

**HEALTH EQUITY SOLUTIONS, INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**



**CARNEY, ROY AND GERROL, P.C.**  
*Certified Public Accountants*

**HEALTH EQUITY SOLUTIONS, INC.**  
FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

**HEALTH EQUITY SOLUTIONS, INC.**

**CONTENTS**

**DECEMBER 31, 2021 AND 2020**

	<b>PAGE</b>
Independent Auditor's Report	1 - 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 12



**CARNEY, ROY AND GERROL, P.C.**  
*Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
of Health Equity Solutions, Inc.

**Opinion**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Health Equity Solutions, Inc. 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 audits 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 Financial Statements section of our report. We are required to be independent of Health Equity Solutions, 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 Health Equity Solutions, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**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 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 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 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 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 Health Equity Solutions, 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 Health Equity Solutions, 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.

*Carneg, Roy and Gurd, P.C.*

Rocky Hill, Connecticut  
December 30, 2022

**HEALTH EQUITY SOLUTIONS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2021 AND 2020**

	<u><b>2021</b></u>	<u><b>2020</b></u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 841,766	\$ 437,099
Accounts receivable, net of allowance of \$0 and \$1,500	120,502	80,217
Contributions receivable	8,375	5,000
Prepaid expenses	19,685	8,531
<b>Total current assets</b>	<u>990,328</u>	<u>530,847</u>
<b>OTHER ASSETS</b>		
Security deposit	4,000	2,000
<b>TOTAL ASSETS</b>	<u><u>\$ 994,328</u></u>	<u><u>\$ 532,847</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 9,787	\$ 1,711
Payroll liabilities	13,678	9,676
Contract liabilities - deferred revenue	146,429	19,930
Refundable advances of contributions	92,538	96,992
<b>Total current liabilities</b>	<u>262,432</u>	<u>128,309</u>
<b>TOTAL LIABILITIES</b>	<u>262,432</u>	<u>128,309</u>
<b>NET ASSETS</b>		
Board-designated operating reserve	60,000	32,091
Other net assets without donor restrictions	671,896	372,447
<b>Total net assets without donor restrictions</b>	<u>731,896</u>	<u>404,538</u>
<b>TOTAL NET ASSETS</b>	<u>731,896</u>	<u>404,538</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 994,328</u></u>	<u><u>\$ 532,847</u></u>

The accompanying notes are an integral part of the financial statements.

**HEALTH EQUITY SOLUTIONS, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<b><u>Without Donor Restrictions</u></b>	<b><u>2021 Total</u></b>	<b><u>Without Donor Restrictions</u></b>	<b><u>2020 Total</u></b>
<b>REVENUE</b>				
Contributions - grants	\$ 1,227,568	\$ 1,227,568	\$ 461,900	\$ 461,900
Contributions - PPP grant	86,610	86,610	60,620	60,620
Contributions - other	29,065	29,065	30,644	30,644
Contract revenue - state grants	66,731	66,731	67,091	67,091
Contracts and program service fees	401,915	401,915	258,507	258,507
<b>TOTAL REVENUE</b>	<b><u>1,811,889</u></b>	<b><u>1,811,889</u></b>	<b><u>878,762</u></b>	<b><u>878,762</u></b>
<b>EXPENSES</b>				
Program services				
Total program	<u>1,209,098</u>	<u>1,209,098</u>	<u>547,002</u>	<u>547,002</u>
Supporting services				
Management and general	255,066	255,066	62,847	62,847
Fundraising	<u>20,367</u>	<u>20,367</u>	<u>33,605</u>	<u>33,605</u>
Total support	<u>275,433</u>	<u>275,433</u>	<u>96,452</u>	<u>96,452</u>
<b>TOTAL EXPENSES</b>	<b><u>1,484,531</u></b>	<b><u>1,484,531</u></b>	<b><u>643,454</u></b>	<b><u>643,454</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>327,358</b>	<b>327,358</b>	<b>235,308</b>	<b>235,308</b>
<b>NET ASSETS -     BEGINNING OF YEAR</b>	<b><u>404,538</u></b>	<b><u>404,538</u></b>	<b><u>169,230</u></b>	<b><u>169,230</u></b>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 731,896</u></b>	<b><u>\$ 731,896</u></b>	<b><u>\$ 404,538</u></b>	<b><u>\$ 404,538</u></b>

The accompanying notes are an integral part of the financial statements.

**HEALTH EQUITY SOLUTIONS, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total 2021</b>	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total 2020</b>
Salaries and wages	\$ 470,464	\$ 169,370	\$ 12,592	\$ 652,426	\$ 352,381	\$ 36,870	\$ 21,785	\$ 411,036
Employee benefits	54,782	19,722	1,466	75,970	40,158	4,202	2,483	46,843
Payroll taxes	37,700	13,572	1,009	52,281	28,591	2,992	1,768	33,351
Accounting fees	-	18,833	-	18,833	-	13,050	-	13,050
Other professional fees	551,592	-	-	551,592	62,823	-	-	62,823
Advertising and promotion	7,645	2,752	205	10,602	2,012	210	124	2,346
Office expenses	16,904	6,085	452	23,441	8,007	838	495	9,340
Information technology	9,634	3,469	258	13,361	6,097	638	377	7,112
Occupancy	28,189	10,148	754	39,091	13,281	1,390	821	15,492
Travel	77	28	2	107	2,994	313	185	3,492
Conferences and conventions	12,984	4,674	348	18,006	7,211	754	446	8,411
Insurance	3,633	1,308	97	5,038	4,505	471	278	5,254
Program supplies	1,312	-	-	1,312	4,943	-	-	4,943
Equipment	4,920	1,771	132	6,823	7,333	767	453	8,553
Other	9,262	3,334	248	12,844	3,366	352	208	3,926
Fundraising	-	-	2,804	2,804	-	-	4,182	4,182
Bad debt	-	-	-	-	3,300	-	-	3,300
	<u>\$ 1,209,098</u>	<u>\$ 255,066</u>	<u>\$ 20,367</u>	<u>\$ 1,484,531</u>	<u>\$ 547,002</u>	<u>\$ 62,847</u>	<u>\$ 33,605</u>	<u>\$ 643,454</u>

The accompanying notes are an integral part of the financial statements.



**HEALTH EQUITY SOLUTIONS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u><b>2021</b></u>	<u><b>2020</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 327,358	\$ 235,308
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in assets:		
Accounts receivable	(40,285)	(25,661)
Contributions receivable	(3,375)	(1,860)
Prepaid expenses	(11,154)	(2,870)
Security deposit	(2,000)	(2,000)
Increase (decrease) in liabilities:		
Accounts payable	8,076	(45,791)
Payroll liabilities	4,002	(18)
Contract liabilities - deferred revenue	126,499	2,939
Refundable advances of contributions	<u>(4,454)</u>	<u>87,007</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>404,667</u>	<u>247,054</u>
<b>NET INCREASE IN CASH</b>	404,667	247,054
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<u>437,099</u>	<u>190,045</u>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<u><u>\$ 841,766</u></u>	<u><u>\$ 437,099</u></u>

The accompanying notes are an integral part of the financial statements.

## HEALTH EQUITY SOLUTIONS, INC.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

#### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

##### *Nature of Organization*

Health Equity Solutions, Inc. is an organization focused on advancing health equity in the state of Connecticut. Its mission is to promote policies, programs, and practices that result in equitable health care access, delivery, and outcomes for all people in Connecticut. Health Equity Solutions, Inc. will catalyze policy programs and practices that advance and sustain health equity in Connecticut. Its model is simple and straightforward: identify what works, shape solutions for maximum impact, and accelerate their adoption.

The goals of Health Equity Solutions, Inc. are to:

- Advance health equity solutions through the reduction and eventual elimination of racial and ethnic health disparities in Connecticut
- Improve lives through promoting and improving access to health care, regardless of a person's age, gender, disability, race, ethnicity, income, or other class protected by law
- Educate decision makers, stakeholders, and the public regarding potential solutions to advance health equity, and
- Engage stakeholders in the advancement of public policy solutions that meaningfully and measurably further Health Equity Solutions, Inc.'s mission.

##### *Basis of Accounting*

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

##### *Basis of Presentation*

The Organization is required to report 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. There were no net assets with donor restrictions at December 31, 2021 and 2020.

##### *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 and disclosures in the financial statements. Actual results could differ from those estimates.

##### *Cash and Cash Equivalents*

For purposes of the statement of cash flows, Health Equity Solutions, Inc. considers short-term, liquid investments with an original maturity of three months or less to be cash equivalents.

##### *Advertising*

Advertising costs are expensed as incurred.

**HEALTH EQUITY SOLUTIONS, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021 AND 2020**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

***Grants***

Entitlement to cost reimbursement grants is based on the expenditure of funds in accordance with grant restrictions and, therefore, revenue is recognized to the extent of grant expenditures. Entitlement to performance-based grants is based on the attainment of specific performance goals and, therefore, revenue is recognized to the extent of performance achieved. Grant receipts in excess of revenue recognized are presented as refundable advances. Grants are classified as either contributions or exchange transactions (revenue from contracts with customers), depending on the specific facts and circumstances of the particular grants.

***Contributions***

Contributions are defined as voluntary, nonreciprocal transfers. Unrestricted and unconditional contributions are recognized as support when received or pledged, if applicable. Contributions are reported as support with donor restrictions if they are received with donor stipulations that limit the use of such assets. 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 are reported in the statement of activities as net assets released from restrictions. Health Equity Solutions, Inc.'s policy is to present net assets with donor restrictions received during the year whose restrictions are also met during the current year with net assets without donor restrictions.

***Property and Equipment - Depreciation***

Property and equipment acquisitions that individually exceed \$5,000 are recorded at cost if purchased or at estimated fair market value at date of gift or bequest if donated. Expenditures which substantially increase the useful lives of the related assets are capitalized. Maintenance and repairs are charged to expense as incurred. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets.

***Expenses by Function***

Health Equity Solutions, Inc. allocates its expenses on a functional basis among its programs and support services. Expenses that can be specifically identified with a program or support service are allocated directly. Other expenses that are common to several functions are allocated based on estimates of employee time and effort. These estimates are made by management and are updated at least annually.

***Income Taxes***

Health Equity Solutions, Inc. is an organization exempt from income taxes as defined in Internal Revenue Code Section 501(c)(3) and has not been classified as a private foundation. Accordingly, the financial statements do not reflect a provision for income taxes.

Health Equity Solutions, Inc. accounts for uncertainty in income taxes in accordance with the Income Tax Topic of the FASB Accounting Standards Codification. Health Equity Solutions, Inc. files a federal income tax return, which represents the major tax jurisdiction of Health Equity Solutions, Inc. The statutes of limitations for federal tax years 2018 through 2021 remain open for audit under the various statutes of limitations.

**HEALTH EQUITY SOLUTIONS, INC.**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

***Accounts Receivable***

Accounts receivable represents program service fees billed but not collected at the date of the financial statements and are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense 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.

***Revenue from Contracts with Customers***

Any consideration received in excess of contract revenue recognized results in a contract liability balance for that contract, while revenue recognized in excess of consideration received results in a balance receivable for that contract. Performance obligations typically consist of the requirement to transfer a service over time or services at points in time. For trainings and similar programs, the price is allocated equally over the number of sessions held or over the period of time during which the program transpires. For some grants, the total price is allocated amongst the contract deliverables, typically providing services over the contract period or providing services at an agreed-upon hourly rate. Revenue is recognized as the program sessions are held, the periods transpire, or deliverables are transferred to the customer, accordingly, and a corresponding decrease in contract liability or increase in amounts receivable from customers is recognized depending on whether payment has been received from the customer. Any direct and recoverable costs incurred to fulfill a contract in excess of contract expenses recognized results in a contract asset balance for that contract. Contract expenses are allocated and recognized in the same manner that contract revenue is, consistent with the satisfaction of performance obligations.

Revenue from contracts with customers consisted of the following for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Contract revenue - state grants	\$ 66,731	\$ 67,091
Contracts and program service fees	<u>401,915</u>	<u>258,507</u>
	<u>\$ 468,646</u>	<u>\$ 325,598</u>

There were no contract asset balances at December 31, 2021 and 2020. Contracts receivable, net of allowance for doubtful accounts, and contract liabilities consisted of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Contract receivables - beginning	\$ 80,217	\$ 54,556
Contract receivables - ending	\$ 120,502	\$ 80,217
Contract liabilities - beginning	\$ 19,930	\$ 16,991
Contract liabilities - ending	\$ 146,429	\$ 19,930

# HEALTH EQUITY SOLUTIONS, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

### NOTE 2 – CONCENTRATIONS

#### *Concentrations of Credit Risk*

Health Equity Solutions, Inc.'s financial instruments that are exposed to concentration of credit risk are cash and cash equivalents. Health Equity Solutions, Inc. places its cash balances in certain financial institutions insured by the Federal Deposit Insurance Company (FDIC) up to \$250,000. The portion of bank balances that exceeded FDIC coverage at December 31, 2021 and 2020, totaled \$636,056 and \$186,019. The financial stability of these institutions is continually reviewed by management.

#### *Revenue Concentrations*

A significant portion of Health Equity Solutions, Inc.'s revenue is received from Connecticut Health Foundation, Inc. All of Health Equity Solutions, Inc.'s grants are subject to reduction or termination in future years. Any loss or significant reduction of grants from this funding source could have a significant impact on Health Equity Solutions, Inc.'s financial position and program services. Revenue from Connecticut Health Foundation amounted to 17% and 33% of total revenue recognized during the year ended December 31, 2021 and 2020, respectively. Revenue from the State of Connecticut Governor's Office amounted to 32% of total revenue recognized during the year ended December 31, 2021. For the year ended December 31, 2020, 21% of accounts receivable was due from the State of Connecticut Office of Health Strategy. For the years ended December 31, 2021 and 2020, 49% and 59% of accounts receivable, respectively, was due from Princeton University.

### NOTE 3 – LEASE COMMITMENT

The Organization leases office space in Hartford, Connecticut. Total office lease expenses for the fiscal years ended December 31, 2021 and 2020, were \$39,091 and \$15,492, respectively. The current lease is effective through December 31, 2027 and requires monthly payments ranging from \$4,000 to \$4,680. Future minimum lease payments for the years ended December 31 are:

2022	\$ 48,600
2023	53,400
2024	53,400
2025	54,000
2026	54,000
2027	56,160
	<u>\$ 319,560</u>

### NOTE 4 – RETIREMENT BENEFITS

Health Equity Solutions, Inc. offers a SIMPLE IRA plan to all employees who are reasonably expected to receive at least \$5,000 in compensation for the calendar year. The Organization is required to match an employee's contributions dollar-for-dollar up to 3% of the employee's compensation. Total costs recognized by Health Equity Solutions, Inc. during 2021 and 2020 amounted to \$17,873 and \$12,203.

# HEALTH EQUITY SOLUTIONS, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

### NOTE 5 – DONATED SERVICES

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the School. Volunteers may also provide services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria for these not met.

### NOTE 6 – REVOLVING LINE OF CREDIT

The Organization has a \$25,000 revolving line of credit, all of which was unused at December 31, 2021 and 2020. Bank advances on the credit line are payable on demand and carry an interest rate of 4% over prime (3.25% at December 31, 2021). The credit line is secured by substantially all assets of the Organization.

### NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets generally include cash, accounts receivable, and contributions receivable. The following reflects the Organization's financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general use because of contractual, donor-imposed, or board-designated restrictions within one year of the statement of financial position date.

	<u>2021</u>	<u>2020</u>
Cash	\$ 841,766	\$ 437,099
Accounts receivable, net of allowance of \$0 and \$1,500	120,502	80,217
Contributions receivable	<u>8,375</u>	<u>5,000</u>
Financial assets at year-end	970,643	522,316
Less those unavailable for general expenditures within one year due to:		
Board-designated operating reserve	<u>(60,000)</u>	<u>(32,091)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 910,643</u>	<u>\$ 490,225</u>

As discussed in more detail in Note 6, the Organization maintains a line of credit which may be drawn upon to meet unexpected liquidity needs.

The governing board of the Organization has designated net assets without donor restrictions to be maintained as an operating reserve. As specified in the Organization's Operating Reserve Fund Policy, the purpose of the Operating Reserve Fund is to build and maintain an adequate level of net assets without donor restrictions to support the Organization's day-to-day operations in the event of unforeseen shortfalls or an unanticipated loss in funding. The reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure when it is not wise or prudent to use the line of credit for such activities or when the line of credit is not available for use.

**HEALTH EQUITY SOLUTIONS, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021 AND 2020**

**NOTE 8 – COVID-19 PANDEMIC**

The COVID-19 outbreak in the United States during 2021 and 2020 has caused business disruption through mandated and voluntary limitations on businesses, individuals and not-for-profit entities. This matter has negatively impacted the Organization's operating results, accordingly. The disruption is currently expected to be temporary, and the State has eased many of its restrictions. However, there is considerable uncertainty around the duration and extent of the future impact on the Organization, and the future financial impact cannot be reasonably estimated at this time.

**NOTE 9 – PAYCHECK PROTECTION PROGRAM**

In April of 2020, the Organization obtained a Paycheck Protection Program (PPP) loan in the amount of \$60,620, and in January of 2021, the Organization obtained a Second Draw PPP loan in the amount of \$86,610. The loans had a fixed interest rate of 1 % and were not secured by collateral. The PPP is part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and was amended by the Paycheck Protection Program Flexibility Act (PPPF Act). Under the PPP, the loan will be partially or fully forgiven if the Organization maintains its workforce and salaries and uses the loan proceeds for qualifying amounts of payroll, rent, mortgage interest, or utilities costs during the Covered Period. The PPPF Act increases the Covered Period from 8 weeks to 24 weeks after the loan was issued and amends the loan repayment deferral from six months to until the date on which the amount of forgiveness determined under Section 1106 of the CARES Act is remitted to the lender; any borrowers who fail to apply for forgiveness within 10 months of the last day of the Covered Period must make loan repayments beginning on that date. While the PPP funding is nominally a loan, the Organization accounts for it, in accordance with accounting principles generally accepted in the United States of America, as a cost-reimbursement grant, a conditional contribution, from the government. \$86,610 and \$60,620 have been recognized as revenue on the Statement of Activities for the years ended December 31, 201 and 2020, respectively. The loans were formally forgiven in 2021.

**NOTE 10 – SUBSEQUENT EVENTS**

Health Equity Solutions, Inc. has evaluated subsequent events through December 30, 2022, which is the date the financial statements were available to be issued. There is a lobbying services agreement for 2022 that requires the Organization to pay \$18,000 through installments of \$1,500 per month.