

Help Hope Live, Inc.

Financial Statements
Years Ended September 30, 2020 and 2019



1835 Market Street, 3rd Floor
Philadelphia, PA 19103

215/567-7770 | bbdcpa.com

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, 2020 and 2019, 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, 2020 and 2019, 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
_____, 2021

HELP HOPE LIVE, INC.

STATEMENTS OF FINANCIAL POSITION

September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	\$ 1,144,703	\$ 732,544
Prepaid expenses and other assets	44,965	46,965
Investments	19,191,937	19,530,240
Equipment and improvements, net	<u>27,819</u>	<u>36,592</u>
Total assets	<u>\$ 20,409,424</u>	<u>\$ 20,346,341</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 98,139	\$ 84,568
Loans payable	<u>385,500</u>	<u>-</u>
	<u>483,639</u>	<u>84,568</u>
NET ASSETS		
Without donor restrictions	2,354,649	2,574,263
With donor restrictions	<u>17,571,136</u>	<u>17,687,510</u>
Total net assets	<u>19,925,785</u>	<u>20,261,773</u>
Total liabilities and net assets	<u>\$ 20,409,424</u>	<u>\$ 20,346,341</u>

See accompanying notes

HELP HOPE LIVE, INC.

STATEMENTS OF ACTIVITIES

Years ended September 30, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT						
Contributions						
General contributions	\$ 430,386	\$ 4,362,369	\$ 4,792,755	\$ 419,967	\$ 5,829,690	\$ 6,249,657
In-kind contributions	-	-	-	7,500	-	7,500
United Way contributions	2,646	5,596	8,242	967	10,425	11,392
Project/operating grants	75,152	2,500	77,652	46,298	-	46,298
Matching gifts and memorial contributions	331,534	80,764	412,298	5,571	103,509	109,080
Special events (net of expenses of \$63,742 and \$20,234, respectively)	76,377	1,490	77,867	77,418	-	77,418
Net assets released from restrictions	<u>4,569,093</u>	<u>(4,569,093)</u>	<u>-</u>	<u>8,149,636</u>	<u>(8,149,636)</u>	<u>-</u>
Total support	<u>5,485,188</u>	<u>(116,374)</u>	<u>5,368,814</u>	<u>8,707,357</u>	<u>(2,206,012)</u>	<u>6,501,345</u>
EXPENSES						
Program services						
Client services	582,356	-	582,356	602,749	-	602,749
Public education	120,774	-	120,774	145,265	-	145,265
Medical and medically-related assistance	<u>4,398,959</u>	<u>-</u>	<u>4,398,959</u>	<u>5,381,902</u>	<u>-</u>	<u>5,381,902</u>
Total program services	<u>5,102,089</u>	<u>-</u>	<u>5,102,089</u>	<u>6,129,916</u>	<u>-</u>	<u>6,129,916</u>
Supporting services						
Administrative	341,005	-	341,005	365,144	-	365,144
Fundraising	<u>874,081</u>	<u>-</u>	<u>874,081</u>	<u>789,278</u>	<u>-</u>	<u>789,278</u>
Total supporting services	<u>1,215,086</u>	<u>-</u>	<u>1,215,086</u>	<u>1,154,422</u>	<u>-</u>	<u>1,154,422</u>
Total expenses	<u>6,317,175</u>	<u>-</u>	<u>6,317,175</u>	<u>7,284,338</u>	<u>-</u>	<u>7,284,338</u>
CHANGE IN NET ASSETS BEFORE OTHER CHANGES	<u>(831,987)</u>	<u>(116,374)</u>	<u>(948,361)</u>	<u>1,423,019</u>	<u>(2,206,012)</u>	<u>(782,993)</u>
OTHER CHANGES						
Interest and dividend income, net of investment fees	53,823	-	53,823	340,410	-	340,410
Net realized and unrealized gain (loss) on investments	<u>558,550</u>	<u>-</u>	<u>558,550</u>	<u>(187,910)</u>	<u>-</u>	<u>(187,910)</u>
	<u>612,373</u>	<u>-</u>	<u>612,373</u>	<u>152,500</u>	<u>-</u>	<u>152,500</u>
CHANGE IN NET ASSETS	<u>(219,614)</u>	<u>(116,374)</u>	<u>(335,988)</u>	<u>1,575,519</u>	<u>(2,206,012)</u>	<u>(630,493)</u>
NET ASSETS						
Beginning of year	<u>2,574,263</u>	<u>17,687,510</u>	<u>20,261,773</u>	<u>998,744</u>	<u>19,893,522</u>	<u>20,892,266</u>
End of year	<u>\$ 2,354,649</u>	<u>\$ 17,571,136</u>	<u>\$ 19,925,785</u>	<u>\$ 2,574,263</u>	<u>\$ 17,687,510</u>	<u>\$ 20,261,773</u>

See accompanying notes

HELP HOPE LIVE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2020

	<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	\$ 343,056	\$ 85,178	\$ -	\$ 207,789	\$ 450,009	\$ 1,086,032
Payroll taxes and benefits	60,021	14,903	-	36,355	78,736	190,015
Registrations	-	-	-	-	5,862	5,862
Equipment lease	2,220	551	-	1,345	2,912	7,028
Office supplies	789	196	-	478	1,036	2,499
Printing and postage	1,349	335	-	817	1,770	4,271
Consulting and professional fees	52,768	-	-	45,063	69,219	167,050
Occupancy	25,106	-	-	21,440	32,933	79,479
Client and emergency grants	-	-	4,398,959	-	-	4,398,959
Client campaign expenses	-	-	-	-	173,064	173,064
Telephone	3,339	829	-	2,022	4,380	10,570
Technology services	27,209	6,756	-	16,480	35,692	86,137
Travel and meetings	6,336	1,573	-	3,837	8,311	20,057
Insurance	1,940	482	-	1,175	2,545	6,142
Depreciation	2,772	-	-	2,367	3,634	8,773
Public relations/marketing	3,033	753	-	1,837	3,978	9,601
Credit card processing	52,418	-	-	-	-	52,418
Donor awareness materials	-	4,871	-	-	-	4,871
Miscellaneous	-	4,347	-	-	-	4,347
	<u>\$ 582,356</u>	<u>\$ 120,774</u>	<u>\$ 4,398,959</u>	<u>\$ 341,005</u>	<u>\$ 874,081</u>	<u>\$ 6,317,175</u>

See accompanying notes

HELP HOPE LIVE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2019

	<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	\$ 364,895	\$ 99,331	\$ -	\$ 235,191	\$ 344,132	\$ 1,043,549
Payroll taxes and benefits	59,647	16,237	-	38,445	56,761	171,090
Registrations	-	-	-	-	5,436	5,436
Equipment lease	3,923	1,068	-	2,529	3,701	11,221
Office supplies	2,023	551	-	1,304	1,905	5,783
Printing and postage	2,844	774	-	1,833	2,683	8,134
Consulting and professional fees	17,189	-	-	15,758	16,210	49,157
Occupancy	30,444	-	-	27,910	28,712	87,066
Client and emergency grants	-	-	5,381,902	-	-	5,381,902
☪ Client campaign expenses	-	-	-	-	271,153	271,153
Telephone	3,976	1,082	-	2,563	3,750	11,371
Technology services	27,637	7,523	-	17,813	26,065	79,038
Travel and meetings	10,242	2,788	-	6,601	9,659	29,290
Insurance	2,364	644	-	1,524	2,230	6,762
Depreciation	6,584	-	-	6,036	6,210	18,830
Public relations/marketing	10,301	2,804	-	6,639	9,715	29,459
Credit card processing	59,131	-	-	-	-	59,131
Donor awareness materials	-	12,041	-	-	-	12,041
Miscellaneous	1,549	422	-	998	956	3,925
	<u>\$ 602,749</u>	<u>\$ 145,265</u>	<u>\$ 5,381,902</u>	<u>\$ 365,144</u>	<u>\$ 789,278</u>	<u>\$ 7,284,338</u>

See accompanying notes

HELP HOPE LIVE, INC.

STATEMENTS OF CASH FLOWS

Years ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$ (335,988)	\$ (630,493)
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Depreciation	8,773	18,830
Net realized and unrealized gain (loss) on investments	(558,550)	187,910
(Increase) decrease in		
Prepaid expenses and other assets	2,000	(14,196)
Increase (decrease) in		
Accounts payable and accrued expenses	<u>13,571</u>	<u>635</u>
Net cash used for operating activities	<u>(870,194)</u>	<u>(437,314)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(3,770,100)	(12,089,315)
Proceeds from the sale of investments	4,666,953	12,740,932
Acquisition of equipment and improvements	<u>-</u>	<u>(23,623)</u>
Net cash provided by investing activities	<u>896,853</u>	<u>627,994</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans payable	<u>385,500</u>	<u>-</u>
Net cash provided by financing activities	<u>385,500</u>	<u>-</u>
Net change in cash	412,159	190,680
CASH		
Beginning of year	<u>732,544</u>	<u>541,864</u>
End of year	<u>\$ 1,144,703</u>	<u>\$ 732,544</u>

See accompanying notes

HELP HOPE LIVE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2020 and 2019

(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:

Without donor restrictions

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

With donor restrictions

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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as "**net assets released from restrictions.**"

Also included in this category are net assets subject to donor-imposed restrictions that require the net assets to be maintained indefinitely while permitting the Organization to expend the income generated in accordance with the provisions of the contribution. There were no such net assets as of September 30, 2020 and 2019.

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.

Investments

Investments are recorded in the statements 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 less. Realized and unrealized gains and losses are included in the statements of activities. Dividend and interest income is recorded as earned.

The Organization invests in a professionally-managed portfolio that contains various types of securities (**See Note 4**). 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.

HELP HOPE LIVE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2020 and 2019

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 unadjusted 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, if purchased. 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.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue when the related promise to give is 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.

Donations without restrictions received from the public are classified as "without donor restrictions" 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 "with donor restrictions." These donations are used exclusively for client assistance grants for uninsured transplant and catastrophic injury related expenses in those respective regions.

In-Kind Contributions and 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.

HELP HOPE LIVE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2020 and 2019

The Organization records the value of contributed goods when there is an objective basis available to measure their value. Contributed goods are included as support in the accompanying statements of activities at their estimated values at the time received.

Income Tax Status

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

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 Allocation of Expenses

The costs of providing the various program and supporting services have been summarized in the accompanying statements of activities and functional expenses. Accordingly, certain expenses have been allocated among the programs and supporting services in reasonable ratios determined by management.

The financial statements have certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated based on estimates of time and effort include payroll, payroll taxes and benefits. Expenses that are allocated based on the percentage of direct costs include equipment lease, office supplies, occupancy, telephone, technology services and insurance.

Accounting Pronouncements Adopted

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The Organization adopted ASU 2014-09 on October 1, 2019 using the modified retrospective method approach.

The Organization performed an analysis of revenue streams and transactions under ASU 2014-09, including applying the portfolio approach as a practical expedient to group contracts with similar characteristics such that revenue for a given portfolio would not be materially different than if it were evaluated on a contract-by-contract basis. The impact of adopting ASU 2014-09 was not material to total revenues without donor restrictions, excess of revenues over expenses, or total net assets. The Organizations' revenue recognition policies are detailed within Note 2.

HELP HOPE LIVE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2020 and 2019

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies and improves the scope and accounting guidance for contributions received and made and assists entities in evaluating whether transactions should be accounted for as contributions within the scope of Topic 958, Not-for-Profit Entities, or as exchange transactions subject to other guidance, and in determining whether a contribution is conditional. The Organization adopted ASU 2018-08 on October 1, 2019.

(3) LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as of the statement of financial position date, which has been reduced by financial assets not available within one year.

Cash	\$ 1,144,703
Investments	<u>19,191,937</u>
Total financial assets	20,336,640
Less: financial assets not available for general operations within one year	
Restricted by donor for specific purposes or periods	<u>(17,571,136)</u>
Total financial assets available within one year	<u>\$ 2,765,504</u>

Liquidity Management

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

The Organization has various sources of liquidity at its disposal, including cash, money market funds, fixed income securities, equities and alternative investments.

(4) INVESTMENTS

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

	<u>2020</u>	<u>2019</u>
Money market fund	\$ 963,380	\$ 671,205
Fixed income securities		
Corporate bonds	2,291,539	2,627,420
Foreign bonds	566,177	634,164
Equities		
Mutual funds	11,517,466	11,701,217
Real estate funds	949,462	976,709
Absolute return fund	304,557	195,682
Commodities	383,565	386,240
Alternative investments	<u>2,215,791</u>	<u>2,337,603</u>
Total investments	<u>\$ 19,191,937</u>	<u>\$ 19,530,240</u>

HELP HOPE LIVE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2020 and 2019

Investment income consisted of the following for the year ended September 30:

	<u>2020</u>	<u>2019</u>
Unrealized appreciation (depreciation)	\$ 481,015	\$ (1,238,978)
Realized net gain	<u>77,535</u>	<u>1,051,068</u>
Net gain (loss) on investments	558,550	(187,910)
Interest and dividends	157,510	432,549
Investment management and advisory fees	<u>(103,687)</u>	<u>(92,139)</u>
Total return	<u>\$ 612,373</u>	<u>\$ 152,500</u>

Alternative investments consisted of the following at September 30, 2020:

	<u>Fair value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Independence Global Fund (a)	\$ 1,186,795	None	Quarterly	75 days
Liberty Special Strategies TD Fund (b)	<u>1,028,996</u>	None	Semi-Annual	90 days
	<u>\$2,215,791</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, 2020.

(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, 2020.

(5) 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:

	<u>2020</u>			
	<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	\$ 963,380	\$ 963,380	\$ -	\$ -
Fixed income securities				
Corporate bonds	2,291,539	-	2,291,539	-
Foreign bonds	566,177	-	566,177	-
Equities				
Mutual funds	11,517,466	11,517,466	-	-
Real estate funds	949,462	949,462	-	-
Absolute return fund	304,557	304,557	-	-
Commodities	383,565	383,565	-	-
Alternative investments measured at net asset value (a)	<u>2,215,791</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>\$ 19,191,937</u>	<u>\$ 14,118,430</u>	<u>\$ 2,857,716</u>	<u>\$ -</u>

HELP HOPE LIVE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2020 and 2019

	2019			
	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments				
Money market fund	\$ 671,205	\$ 671,205	\$ -	\$ -
Fixed income securities				
Corporate bonds	2,627,420	-	2,627,420	-
Foreign bonds	634,164	-	634,164	-
Equities				
Mutual funds	11,701,217	11,701,217	-	-
Real estate funds	976,709	976,709	-	-
Absolute return fund	195,682	195,682	-	-
Commodities	386,240	386,240	-	-
Alternative investments measured at net asset value (a)	<u>2,337,603</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>\$ 19,530,240</u>	<u>\$ 13,931,053</u>	<u>\$ 3,261,584</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 statements of financial position.

(6) EQUIPMENT AND IMPROVEMENTS

Equipment and improvements consist of the following as of September 30, 2020 and 2019:

	2020	2019
Computer equipment	\$ 63,627	\$ 63,627
Computer software and website development	678,350	678,350
Office equipment	11,651	11,651
Office furniture	16,962	16,962
Improvements	<u>16,344</u>	<u>16,344</u>
	786,934	786,934
Less accumulated depreciation	<u>759,115</u>	<u>750,342</u>
	<u>\$ 27,819</u>	<u>\$ 36,592</u>

Depreciation expense for the years ended September 30, 2020 and 2019 was \$8,773 and \$18,830, respectively.

(7) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions 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 assets with donor restrictions 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 activity without restrictions. 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 general contributions without donor restrictions on the statements of activities.

HELP HOPE LIVE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2020 and 2019

Net assets with donor restrictions are available and were released from restrictions for the following purposes as of and for the years ended as of September 30, 2020 and 2019:

	<u>September 30,</u> <u>2019</u>	<u>Additions</u>	<u>Releases</u>	<u>September 30,</u> <u>2020</u>
Emergency assistance grants	\$ 70,373	\$ 2,500	\$ (36,943)	\$ 35,930
Medical and medically-related assistance	17,615,776	4,450,219	(4,532,150)	17,533,845
Memorial and other funds	1,361	-	-	1,361
	<u>\$ 17,687,510</u>	<u>\$ 4,452,719</u>	<u>\$ (4,569,093)</u>	<u>\$ 17,571,136</u>

	<u>September 30,</u> <u>2018</u>	<u>Additions</u>	<u>Releases</u>	<u>September 30,</u> <u>2019</u>
Emergency assistance grants	\$ 11,678	\$ 103,542	\$ (44,847)	\$ 70,373
Medical and medically-related assistance	19,880,483	5,840,082	(8,104,789)	17,615,776
Memorial and other funds	1,361	-	-	1,361
	<u>\$ 19,893,522</u>	<u>\$ 5,943,624</u>	<u>\$ (8,149,636)</u>	<u>\$ 17,687,510</u>

In 2019, management determined and released challenge grants that were eligible to be awarded from the medical and medically-related assistance funds included in net assets with donor restrictions. Included in the amount released from restriction during the year ended September 30, 2019 is approximately \$1.2 million of those challenge grants.

(8) IN-KIND CONTRIBUTIONS

In-kind contributions for the year ended September 30, consisted of the following:

	<u>2020</u>	<u>2019</u>
Rent	\$ -	\$ 7,500
Donated auction items and prizes for events	-	42,106
	<u>\$ -</u>	<u>\$ 49,606</u>

Donated auction items and prizes for events are included on the statement of activities net of related special event expenses. In-kind rent is included as administration expenses on the statements of functional expenses.

(9) NOTE PAYABLE

In May 2020, the Organization received a \$150,000 loan under the Economic Injury Disaster Loan program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan is payable over 30 years and bears interest at a rate of 2.75%. Minimal monthly principal and interest payments of \$641 commence May 2021. The loan allows for early prepayment of principal at any time with no prepayment penalties.

HELP HOPE LIVE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2020 and 2019

On April 24, 2020, The Organization received loan proceeds in the amount of \$235,500 under the Paycheck Protection Program ("**PPP**"). Established as part of the Coronavirus Aid, Relief and Economic Security Act ("**Cares Act**"), the PPP provides for loans to qualifying businesses. PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period.

To the extent that the Organization is not granted forgiveness, the Organization will be required to pay interest on the PPP loan at a rate of 1% per annum. If the application for forgiveness is not made within 10 months of the end of the covered period, payments of principal and interest will be required through the maturity date. The terms of the loan provide for customary events of default including payment defaults, breach of representation of warranties and insolvency events. The PPP loan may be accelerated upon the occurrence of a default event. Management believes it has complied with the forgiveness requirements and expects the loan to be approved for forgiveness.

Principle maturities are as follows:

Year ending June 30,

2021	\$ 78,500
2022	158,276
2023	3,646
2024	3,747
2025	3,851
Thereafter	<u>137,480</u>
	<u>\$ 385,500</u>

(10) DEFINED CONTRIBUTION RETIREMENT PLAN

The Organization sponsors a defined contribution retirement plan under Internal Revenue Code 403(b) covering substantially all of its employees. The Organization made contributions to the plan in 2020 and 2019 on behalf of the employees in the amount of \$30,418 and \$31,681, respectively.

(11) 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 36 month lease expires in March 2023 and the future minimum annual lease payments for the years ended September 30, 2021, 2022 and 2023 are \$72,564, \$75,960 and \$38,826, respectively. Total rent expense for the year ended September 30, 2020 and 2019 was \$69,208 and \$73,191, respectively.

(12) SUBSEQUENT EVENTS

Management has evaluated subsequent events through _____, 2021, the date on which the financial statements were available to be issued. The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain. No material subsequent events have occurred since September 30, 2020 that would require recognition or disclosure in the financial statements.