

HEALTH VOLUNTEERS OVERSEAS, INC.

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2020

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Independent Auditor's Report

To the Board of Directors
Health Volunteers Overseas, Inc.
Washington, DC

We have audited the accompanying financial statements of Health Volunteers Overseas, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. The financial statements of Health Volunteers Overseas, Inc. as of December 31, 2019, were audited by other auditors whose report dated August 28, 2020, expressed an unmodified opinion on those 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.

Health Volunteers Overseas, Inc.
Independent Auditor's Report
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Health Volunteers Overseas, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Jane Harwood & McQuade PA

Washington, DC
July 21, 2021

**HEALTH VOLUNTEERS OVERSEAS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	151,276
Contributions receivable		6,321
Investments		2,355,742
Prepaid expenses		24,343
Total Current Assets		2,537,682

PROPERTY AND EQUIPMENT, NET		6,551
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OTHER ASSETS

Deposits		6,955
		6,955

TOTAL ASSETS	\$	2,551,188
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$	52,016
Deferred rent, current portion		4,377
Total Current Liabilities		56,393

NON-CURRENT LIABILITIES

Deferred rent, net of current portion		65,400
Total Liabilities		121,793

NET ASSETS

Without donor restrictions		947,149
Without donor restrictions - board designated		989,188
Total Net Assets Without Donor Restrictions		1,936,337
With donor restrictions		493,058
Total Net Assets		2,429,395

TOTAL LIABILITIES AND NET ASSETS	\$	2,551,188
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The accompanying notes are an integral part of these financial statements.

**HEALTH VOLUNTEERS OVERSEAS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
In-kind contributions	\$ 2,324,691	\$ -	\$ 2,324,691
Contributions - other	968,799	58,060	1,026,859
Paycheck protection program grant	141,700	-	141,700
Other income	9,668	-	9,668
Investment income, net	227,956	-	227,956
Net assets released from restrictions	153,562	(153,562)	-
Total Revenue and Support	<u>3,826,376</u>	<u>(95,502)</u>	<u>3,730,874</u>
EXPENSES			
Program services			
In-kind program services	2,324,691	-	2,324,691
Program services - other	914,853	-	914,853
Total Program Services	<u>3,239,544</u>	<u>-</u>	<u>3,239,544</u>
Support Services:			
Management and general	185,566	-	185,566
Fundraising	79,527	-	79,527
Total Support Services	<u>265,093</u>	<u>-</u>	<u>265,093</u>
Total Expenses	<u>3,504,637</u>	<u>-</u>	<u>3,504,637</u>
CHANGE IN NET ASSETS	321,739	(95,502)	226,237
NET ASSETS, beginning of year	<u>1,614,598</u>	<u>588,560</u>	<u>2,203,158</u>
NET ASSETS, end of year	<u>\$ 1,936,337</u>	<u>\$ 493,058</u>	<u>\$ 2,429,395</u>

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

**HEALTH VOLUNTEERS OVERSEAS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020**

	Support Services			Total Expenses
	Program Services	Management and General	Fundraising	
In-Kind Expenditures:				
Professional services	\$ 1,951,614	\$ -	\$ -	\$ 1,951,614
Travel & living	316,165	-	-	316,165
Equipment, supplies & other	56,912	-	-	56,912
Subtotal In-Kind Expenditures	<u>2,324,691</u>	<u>-</u>	<u>-</u>	<u>2,324,691</u>
Salary, payroll taxes and benefits	592,362	143,754	54,963	791,079
Bank & credit card fees	4,704	1,141	437	6,282
Communications	4,865	862	3,849	9,576
Equipment	3,985	-	-	3,985
Depreciation	3,578	868	332	4,778
Grant refunds	42,773	-	-	42,773
Housing costs	12,796	-	-	12,796
Insurance	7,931	1,925	736	10,592
License & fees	-	630	4,062	4,692
Meetings	90	73	-	163
Miscellaneous	8,300	-	-	8,300
Office Supplies	962	233	89	1,284
Overhead	7,971	-	-	7,971
Postage	3,349	786	699	4,834
Printing	6,376	1,163	1,472	9,011
Professional Fees	32,281	6,468	2,307	41,056
Rent	108,801	26,400	10,098	145,299
Special Projects	5,207	-	-	5,207
Stipend	19,235	-	-	19,235
Telephone & Internet	3,446	836	320	4,602
Travel	45,841	427	163	46,431
Total	<u>\$ 3,239,544</u>	<u>\$ 185,566</u>	<u>\$ 79,527</u>	<u>\$ 3,504,637</u>

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

**HEALTH VOLUNTEERS OVERSEAS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$	226,237
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization expense		4,778
Net appreciation in fair value of investments		(67,578)
Changes in operating assets and liabilities:		
(Increase) decrease in assets		
Contributions receivable		21,727
Prepaid expenses		20,391
Increase (decrease) in liabilities		
Accounts payable and accrued expenses		4,708
Deferred rent		(584)
Deferred revenue		(1,415)
Net Cash Provided by Operating Activities		208,264

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investments		(1,031,655)
Proceeds from sales of investments		868,637
Net Cash Used For Investing Activities		(163,018)

NET INCREASE IN CASH AND CASH EQUIVALENTS 45,246

CASH AND CASH EQUIVALENTS, beginning of year 106,030

CASH AND CASH EQUIVALENTS, end of year \$ 151,276

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

**HEALTH VOLUNTEERS OVERSEAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE A - NATURE OF THE ORGANIZATION

Organization

Health Volunteers Overseas, Inc. ("HVO") was incorporated as a nonprofit organization. The purpose of HVO is to improve the availability and quality of health care through the education, training, and professional development of the health workforce in resource-scarce countries throughout the world. HVO's model combines a cost-efficient and innovative volunteer structure to deliver health training and education with a collaborative partnership philosophy leading to sustained and measurable improvements in health care delivery at sites. The intended impact of HVO's model is: 1) to improve health care availability by training new providers and sustaining existing providers through professional development opportunities; and, 2) to improve health care quality by training, teaching and mentoring providers.

HVO accomplishes its mission in several different ways: by sending highly skilled health professionals to complete short-term teaching assignments at partner institutions (universities, hospitals, and clinics) to build the knowledge, skills, and leadership capacity of students, residents and faculty; by offering remote, online e-learning and mentorship programs which complement and expand upon in-person training; and by offering scholarships for international health providers to attend conferences and workshops and fellowships for US-based volunteers to undertake longer-term volunteer assignments addressing complex and critical needs identified by project sites.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

HVO prepares its financial statements on the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned and expenses and related liabilities are recognized when the related obligations are incurred.

Financial Statement Presentation

Financial statement presentation follows Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") topic Not-for-Profit Entities. In accordance with the topic, net assets and revenue are classified based on the existence or absence of donor-imposed restrictions. Accordingly, HVO's net assets and changes therein, are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets not subject to donor-imposed restrictions or stipulations. Certain net assets without donor restrictions are designated by the Board of Directors for specified purposes.

HEALTH VOLUNTEERS OVERSEAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation - continued

Net Assets with Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met by either actions of HVO and/or the passage of time, or that must be maintained in perpetuity by HVO. When a restriction expires, 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, HVO considers all money market accounts to be cash equivalents (with the exception of the amounts that are part of the investments portfolio). HVO maintains its cash and cash equivalents balances in bank deposit accounts, which are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. At times, the accounts may exceed these limits. HVO believes it is not exposed to any significant credit risk on cash or cash equivalents.

Contributions Receivable

Accounts, grants, and pledges receivable are stated at the amount management expects to collect from balances outstanding at year end. Annually, management determines if an allowance for doubtful accounts is necessary based upon a review of outstanding receivables, historical collection, and existing economic conditions. Receivables deemed uncollectible are charged off based on specific circumstances of the parties involved. HVO believes all receivables are collectible. Therefore, no allowance for doubtful accounts was established as of December 31, 2020.

Property and Equipment

Property and equipment over \$1,000 are carried at cost and depreciated over the estimated useful life of three to five years using the straight line method. Expenditures increasing useful lives of assets are capitalized while repairs and maintenance are expensed.

In-Kind Contributions

In-kind contributions are recorded at fair value of the services or items received. HVO recognizes in-kind contributions that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

HEALTH VOLUNTEERS OVERSEAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue and Support

HVO recognizes contributions when cash, securities, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions received with donor stipulations are recorded as with donor restrictions based on the donor's intent. Unless otherwise stated by the donor, individual donations are recorded as without donor restrictions. HVO reports expirations of donor restrictions when the donated long-lived assets are acquired or placed in service. Contributions with donor restrictions that are met in the same reporting period as the contribution is received are reported as without donor restrictions support.

Method Used for Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting services of HVO. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include rent, depreciation, insurance, and office expenses, which are allocated based on estimates of the relative utilization of such support activities. Compensation and benefits are allocated on the basis of estimates of time and effort.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

NOTE C - INCOME TAXES

HVO is a 501(c)(3) entity exempt from federal income tax under Section 501(a) of the Internal Revenue Code. HVO is, however, subject to tax on business income unrelated to its exempt purpose.

HVO believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements or that would have an effect on its tax exempt status. There are no unrecognized tax benefits or liabilities that need to be recorded.

HEALTH VOLUNTEERS OVERSEAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE C - INCOME TAXES – continued

HVO's information returns are subject to examination by the Internal Revenue Service for a period of three years from the date they were filed, except under certain circumstances. HVO's information returns for the years 2017 through 2019 are open for a tax examination by the Internal Revenue Service, although no request has been made as of the date of these financial statements.

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY

HVO is supported by contributions without donor restrictions and with donor restrictions. Because a donor's restriction requires resources to be used for a specific purpose or in a future period, HVO must maintain sufficient resources to meet those responsibilities to its donors. Accordingly, a portion of HVO's financial assets may not be available for general expenditures within one year of the accompanying financial statement dates.

As a result of the above, HVO has an investment policy in place to ensure the availability of funds to meet obligations as they become due. Financial assets not required to meet near-term obligations are invested over various time horizons to insure liquidity, preservation of capital and the balancing of market risk and minimalization of volatility. In order to meet those objectives, HVO has established the following financial asset pools:

- Operating Fund – This consists of funds needed to manage short-term cash flow needs. The maturities on investments for the Operating Fund are limited to one year or less.
- Long-Term Fund – This is comprised of financial assets invested over a longer-term horizon to provide financial stability to meet the future needs of HVO, and to provide a source of revenue to temporarily bridge a possible shortfall in a given year, while balancing additional market risk and liquidity. The time horizon for this asset pool is 5 to 7 years.

HEALTH VOLUNTEERS OVERSEAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY – continued

HVO’s financial assets available with one year of the statement of financial position date for general expenditure are as follows:

Financial Assets	
Cash and cash equivalents	\$ 151,276
Contributions receivable	6,321
Investments	2,355,742
Total Financial Assets	2,513,339
Less amounts not available for general purposes:	
Donor restricted amounts	(493,058)
Board designated	(989,188)
Financial Assets Available for General Expenditures	
Within One Year	\$ 1,031,093

NOTE E – INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with the *Fair Value Measurements and Disclosures* Topic of FASB ASC, HVO has categorized its financial instruments, based on the priority of the inputs to the valuation’s technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the statement of financial position are categorized based on the inputs to valuation technique as follows:

Level 1 – These are instruments where values are based on unadjusted quoted prices for an identical asset in an active market HVO has the ability to access.

Level 2 – These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investments.

Level 3 – These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect certain assumptions by management about the assumptions market participants would use in pricing the investments. These investments include non-readily marketable securities that do not have an active market.

HEALTH VOLUNTEERS OVERSEAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE E – INVESTMENTS AND FAIR VALUE MEASUREMENTS – continued

The fair value of money market funds is valued by carrying amount, which approximate fair value. Fair values of mutual funds are valued on the market approach and the values have been provided by HVO’s investment managers and custodian banks.

The following table presents HVO’s fair value hierarchy for financial instruments measured at fair value on a recurring basis as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 85,067	\$ -	\$ -	\$ 85,067
Mutual Funds:				
Fixed Income	854,904	-	-	854,904
US Equities	1,072,092	-	-	1,072,092
International Equities	343,679	-	-	343,679
Total	<u>\$ 2,355,742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,355,742</u>

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2020:

Equipment	\$ 24,013
Furniture and fixtures	13,966
	<u>37,979</u>
Accumulated depreciation	<u>(31,428)</u>
Property and Equipment, Net	<u>\$ 6,551</u>

Depreciation expense for the year ended December 31, 2020 totaled \$4,778.

NOTE G – LEASES

On April 7, 2009, HVO entered into an amended non-cancellable lease agreement for the operating facilities for a term of ten years commencing May 1, 2009. Monthly rentals are adjusted throughout the lease term as defined in the lease. During the year ended December 31, 2016, the lease was further amended for additional term of six years, expiring in April 2026.

HEALTH VOLUNTEERS OVERSEAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE G – LEASES – continued

Future minimum rentals due under the terms of the lease (including lease extension) are the following for the years ended December 31:

2021	\$	141,733
2022		145,631
2023		149,636
2024		153,751
2025		157,979
Thereafter		53,616
Total	\$	802,346

Total rent expense for the year ended December 31, 2020 totaled \$145,299.

NOTE H - RETIREMENT PLAN

HVO has established a retirement plan that covers employees who have completed one year of employment and met other eligibility requirements of the plan. The plan is qualified under section 401(k) of the Internal Revenue Code (the “Code”). Contributions are made by the employees and are limited to the permissible salary deferrals plus catch up amounts, if applicable, in accordance with the Code. HVO matches employee contributions up to limits defined by the plan. HVO may also make additional discretionary contributions to the 401(k) plan on an annual basis. For the year ended December 31, 2020, HVO made contributions to the 401(k) which totaled \$39,865.

NOTE I – NOTE PAYABLE AND PAYCHECK PROTECTION PROGRAM GRANT

During the year ending December 31, 2020, HVO received a Payroll Protection Program (“PPP”) loan. The US Small Business Administration (“SBA”) set terms around this loan which allowed PPP borrowers the ability to qualify to have the loans forgiven if the proceeds are used to pay certain eligible costs. Since at the time of receipt of the funds HVO expected that they would meet the standards for forgiveness, it treated this funding as a conditional promise to give. As of December 31, 2020, management has made the determination that all conditions set by the SBA have been met, and therefore recognizable as grant revenue during the year.

NOTE J – IN-KIND CONTRIBUTIONS

Due to the global pandemic that started in February of 2020, HVO drastically curtailed its activities, suspending all projects and recalling all volunteers in March of 2020. Virtual training projects resumed part way through the year. For the year ended December 31, 2020, 126 volunteers completed 135 overseas assignments. These volunteers donated significant amounts

HEALTH VOLUNTEERS OVERSEAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE J – IN-KIND CONTRIBUTIONS – continued

of their time to serve overseas. During 2020, HVO volunteers contributed approximately 2,056 days of service in resource-scarce countries around the world. In addition, there were 109 e-volunteering assignments completed for a total of 2,001 hours of remote mentoring and clinical consultation. Management also estimates that more than 340 days of service were provided by volunteers serving in leadership positions, including steering committee members and project directors. Management's estimate of the value of all such donated time is \$1,951,614. Almost all travel and living expenses associated with the training visits are paid for by the participating health professionals. Management's estimate of the value of donated travel and living expenses is \$316,165. Finally, management's estimate of the value of other in-kind support, including equipment and supplies donated to sites, is \$56,912.

These donations of in-kind support are reflected on the financial statements as offsetting contributions (without donor restrictions) and as program services expenses. Management believes that the estimates of such expenditures provide a reasonable basis for recording offsetting in-kind contributions and donations. The recording of in-kind contributions and donations has no net impact on the reported change in net assets.

NOTE K - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions represent contributions from donors specified to be used in various overseas programs and projects sponsored by HVO and totaled \$493,058 as of December 31, 2020.

NOTE L - BOARD DESIGNATED NET ASSETS

On February 22, 2019, the boards of directors voted to formally merge Health Volunteers Overseas, Inc. and Orthopaedics Overseas, Inc. In addition, the voting membership of Orthopaedics Overseas, Inc. also voted to approve the merger. On March 29, 2019, Orthopaedic Overseas merged with and into the surviving entity Health Volunteers Overseas, Inc. As per the executed plan of merger, the board of directors agreed to the establishment of two board designated net asset funds in the total amount of \$989,188, effective as of the date of merger. The Orthopaedic Education Fund, with an initial allocation of \$415,459 will be used to support travel-related expenses for orthopaedic fellowships and scholarships. The Orthopaedic Innovation Fund, with an initial allocation of \$573,729, will be used to support innovative programmatic opportunities related to musculoskeletal, orthopaedic, and/or rehabilitation care. There were no disbursements from either fund in 2020. These two funds comprise the total of \$989,188 in board-designated funds as of December 31, 2020.

HEALTH VOLUNTEERS OVERSEAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE M - SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared Coronavirus (COVID-19) a global pandemic. As a result, HVO was required to significantly curtail its operations during 2020. Some of these changes have continued into 2021, including the suspension of in-person volunteer projects, which are not likely to resume until 2022. However, the management of HVO believes it no longer faces the uncertainty it faced a year ago in terms of operations, financial condition, and liquidity.

During the first half of 2021, HVO has made significant progress in the development of a remote educational interface (“REI”) which facilitates virtual training across a broad range of locations and specialties. The REI rollout has been hugely successful and HVO has moved forward with the development of a variety of new projects in this area of programming. HVO expects to increase staffing in 2021 and to make additional investments in technology. These investments will allow HVO to fully incorporate virtual training as a permanent part of its program service model, while also continuing to recruit in-person volunteers and plan placements for overseas assignments as soon as international projects can be re-opened.

In January of 2021, HVO applied for and received a second-round loan through the PPP authorized in the Coronavirus Aid, Relief and Economic Security (CARES) Act of 2020. A first-round PPP loan was received and fully forgiven in 2020. This second-round loan was in the amount of \$171,400 and was received on January 28, 2021. HVO expects the full amount of this loan to be forgiven.

In April of 2021, HVO received a without donor restrictions gift of \$5 million. The gift is intended to help further HVO’s mission and support its continued growth. The gift will be paid out in three equal annual installments; the first payment of \$1.67 million was received in April of 2021.

In preparing these financial statements, HVO has evaluated events and transactions for potential recognition or disclosure through July 21, 2020, the date the financial statements were available to be issued. Except as noted above, there were no additional events or transactions that were discovered during the evaluation that required further recognition or disclosure.