

# Help Hope Live, Inc.

Financial Statements  
Years Ended September 30, 2021 and 2020



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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, 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.

### ***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, 2021 and 2020, 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.

*BBD LLP*

**Philadelphia, Pennsylvania  
March 8, 2022**

# HELP HOPE LIVE, INC.

## STATEMENTS OF FINANCIAL POSITION

September 30, 2021 and 2020

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	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash	\$ 2,185,369	\$ 1,144,703
Prepaid expenses and other assets	46,546	44,965
Investments	23,419,900	19,191,937
Equipment and improvements, net	<u>20,098</u>	<u>27,819</u>
<b>Total assets</b>	<u>\$ 25,671,913</u>	<u>\$ 20,409,424</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 164,968	\$ 98,139
Loans payable		
Economic Injury Disaster Loan	150,000	150,000
Paycheck Protection Program Loan	<u>239,193</u>	<u>235,500</u>
	<u>554,161</u>	<u>483,639</u>
<b>NET ASSETS</b>		
Without donor restrictions	8,175,296	2,354,649
With donor restrictions	<u>16,942,456</u>	<u>17,571,136</u>
<b>Total net assets</b>	<u>25,117,752</u>	<u>19,925,785</u>
<b>Total liabilities and net assets</b>	<u>\$ 25,671,913</u>	<u>\$ 20,409,424</u>

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See accompanying notes

# HELP HOPE LIVE, INC.

## STATEMENTS OF ACTIVITIES

Years ended September 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT</b>						
Contributions						
General contributions	\$ 776,200	\$ 6,599,389	\$ 7,375,589	\$ 430,386	\$ 4,362,369	\$ 4,792,755
United Way contributions	1,297	8,461	9,758	2,646	5,596	8,242
Project/operating grants	7,487	65,000	72,487	75,152	2,500	77,652
Matching gifts and memorial contributions	4,792	144,693	149,485	331,534	80,764	412,298
Special events (net of expenses of \$52,953 and \$63,742, respectively)	74,154	-	74,154	76,377	1,490	77,867
Net assets released from restrictions	<u>7,446,223</u>	<u>(7,446,223)</u>	<u>-</u>	<u>4,569,093</u>	<u>(4,569,093)</u>	<u>-</u>
<b>Total support</b>	<u>8,310,153</u>	<u>(628,680)</u>	<u>7,681,473</u>	<u>5,485,188</u>	<u>(116,374)</u>	<u>5,368,814</u>
<b>EXPENSES</b>						
Program services						
Client services	670,088	-	670,088	582,356	-	582,356
Public education	192,394	-	192,394	120,774	-	120,774
Medical and medically-related assistance	<u>4,984,109</u>	<u>-</u>	<u>4,984,109</u>	<u>4,398,959</u>	<u>-</u>	<u>4,398,959</u>
<b>Total program services</b>	<u>5,846,591</u>	<u>-</u>	<u>5,846,591</u>	<u>5,102,089</u>	<u>-</u>	<u>5,102,089</u>
Supporting services						
Administrative	641,319	-	641,319	341,005	-	341,005
Fundraising	<u>474,463</u>	<u>-</u>	<u>474,463</u>	<u>874,081</u>	<u>-</u>	<u>874,081</u>
<b>Total supporting services</b>	<u>1,115,782</u>	<u>-</u>	<u>1,115,782</u>	<u>1,215,086</u>	<u>-</u>	<u>1,215,086</u>
<b>Total expenses</b>	<u>6,962,373</u>	<u>-</u>	<u>6,962,373</u>	<u>6,317,175</u>	<u>-</u>	<u>6,317,175</u>
<b>CHANGE IN NET ASSETS BEFORE OTHER CHANGES</b>	<u>1,347,780</u>	<u>(628,680)</u>	<u>719,100</u>	<u>(831,987)</u>	<u>(116,374)</u>	<u>(948,361)</u>
<b>OTHER CHANGES</b>						
Paycheck Protection Program loan forgiveness	235,500	-	235,500	-	-	-
Interest and dividend income, net of investment fees	242,776	-	242,776	53,823	-	53,823
Net realized and unrealized gain on investments	<u>3,994,591</u>	<u>-</u>	<u>3,994,591</u>	<u>558,550</u>	<u>-</u>	<u>558,550</u>
	<u>4,472,867</u>	<u>-</u>	<u>4,472,867</u>	<u>612,373</u>	<u>-</u>	<u>612,373</u>
<b>CHANGE IN NET ASSETS</b>	<u>5,820,647</u>	<u>(628,680)</u>	<u>5,191,967</u>	<u>(219,614)</u>	<u>(116,374)</u>	<u>(335,988)</u>
<b>NET ASSETS</b>						
Beginning 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>
<b>End of year</b>	<u>\$8,175,296</u>	<u>\$16,942,456</u>	<u>\$25,117,752</u>	<u>\$2,354,649</u>	<u>\$17,571,136</u>	<u>\$19,925,785</u>

See accompanying notes

**HELP HOPE LIVE, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year ended September 30, 2021**

	<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	\$ 388,887	\$ 120,530	\$ -	\$ 389,154	\$ 241,430	\$ 1,140,001
Payroll taxes and benefits	65,815	21,074	-	76,731	31,884	195,504
Registrations	3,470	-	-	-	2,250	5,720
Equipment lease	7,261	-	-	-	-	7,261
Office supplies	409	208	-	1,224	127	1,968
Printing and postage	1,216	-	-	55	810	2,081
Consulting and professional fees	76,270	23,639	-	91,322	47,350	238,581
Occupancy	24,470	8,157	-	40,784	8,157	81,568
Client and emergency grants	-	-	4,984,109	-	-	4,984,109
Client campaign expenses	-	-	-	-	110,008	110,008
Telephone	2,979	993	-	4,965	993	9,930
Technology services	16,017	4,964	-	16,028	9,944	46,953
Travel and meetings	25	9,111	-	1,028	-	10,164
Insurance	2,230	743	-	3,082	743	6,798
Depreciation	2,634	816	-	2,636	1,635	7,721
Public relations/marketing	4,429	1,373	-	4,432	2,750	12,984
Credit card processing	71,440	786	-	-	11,886	84,112
Donor awareness materials	2,536	-	-	2,538	1,574	6,648
Miscellaneous	-	-	-	7,340	2,922	10,262
	<u>\$ 670,088</u>	<u>\$ 192,394</u>	<u>\$ 4,984,109</u>	<u>\$ 641,319</u>	<u>\$ 474,463</u>	<u>\$ 6,962,373</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.

## STATEMENTS OF CASH FLOWS

Years ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Change in net assets</i>	\$ 5,191,967	\$ (335,988)
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Depreciation	7,721	8,773
Net realized and unrealized gain on investments	(3,994,591)	(558,550)
Paycheck Protection Program loan forgiveness	(235,500)	-
(Increase) decrease in		
Prepaid expenses and other assets	(1,581)	2,000
Increase (decrease) in		
Accounts payable and accrued expenses	<u>66,829</u>	<u>13,571</u>
<b>Net cash provided by (used for) operating activities</b>	<u>1,034,845</u>	<u>(870,194)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(3,513,811)	(3,770,100)
Proceeds from the sale of investments	<u>3,280,439</u>	<u>4,666,953</u>
<b>Net cash provided by (used for) investing activities</b>	<u>(233,372)</u>	<u>896,853</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loans payable	<u>239,193</u>	<u>385,500</u>
<b>Net change in cash</b>	1,040,666	412,159
<b>CASH</b>		
Beginning of year	<u>1,144,703</u>	<u>732,544</u>
<b>End of year</b>	<u>\$ 2,185,369</u>	<u>\$ 1,144,703</u>

See accompanying notes

# HELP HOPE LIVE, INC.

## NOTES TO FINANCIAL STATEMENTS

September 30, 2021 and 2020

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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:

##### ***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, 2021 and 2020.

#### **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, 2021 and 2020

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### **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**

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 these 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, 2021 and 2020

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### 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 office supplies, occupancy, telephone, technology services and insurance.

## (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.

	<u>2021</u>	<u>2020</u>
Cash	\$ 2,185,369	\$ 1,144,703
Investments	<u>23,419,900</u>	<u>19,191,937</u>
Total financial assets	25,605,269	20,336,640
Less: financial assets not available for general operations within one year		
Restricted by donor for specific purposes or periods	<u>(16,942,456)</u>	<u>(17,571,136)</u>
Total financial assets available within one year	<u>\$ 8,662,813</u>	<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.

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# HELP HOPE LIVE, INC.

## NOTES TO FINANCIAL STATEMENTS

September 30, 2021 and 2020

### (4) INVESTMENTS

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

	<u>2021</u>	<u>2020</u>
Money market fund	\$ 769,815	\$ 963,380
Fixed income securities		
Corporate bonds	2,989,491	2,291,539
Foreign bonds	317,663	566,177
Equities		
Mutual funds	14,139,734	11,517,466
Real estate funds	1,155,038	949,462
Absolute return fund	566,588	304,557
Commodities	963,162	383,565
Alternative investments	<u>2,518,409</u>	<u>2,215,791</u>
Total investments	<u>\$23,419,900</u>	<u>\$ 19,191,937</u>

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

	<u>2021</u>	<u>2020</u>
Unrealized appreciation	\$3,212,253	\$ 481,015
Realized net gain	<u>782,338</u>	<u>77,535</u>
Net gain (loss) on investments	3,994,591	558,550
Interest and dividends	358,275	157,510
Investment management and advisory fees	<u>(115,499)</u>	<u>(103,687)</u>
Total return	<u>\$4,237,367</u>	<u>\$ 612,373</u>

Alternative investments consisted of the following at September 30, 2021:

	<u>Fair value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Independence Global Fund (a)	\$ 1,399,358	None	Quarterly	75 days
Liberty Special Strategies TD Fund (b)	<u>1,119,051</u>	None	Semi-Annual	90 days
	<u>\$2,518,409</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, 2021.

(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, 2021.



# HELP HOPE LIVE, INC.

## NOTES TO FINANCIAL STATEMENTS

September 30, 2021 and 2020

### (6) EQUIPMENT AND IMPROVEMENTS

Equipment and improvements consist of the following as of September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
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>766,836</u>	<u>759,115</u>
	<u>\$ 20,098</u>	<u>\$ 27,819</u>

Depreciation expense for the years ended September 30, 2021 and 2020 was \$7,721 and \$8,773, 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.

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, 2021 and 2020:

	<u>September 30,</u> <u>2020</u>	<u>Additions</u>	<u>Releases</u>	<u>September 30,</u> <u>2021</u>
Emergency assistance grants	\$ 35,930	\$ 22,243	\$ (37,763)	\$ 20,410
Medical and medically-related assistance	17,533,845	6,404,229	(7,379,110)	16,558,964
Memorial and other funds	<u>1,361</u>	<u>391,071</u>	<u>(29,350)</u>	<u>363,082</u>
	<u>\$17,571,136</u>	<u>\$6,817,543</u>	<u>\$(7,446,223)</u>	<u>\$16,942,456</u>
	<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	<u>1,361</u>	<u>-</u>	<u>-</u>	<u>1,361</u>
	<u>\$17,687,510</u>	<u>\$4,452,719</u>	<u>\$(4,569,093)</u>	<u>\$17,571,136</u>

# HELP HOPE LIVE, INC.

## NOTES TO FINANCIAL STATEMENTS

September 30, 2021 and 2020

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Management petitioned the Orphan's Court in Delaware County, Pennsylvania to use inactive campaign funds, net of a 10% reserve, for general, unrestricted charitable purposes. A decree was approved and signed by the Orphan's Court in December 2020. The amount released from restricted by this decree was approximately \$2,099,000 and is included in the amount released from restriction during the year ended September 30, 2021.

### (8) LOANS PAYABLE

#### Economic Injury Disaster Loan

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 November 2021. The loan allows for early prepayment of principal at any time with no prepayment penalties.

Principle maturities are as follows:

#### Year ending June 30,

2022	\$ 1,193
2023	3,646
2024	3,747
2025	3,851
2026	3,959
Thereafter	<u>133,604</u>
	<u>\$ 150,000</u>

#### Paycheck Protection Program Loans

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.

The Organization has complied with the terms of the program and payment relief was received in 2021. Therefore, this amount has been recorded as an increase in net assets on the statements of activities in the year ended September 30, 2021.

In February 2021, the Organization received loan proceeds in the amount of \$239,193 under a second PPP. Terms for forgiveness are the same as the loan received in 2020.

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.

# HELP HOPE LIVE, INC.

## NOTES TO FINANCIAL STATEMENTS

September 30, 2021 and 2020

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### (9) 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 2021 and 2020 on behalf of the employees in the amount of \$33,773 and \$30,418, respectively.

### (10) 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, 2022 and 2023 are \$75,960 and \$38,826, respectively. Total rent expense for the year ended September 30, 2021 and 2020 was \$72,865 and \$69,208, respectively.

### (11) SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 8, 2022, 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, 2021 that would require recognition or disclosure in the financial statements.