

# Help Hope Live, Inc.

Financial Statements  
Years Ended September 30, 2018 and 2017



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# HELP HOPE LIVE, INC.

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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors  
Help Hope Live, Inc.**

We have audited the accompanying financial statements of Help Hope Live, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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 U.S. generally accepted auditing standards. 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.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Help Hope Live, Inc. as of September 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

**Philadelphia, Pennsylvania  
March 28, 2019**

# HELP HOPE LIVE, INC.

## STATEMENTS OF FINANCIAL POSITION

September 30, 2018 and 2017

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	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash	\$ 541,864	\$ 714,563
Prepaid expenses and other assets	32,769	27,405
Investments	20,369,767	20,373,663
Equipment and improvements, net	<u>31,799</u>	<u>79,402</u>
<b>Total assets</b>	<u>\$ 20,976,199</u>	<u>\$ 21,195,033</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	<u>\$ 83,933</u>	<u>\$ 42,289</u>
<b>NET ASSETS</b>		
Unrestricted	998,744	1,110,555
Temporarily restricted	<u>19,893,522</u>	<u>20,042,189</u>
<b>Total net assets</b>	<u>20,892,266</u>	<u>21,152,744</u>
<b>Total liabilities and net assets</b>	<u>\$ 20,976,199</u>	<u>\$ 21,195,033</u>

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See accompanying notes

# HELP HOPE LIVE, INC.

## STATEMENTS OF ACTIVITIES

Years ended September 30, 2018 and 2017

	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT</b>						
Contributions						
General contributions	\$ 167,643	\$ 6,151,795	\$ 6,319,438	\$ 159,465	\$ 7,821,072	\$ 7,980,537
United Way	368	15,489	15,857	1,069	36,037	37,106
Project/operating grants	8,250	596	8,846	8,400	-	8,400
Matching gifts and memorial contributions	2,303	119,255	121,558	5,144	259,668	264,812
Special events (net of expenses of \$20,234 and \$31,233, respectively)	50,510	-	50,510	510	-	510
Net assets released from restrictions	<u>6,435,802</u>	<u>(6,435,802)</u>	<u>-</u>	<u>9,093,431</u>	<u>(9,093,431)</u>	<u>-</u>
<b>Total support</b>	<u>6,664,876</u>	<u>(148,667)</u>	<u>6,516,209</u>	<u>9,268,019</u>	<u>(976,654)</u>	<u>8,291,365</u>
<b>EXPENSES</b>						
Program services						
Client services	649,003	-	649,003	803,471	-	803,471
Public education	176,670	-	176,670	193,231	-	193,231
Medical and medically-related assistance	<u>6,247,791</u>	<u>-</u>	<u>6,247,791</u>	<u>8,884,682</u>	<u>-</u>	<u>8,884,682</u>
<b>Total program services</b>	<u>7,073,464</u>	<u>-</u>	<u>7,073,464</u>	<u>9,881,384</u>	<u>-</u>	<u>9,881,384</u>
Supporting services						
Administrative	418,311	-	418,311	434,858	-	434,858
Fundraising	<u>612,073</u>	<u>-</u>	<u>612,073</u>	<u>672,979</u>	<u>-</u>	<u>672,979</u>
<b>Total supporting services</b>	<u>1,030,384</u>	<u>-</u>	<u>1,030,384</u>	<u>1,107,837</u>	<u>-</u>	<u>1,107,837</u>
<b>Total expenses</b>	<u>8,103,848</u>	<u>-</u>	<u>8,103,848</u>	<u>10,989,221</u>	<u>-</u>	<u>10,989,221</u>
<b>CHANGE IN NET ASSETS BEFORE OTHER CHANGES</b>	<u>(1,438,972)</u>	<u>(148,667)</u>	<u>(1,587,639)</u>	<u>(1,721,202)</u>	<u>(976,654)</u>	<u>(2,697,856)</u>
<b>OTHER CHANGES</b>						
Interest and dividend income, net of investment fees	322,313	-	322,313	249,062	-	249,062
Net realized and unrealized gain on investments	<u>1,004,848</u>	<u>-</u>	<u>1,004,848</u>	<u>2,047,355</u>	<u>-</u>	<u>2,047,355</u>
	<u>1,327,161</u>	<u>-</u>	<u>1,327,161</u>	<u>2,296,417</u>	<u>-</u>	<u>2,296,417</u>
<b>CHANGE IN NET ASSETS</b>	<u>(111,811)</u>	<u>(148,667)</u>	<u>(260,478)</u>	<u>575,215</u>	<u>(976,654)</u>	<u>(401,439)</u>
<b>NET ASSETS</b>						
Beginning of year	<u>1,110,555</u>	<u>20,042,189</u>	<u>21,152,744</u>	<u>535,340</u>	<u>21,018,843</u>	<u>21,554,183</u>
<b>End of year</b>	<u>\$ 998,744</u>	<u>\$ 19,893,522</u>	<u>\$ 20,892,266</u>	<u>\$ 1,110,555</u>	<u>\$ 20,042,189</u>	<u>\$ 21,152,744</u>

See accompanying notes

**HELP HOPE LIVE, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year ended September 30, 2018

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total</u>
	<u>Client Services</u>	<u>Public Education</u>	<u>Medical and Medically-Related Assistance</u>	<u>Administrative</u>	<u>Fund Raising</u>	
Payroll	\$ 361,775	\$ 123,639	\$ -	\$ 223,769	\$ 225,946	\$ 935,129
Payroll taxes and benefits	54,487	18,621	-	33,702	34,028	140,838
Registrations	-	-	-	-	5,799	5,799
Equipment lease	4,657	1,592	-	2,880	2,908	12,037
Office supplies	2,597	887	-	1,606	1,622	6,712
Printing and postage	6,116	2,090	-	3,783	3,819	15,808
Consulting and professional fees	78,069	-	-	74,968	48,758	201,795
Occupancy	29,613	-	-	28,437	18,495	76,545
Client and emergency grants	-	-	6,247,791	-	-	6,247,791
Client campaign expenses	-	-	-	-	227,407	227,407
Telephone	5,841	1,996	-	3,613	3,649	15,099
Technology services	25,990	8,882	-	16,076	16,232	67,180
Travel and meetings	6,032	2,062	-	3,731	3,768	15,593
Insurance	1,145	391	-	708	716	2,960
Depreciation	18,416	-	-	17,685	11,502	47,603
Public relations/marketing	11,888	4,063	-	7,353	7,424	30,728
Credit card processing	42,377	-	-	-	-	42,377
Donor awareness materials	-	9,060	-	-	-	9,060
Miscellaneous	-	3,387	-	-	-	3,387
	<u>\$ 649,003</u>	<u>\$ 176,670</u>	<u>\$ 6,247,791</u>	<u>\$ 418,311</u>	<u>\$ 612,073</u>	<u>\$ 8,103,848</u>

See accompanying notes

**HELP HOPE LIVE, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year ended September 30, 2017

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total</u>
	<u>Client Services</u>	<u>Public Education</u>	<u>Medical and Medically-Related Assistance</u>	<u>Administrative</u>	<u>Fund Raising</u>	
Payroll	\$ 417,419	\$ 142,718	\$ -	\$ 258,346	\$ 260,633	\$ 1,079,116
Payroll taxes and benefits	56,647	19,368	-	35,060	35,371	146,446
Registrations	-	-	-	-	7,139	7,139
Equipment lease	4,223	1,444	-	2,614	2,637	10,918
Office supplies	5,114	1,749	-	3,165	3,193	13,221
Printing and postage	5,680	1,942	-	3,516	3,547	14,685
Consulting and professional fees	71,364	-	-	68,567	44,559	184,490
Occupancy	28,614	-	-	27,493	17,867	73,974
Client and emergency grants	-	-	8,884,682	-	-	8,884,682
Client campaign expenses	-	-	-	-	255,026	255,026
Telephone	5,308	1,815	-	3,285	3,315	13,723
Technology services	18,640	6,373	-	11,536	11,638	48,187
Travel and meetings	6,677	2,283	-	4,133	4,170	17,263
Insurance	1,746	597	-	1,081	1,090	4,514
Depreciation	100,618	-	-	13,416	20,124	134,158
Public relations/marketing	4,276	1,462	-	2,646	2,670	11,054
Credit card processing	77,145	-	-	-	-	77,145
Donor awareness materials	-	12,538	-	-	-	12,538
Miscellaneous	-	942	-	-	-	942
	<u>\$ 803,471</u>	<u>\$ 193,231</u>	<u>\$ 8,884,682</u>	<u>\$ 434,858</u>	<u>\$ 672,979</u>	<u>\$ 10,989,221</u>

See accompanying notes

# HELP HOPE LIVE, INC.

## STATEMENTS OF CASH FLOWS

Years ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Change in net assets</i>	\$ (260,478)	\$ (401,439)
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Depreciation	47,603	134,158
Net realized and unrealized gain on investments	(1,004,848)	(2,047,355)
(Increase) decrease in		
Prepaid expenses and other assets	(5,364)	(4,373)
Increase (decrease) in		
Accounts payable and accrued expenses	<u>41,644</u>	<u>(84,881)</u>
<b>Net cash used for operating activities</b>	<u>(1,181,443)</u>	<u>(2,403,890)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(3,253,035)	(5,865,162)
Proceeds from the sale of investments	<u>4,261,779</u>	<u>7,496,793</u>
<b>Net cash provided by investing activities</b>	<u>1,008,744</u>	<u>1,631,631</u>
<b>Net change in cash</b>	(172,699)	(772,259)
<b>CASH</b>		
Beginning of year	<u>714,563</u>	<u>1,486,822</u>
End of year	<u>\$ 541,864</u>	<u>\$ 714,563</u>

See accompanying notes



# HELP HOPE LIVE, INC.

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

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### (1) NATURE OF ORGANIZATION

Help Hope Live, Inc. (the "**Organization**") was incorporated in 1983 and engages communities to organize, launch and sustain grassroots fundraising campaigns for uninsured medical expenses related to transplant and catastrophic injury and illness. Help Hope Live, Inc. helps families in financial crisis related to medical bills through a proven structure that both raises funds and pays uninsured medical expenses. Help Hope Live, Inc. also provides educational and emotional support.

### (2) SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

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

#### **Basis of Presentation**

The Organization reports information regarding its financial position and activities according to the following classes of net assets:

##### ***Unrestricted net assets***

Net assets that are not subject to donor-imposed restrictions.

##### ***Temporarily restricted net assets***

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of the Organization and/or the passage of time. When a restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "**net assets released from restrictions.**"

##### ***Permanently restricted net assets***

Net assets that are subject to donor-imposed restrictions that such assets be maintained indefinitely. There were no permanently restricted net assets as of September 30, 2018 and 2017.

#### **Estimates**

The presentation of financial statements in conformity with U.S. generally accepted accounting principles ("**GAAP**") 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Contributions**

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation. Conditional promises to give are not included as revenue until such time as the conditions are substantially met.

Unrestricted donations received from the public are classified as "unrestricted" and are used for the Organization's general activities and for assistance grants to clients who have met the requirements listed in the Organization's client application. Donations, which are designated for a specified geographic region, are classified as "temporarily restricted." These donations are used exclusively for client assistance grants for uninsured transplant and catastrophic injury related expenses in those respective regions.

# HELP HOPE LIVE, INC.

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

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### Donated services

The Organization received volunteer labor during the year. In addition, numerous volunteers have donated their time and services to establish client campaigns in regions throughout the United States. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition in accordance with accounting standards for such donated services.

### Investments

Investments are recorded in the statement of financial position at fair value, as determined based on quoted market prices. The fair value of alternative investments has been estimated using the net asset value per share. Cash equivalents classified as investments are short-term, highly liquid investments with original maturities of three months or more. Realized and unrealized gains and losses are included in the statement of activities.

The Organization invests in a professionally-managed portfolio that contains various types of securities (**See Note 3**). Such investments are exposed to market and credit risks. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in the near term would materially affect the investment balances and the amounts reported in the financial statements.

### Fair Value Measurements of Assets and Liabilities

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

**Level 1** – Valuations based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not entail a significant degree of judgment.

**Level 2** – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

**Level 3** – Valuations based on inputs that are unobservable, that is, inputs that reflect the Organization's own assumptions.

### Equipment and Improvements

Equipment and improvements are stated at cost. Contributed equipment and improvements are recorded at fair value at the date of donation. The Organization capitalizes all expenditures for equipment in excess of \$1,500. Expenditures for major renewals and betterments that extend the useful lives of the equipment are capitalized. Expenditures for maintenance and repairs are charged to expenses as incurred. Depreciation is computed based on the straight line method over the estimated useful lives of the equipment and improvements ranging from 3 to 7 years.

### Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

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# HELP HOPE LIVE, INC.

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

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GAAP requires entities to evaluate, measure, recognize and disclose any uncertain income tax positions taken on their tax returns. GAAP prescribes a minimum threshold that a tax position is required to meet in order to be recognized in the financial statements. The Organization believes that it had no uncertain tax positions as defined by GAAP.

### **Concentration of Credit Risk**

The Organization maintains its cash balances in financial institutions with insurance provided by the Federal Deposit Insurance Corporation. At times, these accounts may exceed the federally insured limit. Management does not believe there is a significant credit risk with these institutions.

### **Functional Expenses**

The cost of providing various programs and other activities have been presented on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

### **Reclassifications**

Certain items in the 2017 comparative totals have been reclassified to conform to the 2018 presentation.

## (3) INVESTMENTS

Investments are stated at fair value and are summarized as follows as of September 30, 2018 and 2017:

	<b><u>2018</u></b>	<b><u>2017</u></b>
Money market fund	\$ 808,693	\$ 580,931
Fixed income securities		
Corporate bonds	2,448,248	2,544,226
Foreign bonds	612,809	637,529
Equities		
Mutual funds	11,945,819	12,202,794
Real estate funds	812,048	1,002,828
Absolute return fund	890,132	663,999
Commodities	610,478	608,315
Alternative investments	<u>2,241,540</u>	<u>2,133,041</u>
Total investments	<u>\$ 20,369,767</u>	<u>\$ 20,373,663</u>

Investment income consisted of the following for the year ended September 30, 2018 and 2017:

	<b><u>2018</u></b>	<b><u>2017</u></b>
Unrealized appreciation	\$ 96,994	\$ 1,599,680
Realized net gain	<u>907,854</u>	<u>447,675</u>
Net gain on investments	1,004,848	2,047,355
Interest and dividends	409,793	334,033
Investment management and advisory fees	<u>(87,480)</u>	<u>(84,971)</u>
Total return	<u>\$ 1,327,161</u>	<u>\$ 2,296,417</u>

# HELP HOPE LIVE, INC.

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

Alternative investments consisted of the following at September 30, 2018:

	<u>Fair value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Independence Global Fund (a)	\$ 1,181,464	None	Quarterly	75 days
Liberty Special Strategies TD Fund (b)	1,060,076	None	Semi-Annual	90 days
	<u>\$ 2,241,540</u>			

(a) – This category includes investments in a pooled investment fund that seeks to improve overall portfolio diversification, outperform equities during bear markets and earn a competitive risk-adjusted return over a market cycle. The fair values of the investments in this category have been estimated using the net asset value per share. There are no initial lock-up restrictions at September 30, 2018.

(b) – This category includes investments in a pooled investment fund that seeks long-term capital appreciation principally through investing in investment funds managed by third-party investment managers which employ a variety of alternative investment strategies. The fair values of the investments in this category have been estimated using the net asset value per share. There are no initial lock-up restrictions at September 30, 2018.

#### (4) ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

The following is a summary of assets and liabilities measured at fair value on a recurring basis and the valuation inputs used to value them at September 30, 2018 and 2017.

	<u>Fair Value</u>	<u>2018</u>		
		<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Other Unobservable Inputs (Level 3)</u>
Investments				
Money market fund	\$ 808,693	\$ 808,693	\$ -	\$ -
Fixed income securities				
Corporate bonds	2,448,248	-	2,448,248	-
Foreign bonds	612,809	-	612,809	-
Equities				
Mutual funds	11,945,819	11,945,819	-	-
Real estate funds	812,048	812,048	-	-
Absolute return fund	890,132	890,132	-	-
Commodities	610,478	610,478	-	-
Alternative investments measured at net asset value (a)	2,241,540	N/A	N/A	N/A
	<u>\$20,369,767</u>	<u>\$15,067,170</u>	<u>\$3,061,057</u>	<u>\$ -</u>

# HELP HOPE LIVE, INC.

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

	2017			
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Other Unobservable Inputs (Level 3)</u>
Investments				
Money market fund	\$ 580,931	\$ 580,931	\$ -	\$ -
Fixed income securities				
Corporate bonds	2,544,226	-	2,544,226	-
Foreign bonds	637,529	-	637,529	-
Equities				
Mutual funds	12,202,794	12,202,794	-	-
Real estate funds	1,002,828	1,002,828	-	-
Absolute return fund	663,999	663,999	-	-
Commodities	608,315	608,315	-	-
Alternative investments measured at net asset value (a)	2,133,041	N/A	N/A	N/A
	<u>\$20,373,663</u>	<u>\$15,058,867</u>	<u>\$3,181,755</u>	<u>\$ -</u>

(a) Certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. These investments have been included in this table to permit reconciliation to the amounts presented in the statement of financial position.

### (5) EQUIPMENT AND IMPROVEMENTS

Equipment and improvements consist of the following as of September 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Computer equipment	\$ 40,004	\$ 40,004
Computer software and website development	678,350	678,350
Office equipment	11,651	11,651
Office furniture	16,962	16,962
Improvements	16,344	16,344
	<u>763,311</u>	<u>763,311</u>
Less accumulated depreciation	<u>731,512</u>	<u>683,909</u>
	<u>\$ 31,799</u>	<u>\$ 79,402</u>

Depreciation expense for the years ended September 30, 2018 and 2017 was \$47,603 and \$134,158, respectively.

### (6) TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are predominantly available to pay uninsured medically related expenses for clients accepted into the program. Expenses may include items such as: hospital and doctor bills, deductibles and co-pays, medical insurance premiums, medications, home medical supplies/equipment, home healthcare, client lodging related to treatment, home accessibility, accessible transportation, and continued uninsured therapy and treatment. Investment income earned from temporarily restricted assets and administrative fees are used to defray the administrative costs of client services. Investment income including gains and losses earned on investments are recorded as unrestricted activity. Administrative fees are deducted from donations designated for client grants based on the fee percentage applicable to the type of donation received and are included in unrestricted general contributions on the statement of activities.

# HELP HOPE LIVE, INC.

## NOTES TO FINANCIAL STATEMENTS

### September 30, 2018 and 2017

Temporarily restricted net assets are available and were released from restrictions for the following purposes as of and for the year ended as of September 30, 2018 and 2017:

	<u>September 30,</u> <u>2017</u>	<u>Additions</u>	<u>Releases</u>	<u>September 30,</u> <u>2018</u>
Emergency assistance grants	\$ 104,480	\$ 596	\$ (93,398)	\$ 11,678
Medical and medically-related assistance	19,936,398	6,286,489	(6,342,404)	19,880,483
Memorial and other funds	1,311	50	-	1,361
	<u>\$ 20,042,189</u>	<u>\$ 6,287,135</u>	<u>\$ (6,435,802)</u>	<u>\$ 19,893,522</u>

  

	<u>September 30,</u> <u>2016</u>	<u>Additions</u>	<u>Releases</u>	<u>September 30,</u> <u>2017</u>
Emergency assistance grants	\$ 104,080	\$ 400	\$ -	\$ 104,480
Medical and medically-related assistance	20,913,452	8,084,764	(9,061,818)	19,936,398
Memorial and other funds	1,311	31,613	(31,613)	1,311
	<u>\$ 21,018,843</u>	<u>\$ 8,116,777</u>	<u>\$ (9,093,431)</u>	<u>\$ 20,042,189</u>

### (7) PENSION PLAN

The Organization sponsors a pension plan under Internal Revenue Code 403(b) covering substantially all of its employees. The Organization made contributions to the plan in 2018 and 2017 on behalf of the employees in the amount of \$27,303 and \$26,563, respectively.

### (8) COMMITMENTS

The Organization has an operating lease agreement for its office facilities which includes the payment of a monthly minimum rental payment and operating expenses. This lease expires in March 2020.

The future minimum lease payments under the operating leases are as follows:

<u>Years ending September 30,</u>	
2019	\$ 65,691
2020	<u>33,619</u>
	<u>\$ 99,310</u>

Total rent expense for the year ended September 30, 2018 and 2017 was \$66,857 and \$68,797, respectively.

### (9) CLIENT CHALLENGE, EMERGENCY AND ALTRUISTIC GRANTS

The Organization provided challenge grants totaling \$-0- and \$12,250 to eligible candidates during the years ended September 30, 2018 and 2017. These challenge grants are funded from unrestricted sources. In addition, the Organization provided \$47,126 and \$6,485 of emergency and altruistic grants during the year ended September 30, 2018 and \$24,858 and \$2,679 of emergency and altruistic grants during the year ended September 30, 2017.

## **HELP HOPE LIVE, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

**September 30, 2018 and 2017**

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#### **(10) RELATED PARTY TRANSACTIONS**

The Organization provided client assistance grants for uninsured medically related and fundraising expenses to the child of a Finance Committee Member. The requests for these grants are reviewed and approved by the Chief Financial Officer and other financial staff as well as approved by a sub-committee of non-interested Board Members. In 2017, medical assistance grants of approximately \$17,000 were provided to a Finance Committee Member's son.

#### **(11) SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 28, 2019, the date on which the financial statements were available to be issued. No material subsequent events have occurred since September 30, 2018 that would require recognition or disclosure in the financial statements.