

Help Hope Live, Inc.

Financial Statements
Years Ended September 30, 2023 and 2022



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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.**

Opinion

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, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Help Hope Live, Inc. as of September 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2 of the financial statements on October 1, 2022, Help Hope Live, Inc., adopted ASU 2016-02, Leases (Topic 842). Our opinion is not modified in respect to that matter.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Help Hope Live, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Help Hope Live, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Help Hope Live, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Help Hope Live, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Handwritten signature in black ink, consisting of the letters 'BBD' followed by '2LP'.

Philadelphia, Pennsylvania
March 8, 2024

HELP HOPE LIVE, INC.

STATEMENTS OF FINANCIAL POSITION

September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 1,892,157	\$ 1,447,137
Prepaid expenses and other assets	74,284	120,753
Investments	22,349,515	19,618,118
Right to use asset	36,121	-
Equipment and improvements, net	<u>178,356</u>	<u>101,846</u>
Total assets	<u>\$ 24,530,433</u>	<u>\$ 21,287,854</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 183,576	\$ 190,219
Operating lease liability	38,154	-
Loans payable		
Economic Injury Disaster Loan	<u>150,000</u>	<u>150,000</u>
	<u>371,730</u>	<u>340,219</u>
NET ASSETS		
Without donor restrictions	6,140,755	3,989,510
With donor restrictions	<u>18,017,948</u>	<u>16,958,125</u>
Total net assets	<u>24,158,703</u>	<u>20,947,635</u>
Total liabilities and net assets	<u>\$ 24,530,433</u>	<u>\$ 21,287,854</u>

See accompanying notes

HELP HOPE LIVE, INC.

STATEMENTS OF ACTIVITIES

Years ended September 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT						
Contributions						
General contributions	\$ 642,868	\$ 7,699,913	\$ 8,342,781	\$ 601,627	\$ 6,888,100	\$ 7,489,727
In-kind contributions	-	-	-	38,947	-	38,947
United Way contributions	1,981	2,072	4,053	1,284	8,520	9,804
Project/operating grants	305,109	599,711	904,820	36,887	101,578	138,465
Matching gifts and memorial contributions	26,119	130,174	156,293	9,257	145,113	154,370
Special events (net of expenses of \$50,158 and \$14,230, respectively)	115,618	-	115,618	123,556	-	123,556
Net assets released from restrictions	7,372,047	(7,372,047)	-	7,127,642	(7,127,642)	-
Total support	<u>8,463,742</u>	<u>1,059,823</u>	<u>9,523,565</u>	<u>7,939,200</u>	<u>15,669</u>	<u>7,954,869</u>
EXPENSES						
Program services						
Client services	765,612	-	765,612	668,980	-	668,980
Public education	255,793	-	255,793	215,085	-	215,085
Medical and medically-related assistance	6,508,297	-	6,508,297	6,353,950	-	6,353,950
Total program services	<u>7,529,702</u>	<u>-</u>	<u>7,529,702</u>	<u>7,238,015</u>	<u>-</u>	<u>7,238,015</u>
Supporting services						
Administrative	956,229	-	956,229	809,918	-	809,918
Fundraising	544,883	-	544,883	515,896	-	515,896
Total supporting services	<u>1,501,112</u>	<u>-</u>	<u>1,501,112</u>	<u>1,325,814</u>	<u>-</u>	<u>1,325,814</u>
Total expenses	<u>9,030,814</u>	<u>-</u>	<u>9,030,814</u>	<u>8,563,829</u>	<u>-</u>	<u>8,563,829</u>
CHANGE IN NET ASSETS BEFORE OTHER CHANGES	<u>(567,072)</u>	<u>1,059,823</u>	<u>492,751</u>	<u>(624,629)</u>	<u>15,669</u>	<u>(608,960)</u>
OTHER CHANGES						
Paycheck Protection Program loan forgiveness	-	-	-	239,193	-	239,193
Interest and dividend income, net of investment fees	405,592	-	405,592	416,168	-	416,168
Net realized and unrealized gain (loss) on investments	2,312,725	-	2,312,725	(4,216,518)	-	(4,216,518)
	<u>2,718,317</u>	<u>-</u>	<u>2,718,317</u>	<u>(3,561,157)</u>	<u>-</u>	<u>(3,561,157)</u>
CHANGE IN NET ASSETS	<u>2,151,245</u>	<u>1,059,823</u>	<u>3,211,068</u>	<u>(4,185,786)</u>	<u>15,669</u>	<u>(4,170,117)</u>
NET ASSETS						
Beginning of year	<u>3,989,510</u>	<u>16,958,125</u>	<u>20,947,635</u>	<u>8,175,296</u>	<u>16,942,456</u>	<u>25,117,752</u>
End of year	<u>\$ 6,140,755</u>	<u>\$ 18,017,948</u>	<u>\$ 24,158,703</u>	<u>\$ 3,989,510</u>	<u>\$ 16,958,125</u>	<u>\$ 20,947,635</u>

See accompanying notes

HELP HOPE LIVE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2023

	<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	\$ 439,242	\$ 128,968	\$ -	\$ 604,863	\$ 218,580	\$ 1,391,653
Payroll taxes and benefits	78,679	23,165	-	101,915	39,449	243,208
Registrations	3,938	-	-	-	2,389	6,327
Equipment lease	2,293	676	-	3,141	1,141	7,251
Office supplies	1,751	233	-	2,487	346	4,817
Printing and postage	880	2,365	-	1,202	627	5,074
Consulting and professional fees	84,317	24,757	-	116,109	41,958	267,141
Occupancy	26,303	7,750	-	36,016	13,089	83,158
Client and emergency grants	-	-	6,508,297	-	-	6,508,297
☪ Client campaign expenses	-	-	-	-	174,667	174,667
Telephone	3,883	1,143	-	5,299	1,932	12,257
Technology services	27,326	8,023	-	37,630	13,598	86,577
Travel and meetings	224	50,349	-	2,747	778	54,098
Insurance	2,326	684	-	2,465	1,157	6,632
Depreciation	13,422	3,941	-	18,483	6,679	42,525
Public relations/marketing	9,230	2,710	-	12,711	4,593	29,244
Credit card processing	70,077	-	-	-	14,999	85,076
Donor awareness materials	1,677	492	-	2,309	834	5,312
Miscellaneous	44	537	-	8,852	8,067	17,500
	<u>\$ 765,612</u>	<u>\$ 255,793</u>	<u>\$ 6,508,297</u>	<u>\$ 956,229</u>	<u>\$ 544,883</u>	<u>\$ 9,030,814</u>

See accompanying notes

HELP HOPE LIVE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2022

	<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	\$ 376,053	\$ 109,075	\$ -	\$ 499,473	\$ 186,686	\$ 1,171,287
Payroll taxes and benefits	63,696	18,495	-	83,151	31,689	197,031
Registrations	3,885	-	-	-	2,482	6,367
Equipment lease	2,374	689	-	3,116	1,179	7,358
Office supplies	331	96	-	996	164	1,587
Printing and postage	696	1,985	-	987	723	4,391
Consulting and professional fees	91,661	26,587	-	121,744	45,504	285,496
Occupancy	26,257	7,616	-	34,459	13,035	81,367
Client and emergency grants	-	-	6,353,950	-	-	6,353,950
ϕ Client campaign expenses	-	-	-	-	188,152	188,152
Telephone	3,164	918	-	4,153	1,571	9,806
Technology services	21,335	6,188	-	28,337	10,591	66,451
Travel and meetings	-	37,048	-	(886)	-	36,162
Insurance	2,734	793	-	2,989	1,357	7,873
Depreciation	8,054	2,336	-	10,697	3,998	25,085
Public relations/marketing	7,914	2,296	-	10,512	3,929	24,651
Credit card processing	58,324	-	-	-	14,392	72,716
Donor awareness materials	1,879	545	-	2,496	933	5,853
Miscellaneous	623	418	-	7,694	9,511	18,246
	<u>\$ 668,980</u>	<u>\$ 215,085</u>	<u>\$ 6,353,950</u>	<u>\$ 809,918</u>	<u>\$ 515,896</u>	<u>\$ 8,563,829</u>

See accompanying notes

HELP HOPE LIVE, INC.

STATEMENTS OF CASH FLOWS

Years ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$ 3,211,068	\$ (4,170,117)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	42,525	25,085
Net realized and unrealized (gain) loss on investments	(2,312,725)	4,216,518
Paycheck Protection Program loan forgiveness	-	(239,193)
(Increase) decrease in		
Prepaid expenses and other assets	46,469	(74,207)
Right to use asset	(36,121)	-
Increase (decrease) in		
Accounts payable and accrued expenses	(6,643)	25,251
Lease liability	38,154	-
Net cash provided by (used for) operating activities	<u>982,727</u>	<u>(216,663)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(537,101)	(3,353,455)
Proceeds from the sale of investments	118,429	2,938,719
Purchase of equipment and improvements	(119,035)	(106,833)
Net cash provided by (used for) investing activities	<u>(537,707)</u>	<u>(521,569)</u>
Net change in cash	445,020	(738,232)
CASH		
Beginning of year	<u>1,447,137</u>	<u>2,185,369</u>
End of year	<u>\$ 1,892,157</u>	<u>\$ 1,447,137</u>

See accompanying notes

HELP HOPE LIVE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 and 2022

(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, 2023 and 2022.

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, other than alternative 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 more. 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, 2023 and 2022

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 records donated services that create or enhance nonfinancial assets and that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization records the value of contributed goods when there is an objective basis available to measure their value. In-kind contributions are included as support in the accompanying statements of activities at their estimated values at the time received.

HELP HOPE LIVE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 and 2022

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.

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.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, Leases (Topic 842) and subsequent amendments to the initial guidance (collectively, "**Topic 842**"). Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of leases with a term of twelve months or less) at the commencement date: (a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (b) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Under the new guidance, lessor accounting is largely unchanged. This guidance was effective for Help Hope Live, Inc. for the year ended September 30, 2023, with early application permitted. The Organization adopted this standard using the modified retrospective approach. The results for reporting periods after October 1, 2022 are presented under Topic 842, while prior periods have not been adjusted.

(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 for general operations within one year.

HELP HOPE LIVE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash	\$ 1,892,157	\$ 1,447,137
Investments	<u>22,349,515</u>	<u>19,618,118</u>
Total financial assets	24,241,672	21,065,255
Less: financial assets not available for general operations within one year		
Restricted by donor for specific purposes or periods	<u>(18,017,948)</u>	<u>(16,958,125)</u>
Total financial assets available within one year for general operations	<u>\$ 6,223,724</u>	<u>\$ 4,107,130</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>2023</u>	<u>2022</u>
Money market fund	\$ 1,146,053	\$ 828,896
Fixed income securities		
Foreign bonds	-	263,864
Equities		
Mutual funds	13,465,203	11,276,123
Mutual funds -fixed income	3,257,612	2,578,610
Real estate funds	1,070,654	872,398
Absolute return fund	65,726	453,294
Commodities	680,371	843,933
Alternative investments	<u>2,663,896</u>	<u>2,501,000</u>
Total investments	<u>\$ 22,349,515</u>	<u>\$ 19,618,118</u>

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

	<u>2023</u>	<u>2022</u>
Unrealized appreciation (depreciation)	\$ 2,542,540	\$ (4,919,335)
Realized net gain (loss)	<u>(229,815)</u>	<u>702,817</u>
Net gain (loss) on investments	2,312,725	(4,216,518)
Interest and dividends	525,109	535,601
Investment management and advisory fees	<u>(119,517)</u>	<u>(119,433)</u>
Total return	<u>\$ 2,718,317</u>	<u>\$ (3,800,350)</u>

HELP HOPE LIVE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 and 2022

Alternative investments consisted of the following at September 30, 2023:

	<u>Fair value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Independence Global Fund (a)	\$ 1,431,828	None	Quarterly	75 days
Liberty Special Strategies TD Fund (b)	<u>1,232,068</u>	None	Semi-Annual	90 days
	<u>\$ 2,663,896</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, 2023.

(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, 2023.

(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>2023</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	\$ 1,146,053	\$ 1,146,053	\$ -	\$ -
Equities				
Mutual funds	13,465,203	13,465,203	-	-
Mutual funds - fixed income	3,257,612	3,257,612	-	-
Real estate funds	1,070,654	1,070,654	-	-
Absolute return fund	65,726	65,726	-	-
Commodities	680,371	680,371	-	-
Alternative investments measured at net asset value (a)	<u>2,663,896</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>\$ 22,349,515</u>	<u>\$ 19,685,619</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>2022</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	\$ 828,896	\$ 828,896	\$ -	\$ -
Fixed income securities				
Foreign bonds	263,864	-	263,864	-
Equities				
Mutual funds	11,276,123	11,276,123	-	-
Mutual funds - fixed income	2,578,610	2,578,610	-	-
Real estate funds	872,398	872,398	-	-
Absolute return fund	453,294	453,294	-	-
Commodities	843,933	843,933	-	-
Alternative investments measured at net asset value (a)	<u>2,501,000</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>\$ 19,618,118</u>	<u>\$ 16,853,254</u>	<u>\$ 263,864</u>	<u>\$ -</u>

HELP HOPE LIVE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 and 2022

(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, 2021 and 2022:

	<u>2023</u>	<u>2022</u>
Computer equipment	\$ 74,646	\$ 65,862
Computer software and website development	893,199	782,949
Office equipment	11,651	11,651
Office furniture	16,962	16,962
Improvements	<u>16,344</u>	<u>16,344</u>
	1,012,802	893,768
Less accumulated depreciation	<u>834,446</u>	<u>791,922</u>
	<u>\$ 178,356</u>	<u>\$ 101,846</u>

Depreciation expense for the years ended September 30, 2023 and 2022 was \$42,525 and \$25,085, respectively.

(7) 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 interest only payments of \$641 commence November 2022. The loan allows for early prepayment of principal at any time with no prepayment penalties. As of September 30, 2023 and 2022, accrued interest on this loan was \$12,444 and \$9,625, respectively, and is included in accounts payable and accrued expenses on the statements of financial position.

Principal maturities are as follows:

<u>Year ending June 30,</u>	
2024	\$ -
2025	297
2026	3,616
2027	3,721
Thereafter	<u>142,366</u>
	<u>\$ 150,000</u>

HELP HOPE LIVE, INC.

NOTES TO FINANCIAL STATEMENTS

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(8) 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 and periods as of and for the years ended as of September 30, 2023 and 2022:

	<u>September 30,</u> <u>2022</u>	<u>Additions</u>	<u>Releases</u>	<u>September 30,</u> <u>2023</u>
Emergency assistance grants	\$ -	\$ 22,274	\$ (20,774)	\$ 1,500
Medical and medically-related assistance	16,453,207	7,687,359	(7,104,238)	17,036,328
Memorial and other funds	454,918	122,466	(84,153)	493,231
Future periods	<u>50,000</u>	<u>599,771</u>	<u>(162,882)</u>	<u>486,889</u>
	<u>\$ 16,958,125</u>	<u>\$ 8,431,870</u>	<u>\$ (7,372,047)</u>	<u>\$ 18,017,948</u>

	<u>September 30,</u> <u>2021</u>	<u>Additions</u>	<u>Releases</u>	<u>September 30,</u> <u>2022</u>
Emergency assistance grants	\$ 20,410	\$ -	\$ (20,410)	\$ -
Medical and medically-related assistance	16,558,964	6,805,440	(6,911,197)	16,453,207
Memorial and other funds	363,082	287,871	(196,035)	454,918
Future periods	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
	<u>\$ 16,942,456</u>	<u>\$ 7,143,311</u>	<u>\$ (7,127,642)</u>	<u>\$ 16,958,125</u>

(9) IN-KIND CONTRIBUTIONS

The following is a summary of the in-kind contributions included as general contributions on the statements of activities during the years ended September 30, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Donated technology consulting services	\$ -	\$ 38,947
Donated auction items and prizes for events	<u>12,085</u>	<u>7,149</u>
	<u>\$ 12,085</u>	<u>\$ 46,096</u>

Donated auction items and prizes for events are included on the statements of activities net of special events revenue for each of the years ended September 30, 2023 and 2022. Donated technology consulting services have been capitalized as part of additions to website development and therefore included on the statement of financial position.

HELP HOPE LIVE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 and 2022

(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 2023 and 2022 on behalf of the employees in the amount of \$40,038 and \$36,778, respectively.

(11) LEASE LIABILITY

The Organization has an operating lease agreement for its office facilities which includes the payment of a monthly minimum rental payment and operating expenses. Total rent expense for the years ended September 30, 2023 and 2022 was \$73,072 and \$76,241, respectively.

The following is a schedule of future aggregate minimum rental payments required under this operating lease:

Year ending June 30,

2024	\$45,294
Less imputed interest	<u>(7,140)</u>
	<u>\$38,154</u>

The weighted average remaining lease term and weighted average discount rate were as follows as of June 30, 2023:

Weighted Average remaining lease term (in years)	0.58
Weighted Average discount rate	6%

(12) SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 8, 2024, the date on which the financial statements were available to be issued. No material subsequent events have occurred since September 30, 2023 that would require recognition or disclosure in the financial statements.