Expenditures classified as program services relate primarily to the tax-exempt purpose of the Organization. Expenditures classified as management and general relate primarily to administrative functions. All expenses are allocated in a manner that best reflects the actual costs associated with each function, primarily based on estimates of time and effort.

Note 2 – Cash

	<u>2021</u>	<u>2020</u>
Interest bearing	\$ 1,401,243	\$ 1,000,598
Non-interest bearing	<u>491,850</u>	<u>959,137</u>
Total	<u>\$ 1,893,093</u>	<u>\$ 1,959,735</u>

At times throughout the years the Organization may have, on deposit in banks, amounts in excess of FDIC insurance limits. The Organization has not experienced any losses in such accounts and the Directors believe it is not exposed to any significant credit risks.

GLOBAL HEALTH CORPS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JULY 31, 2021 AND 2020

Note 3 - Availability of Financial Assets

The Organization's financial assets available within one year of the Statement of Financial Position date for expenditure are as follows:

	<u>2021</u>	<u>2020</u>
Financial assets at year end		
Cash	\$ 1,893,093	\$ 1,959,735
Accounts receivable	<u>1,281,399</u>	<u>1,792,073</u>
Total financial assets	<u>\$ 3,174,492</u>	<u>\$ 3,751,808</u>
Less amounts not available to be used within one year:		
Accounts receivable with donor restrictions	<u>400,000</u>	<u>348,340</u>
Total amounts unavailable for general expenditures within one year	<u>400,000</u>	<u>348,340</u>
Total financial assets available for general expenditures within one year	<u>\$ 2,774,492</u>	<u>\$ 3,403,468</u>

Certain financial assets are subject to donor restrictions based on a specific time period or purpose. None of the other financial assets are subject to restrictions that make them unavailable for general expenditure within one year of the Organization's Statement of Financial Position date. As part of the Organization's liquidity management, financial assets without donor restrictions are structured to be available for general expenditures, liabilities, and other obligations as they come due.

The Organization maintains a \$500,000 line of credit which can be drawn upon without restriction in the event of an unanticipated liquidity need. As of July 31, 2021, there was no outstanding balance.

GLOBAL HEALTH CORPS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JULY 31, 2021 AND 2020

Note 4 - Property and equipment

	2021	2020
Furniture & equipment	\$ 269,306	\$ 269,306
Less accumulated depreciation	257,116	243,819
Property and equipment - net	\$ 12,190	\$ 25,487

Property and equipment is stated at cost or estimated fair value at date of donation. Depreciation expense for each of the years ended July 31, 2021 and 2020 was \$13,298, computed using the straight-line method over the estimated useful lives of the respective assets.

Expenditures for maintenance, repairs and minor renewals are charged to expenses as incurred; major renewals and betterments are capitalized.

Note 5 - Notes payable

During the year, the Organization received a loan in the amount of \$375,000 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated February 01, 2021 and may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll and other expense described in the CARES Act. The loan, which is unsecured, matures two years from the date of disbursement, bears interest at a rate of 1% and is payable in 18 monthly installments of principal and interest beginning 6 months following the date of disbursement. The Plan may prepay 20% of the loan at any time without notice.

The Paycheck Protection Program Flexibility Act of 2020 extended the deferral period for repayment of the loan from 180 days to the date that the SBA remits the borrower's loan forgiveness amount to the lender or if the borrower does not apply for loan forgiveness, to ten months after the end of the borrower's loan forgiveness covered period. As a result, repayments of the loan have not yet begun. Subsequent to July 31, 2021, the Organization has applied for and received forgiveness of the loan.

During the year ended July 31, 2020, the Organization received a loan in the amount of \$275,000, under the Paycheck Protection Program. During the current year, the loan was forgiven, and the loan proceeds were included in corporate, government and foundation grants.

Note 6 - Net assets

The net assets of the Organization are classified as without donor restrictions and with donor restrictions.

Net assets without donor restrictions are available for any purpose or obligation of the Organization.

GLOBAL HEALTH CORPS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JULY 31, 2021 AND 2020

Note 6 - Net assets (cont'd)

Net assets with donor restrictions are those whose use by the Organization has been limited by donors to a specific time period or purpose.

Note 7 - Fellow support

The Organization is party to Memorandums of Agreement with various nonprofit organizations and government agencies, which are united in their missions of increasing global health equity, which govern the roles and responsibilities of the nonprofit organization, Global Health Corps, and the fellow. Financial, supervisory, and professional development support for the fellows as well as other aspects related to programming are specified in the terms of the agreements. Expenses relating to these agreements are included with program services and are recognized in the financial statements in the year the support is incurred.

Note 8 - In-kind contributions and contributed services

Contributed services are recognized in the financial statements at their estimated fair value if the services received either create or enhance nonfinancial assets, or require specialized skills, are provided by individuals possessing those skills, and would typically be purchased if not provided by donation.

Contributed furniture and equipment is recorded at estimated fair value at the date of the donation as support and revenue without restrictions unless the use of such contributed assets is limited by a donor-imposed restriction.

During the years ended July 31, 2021 and 2020, the Organization received donated legal services, event services and other services and materials at an estimated fair value of \$61,518 and \$153,469, respectively.

Note 9 - Lease commitments

The Organization leases various office and housing space in the United States and Africa (Malawi, Rwanda, Uganda and Zambia) from unrelated organizations with expiration dates between September 30, 2019 to February 28, 2025.

Effective July 1, 2020 through July 31, 2022, the Organization obtained an abatement on their lease of office space in New York, which lowered their monthly expense to \$10,000. All other terms in the lease remain the same.

Certain leases are cancellable by either party with specific advance notice.

Total occupancy expense for the years ended July 31, 2021 and 2020 was \$338,887 and \$386,805, respectively.

GLOBAL HEALTH CORPS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JULY 31, 2021 AND 2020

Note 9 - Lease commitments (cont'd):

Total future minimum rental obligations for fiscal years ending July 31 are as follows:

2022	\$ 120,000
2023	260,334
2024	271,295
2025 and thereafter	<u>161,501</u>
Total	<u>\$ 813,130</u>

Note 10 - Prior year summarized information

The financial statements include certain prior year summarized comparative information in total but not by net asset class and functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with the basis of accounting on which these financial statements were prepared. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended July 31, 2020, from which the summarized information was derived.

Note 11 - Tax status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and had obtained a favorable tax determination letter dated November 5, 2010. The Directors believe that the Organization is currently designed and operated in compliance with the requirements of the IRC.

Note 12 – Subsequent event

Subsequent to July 31, 2021, the Organization received donations from two grantors totaling \$8,500,000.