

**HEALTH ADVOCATES
FOR OLDER PEOPLE, INC.**

**Financial Statements
For the Years Ended
December 31, 2020
and
December 31, 2019**

Independent Auditor's Report

To the Board of Directors
Health Advocates for Older People, Inc.

We have audited the accompanying financial statements of Health Advocates for Older People, Inc., which comprise the statements of financial position as of December 31, 2020 and December 31, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Health Advocates for Older People, Inc. as of December 31, 2020 and December 31, 2019, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Condon O'Meara McGinty + Donnelly LLP

April 19, 2021

HEALTH ADVOCATES FOR OLDER PEOPLE, INC.

Statements of Financial Position

Assets

	December 31	
	2020	2019
Assets		
Cash	\$ 41,359	\$ 17,248
Investments, at fair value	2,671,251	2,536,765
Pledge receivable	-	10,000
Other assets	9,272	4,944
Total assets	\$2,721,882	\$2,568,957

Liabilities and Net Assets

Liabilities		
Accounts payable and accrued expenses	\$ 16,677	\$ 13,300
SBA PPP loan	33,171	-
Total liabilities	49,848	13,300
Net assets		
Without donor restrictions	2,583,691	2,498,903
With donor restrictions	88,343	56,754
Total net assets	2,672,034	2,555,657
Total liabilities and net assets	\$2,721,882	\$2,568,957

See notes to financial statements.

HEALTH ADVOCATES FOR OLDER PEOPLE, INC.

Statements of Activities

	For the Years Ended December 31				
	2020		2019		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
				Total	
Public support and revenue					
Contributions	\$ 57,206	\$ 178,600	\$ 235,806	\$ 73,549	\$ 118,151
Special events	139,195	-	139,195	181,811	-
Other	8,389	-	8,389	7,550	-
Net assets released from restrictions	147,011	(147,011)	-	98,251	(98,251)
Total public support and revenue	<u>351,801</u>	<u>31,589</u>	<u>383,390</u>	<u>361,161</u>	<u>19,900</u>
Expenses					
Program services					
Home safety	25,768	-	25,768	27,940	-
Healthy aging	332,589	-	332,589	233,956	-
Exercise	26,975	-	26,975	22,900	-
Wellness	17,126	-	17,126	10,227	-
Total program services	<u>402,458</u>	<u>-</u>	<u>402,458</u>	<u>295,023</u>	<u>-</u>
Supporting activities					
Management and general	45,729	-	45,729	39,801	-
Fundraising	5,574	-	5,574	42,053	-
Total supporting activities	<u>51,303</u>	<u>-</u>	<u>51,303</u>	<u>81,854</u>	<u>-</u>
Total expenses	<u>453,761</u>	<u>-</u>	<u>453,761</u>	<u>376,877</u>	<u>-</u>
Increase (decrease) in net assets before investment return, net	(101,960)	31,589	(70,371)	(15,716)	19,900
Investment return, net	186,748	-	186,748	381,154	-
Increase in net assets	<u>84,788</u>	<u>31,589</u>	<u>116,377</u>	<u>365,438</u>	<u>19,900</u>
Net assets, beginning of year	<u>2,498,903</u>	<u>56,754</u>	<u>2,555,657</u>	<u>2,133,465</u>	<u>36,854</u>
Net assets, end of year	<u>\$ 2,583,691</u>	<u>\$ 88,343</u>	<u>\$ 2,672,034</u>	<u>\$ 2,498,903</u>	<u>\$ 56,754</u>
					<u>\$ 2,555,657</u>

See notes to financial statements.

HEALTH ADVOCATES FOR OLDER PEOPLE, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2020

(with summarized totals for the year ended December 31, 2019)

	2020										2019
	Program Services					Supporting Activities					Total
	Home Safety	Healthy Aging	Exercise	Wellness	Total Program Services	Management and General	Fund-Raising	Supporting Services	Total		
Grants and contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,170
Salaries and wages	23,649	217,831	-	-	241,480	-	-	-	-	241,480	161,593
Employee benefits	-	5,441	-	-	5,441	-	-	-	-	5,441	5,286
Payroll taxes	1,809	22,522	-	-	24,331	-	-	-	-	24,331	11,995
Professional fees	-	7,549	26,975	7,169	41,693	26,525	-	26,525	-	68,218	31,049
Contracted services	-	9,236	-	-	9,236	-	-	-	-	9,236	-
Telephone	-	3,616	-	-	3,616	1,386	-	1,386	-	5,002	3,276
Supplies	267	11,201	-	9,957	21,425	1,793	4,467	6,260	-	27,685	18,487
Postage and shipping	-	3,317	-	-	3,317	-	-	-	-	3,317	4,983
Occupancy	-	34,049	-	-	34,049	-	-	-	-	34,049	23,222
Printing and publications	-	4,174	-	-	4,174	-	885	885	-	5,059	4,723
Travel	43	1,471	-	-	1,514	268	-	268	-	1,782	4,659
Consulting fees	-	2,016	-	-	2,016	-	-	-	-	2,016	48,012
Outside computer services	-	4,605	-	-	4,605	4,215	-	4,215	-	8,820	6,549
Fundraising	-	-	-	-	-	-	-	-	-	-	33,726
Insurance	-	-	-	-	-	11,542	-	11,542	-	11,542	4,833
Other	-	5,561	-	-	5,561	-	222	222	-	5,783	10,314
Total	\$ 25,768	\$ 332,589	\$ 26,975	\$ 17,126	\$ 402,458	\$ 45,729	\$ 5,574	\$ 51,303	\$ 453,761	\$ 376,877	

See notes to financial statements.

HEALTH ADVOCATES FOR OLDER PEOPLE, INC.

**Statement of Functional Expenses
For the Year Ended December 31, 2019**

	Program Services				Supporting Activities		
	Home Safety	Healthy Aging	Exercise	Wellness	Management and General		Total Supporting Services
					Program Services	Fund-Raising	
Grants and contracts	\$ -	\$ 4,170	\$ -	\$ -	\$ -	\$ -	\$ 4,170
Salaries and wages	25,875	135,718	-	-	-	-	161,593
Employee benefits	-	949	-	-	4,337	-	5,286
Payroll taxes	2,065	9,930	-	-	-	-	11,995
Professional fees	-	5,874	-	-	22,765	2,410	31,049
Telephone	-	1,098	-	-	2,178	-	3,276
Supplies	-	12,623	-	-	1,107	4,757	18,487
Postage and shipping	-	4,976	-	-	7	-	4,983
Occupancy	-	23,222	-	-	-	-	23,222
Printing and publications	-	3,910	-	-	-	813	4,723
Travel	-	4,175	-	-	484	-	4,659
Consulting fees	-	14,885	22,900	10,227	-	-	48,012
Outside computer services	-	3,399	-	-	3,150	-	6,549
Fundraising	-	-	-	-	-	33,726	33,726
Insurance	-	4,266	-	-	567	-	4,833
Other	-	4,761	-	-	5,206	347	10,314
Total	\$ 27,940	\$ 233,956	\$ 22,900	\$ 10,227	\$ 39,801	\$ 42,053	\$ 376,877

See notes to financial statements.

HEALTH ADVOCATES FOR OLDER PEOPLE, INC.

Statements of Cash Flows

	For the Years Ended December 31	
	2020	2019
Cash flows from operating activities		
Increase in net assets	\$ 116,377	\$ 385,338
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Realized (gain) loss on sale of investments	46,393	(7,400)
Unrealized (gain) on investments	(213,442)	(338,313)
(Increase) decrease in assets		
Pledge receivable	10,000	(10,000)
Other assets	(4,328)	(22)
Increase in accounts payable and accrued expenses	3,377	-
Net cash provided by (used in) operating activities	(41,623)	29,603
Cash flows from investing activities		
Purchases of investments	(480,310)	(492,815)
Proceeds from sale of investments	512,873	408,294
Net cash provided by (used in) investing activities	32,563	(84,521)
Cash flows from financing activities		
Proceeds from SBA PPP loan	33,171	-
Net increase (decrease) in cash	24,111	(54,918)
Cash, beginning of year	17,248	72,166
Cash, end of year	\$ 41,359	\$ 17,248

See notes to financial statements.

HEALTH ADVOCATES FOR OLDER PEOPLE, INC.

Notes to Financial Statements December 31, 2020 and December 31, 2019

Note 1 – Nature of organization

Health Advocates for Older People, Inc. (“Health Advocates”) was incorporated in 1985 under the not-for-profit Corporation Law of the State of New York. The general mission of Health Advocates is to promote safe and healthy aging through programs designed to facilitate independent living, physical well-being and greater social interaction.

Note 2 – Summary of significant accounting policies

Net assets

Health Advocates’ net assets consist of the following:

Without donor restrictions

Operating

Operating net assets consist of revenue and expenses of the Health Advocates’ operating activities.

Board designated - endowment fund

Health Advocates established a fund to provide long term financial stability and underpinning for the organization and mission of Health Advocates. This endowment fund will benefit community seniors by supporting wellness programs that provide balance and strength, and to give seniors the tools, techniques and support to age with vitality and independence in their own homes. The balance of the board designated-endowment fund was \$154,771 at December 31, 2020 and December 31, 2019.

With donor restrictions

Net assets that consist of contributions that are restricted by the donor for a specific purpose and/or pertain to future periods.

Cash equivalents

Cash equivalents consist of highly liquid investments with original maturities of 90 days or less. Health Advocates’ cash equivalents are within its investment portfolio.

Fair value measurements

As of December 31, 2020 and December 31, 2019, Health Advocates’ investments (see note 5) are all classified in the highest level of the fair value hierarchy (Level 1). The quoted prices for these assets are in active markets for identical assets.

HEALTH ADVOCATES FOR OLDER PEOPLE, INC.**Notes to Financial Statements (continued)
December 31, 2020 and December 31, 2019****Note 2 – Summary of significant accounting policies (continued)**Contributions

Health Advocates records contributions as revenue without donor restrictions unless the donor stipulates a time restriction or limits the use of the contributions. Contributions with donor stipulations are reported as revenue with donor restrictions. When a designated restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, 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.

Donated services

Health Advocates receives donated services rendered by volunteers who have donated significant amounts of their time to Health Advocates' activities. These donated services have not been recorded in the accompanying financial statements because they do not meet the criteria for recording such services.

Functional expenses

The cost of providing the various programs and supporting activities of Health Advocates have been summarized on a functional basis in the accompanying statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Expenses attributable to more than one functional expense category are allocated based on time and effort.

Use of estimates

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

Concentrations of credit risk

Health Advocates' financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and investments. Health Advocates places its cash with what it believes to be quality financial institutions. Investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investment reported in the statements of financial position at December 31, 2020. As a consequence, Health Advocates believes no significant concentrations of credit risk exist with respect to its cash and investments.

HEALTH ADVOCATES FOR OLDER PEOPLE, INC.

**Notes to Financial Statements (continued)
December 31, 2020 and December 31, 2019**

Note 2 – Summary of significant accounting policies (continued)

Risks and uncertainties

On March 13, 2020, a national emergency was declared due to extraordinary circumstances resulting from coronavirus. Health Advocates to date has not experienced any significant operational economic impact related to the crisis.

Subsequent events

Health Advocates has evaluated events and transactions for potential recognition or disclosure through April 19, 2021, which is the date the financial statements were available to be issued.

Reclassification

Certain items in the 2019 financial statements have been reclassified for comparative purposes only.

Note 3 – Tax status

Health Advocates is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, Health Advocates has been determined by the Internal Revenue Service to be a publicly supported organization, and not a private foundation under the meaning of Section 509(a)(1) of the Code. Health Advocates qualifies for maximum charitable contribution deductions for donors.

Note 4 – Financial assets and liquidity resources

Health Advocates’ working capital and cash flows vary due to timing of contributions received with a concentration of contributions received near calendar year-end.

The following reflects Health Advocates’ financial assets as of December 31, 2020 and December 31, 2019:

	<u>2020</u>	<u>2019</u>
Financial assets		
Cash	\$ 41,359	\$ 126,520
Investments, at fair value	2,671,251	2,427,493
Pledge receivable	-	10,000
Total	<u>\$ 2,712,610</u>	<u>\$ 2,564,013</u>

HEALTH ADVOCATES FOR OLDER PEOPLE, INC.

**Notes to Financial Statements (continued)
December 31, 2020 and December 31, 2019**

Note 5 – Investments, at fair value

The following is a summary of the investments as of December 31, 2020 and December 31, 2019:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Cash equivalents	\$ 117,550	\$ 117,550	\$ 109,272	\$ 109,272
Common stocks	751,621	1,070,344	777,128	1,002,625
Mutual funds	704,908	824,516	722,956	728,475
Exchange traded and closed-end funds	524,002	658,841	673,632	696,393
Total	\$2,098,081	\$2,671,251	\$2,282,988	\$2,536,765
Unrealized gain at				
December 31, 2020 and				
December 31, 2019	\$ 573,170		\$ 253,777	
Change in unrealized gain on investments	\$ 319,393		\$ 338,313	

Investment return consists of the following as of December 31:

	2020	2019
Interest and dividends	\$ 40,854	\$ 57,143
Realized gain (loss) on sale of investments	(46,393)	7,400
Unrealized gain	213,442	338,313
Investment fees	(21,155)	(21,702)
Total	\$ 186,748	\$ 381,154

Note 6 – Loan payable

During 2020, Health Advocates applied for and received \$33,171 under the Paycheck Protection Program (“PPP”) which is a business loan program established under the Coronavirus Aid, Relief, and Economic Security Act. Health Advocates has elected to record the proceeds as a liability until the loan is, in part or wholly, forgiven and Health Advocates is legally released. Health Advocates believes it has spent all of the proceeds in accordance with the terms of PPP loan program and expects to have the loan forgiven in its entirety during 2021. Any amounts not forgiven are subject to interest at a fixed rate of 1% for a two year-term.

HEALTH ADVOCATES FOR OLDER PEOPLE, INC.

**Notes to Financial Statements (continued)
December 31, 2020 and December 31, 2019**

Note 7 – Net assets with donor restrictions

The following is a summary of net assets with donor restrictions as of and for the years ended December 31, 2020 and December 31, 2019:

	2020			
	Balance at December 31, 2019	Contributions	Net Assets Released from Restrictions	Balance at December 31, 2020
Capital	\$ 6,000	\$ -	\$ -	\$ 6,000
Healthy Aging	10,000	133,600	(133,600)	10,000
Pet Program	17,478	10,000	-	27,478
Nutritional Services	3,796	-	-	3,796
Community Volunteers	18,710	-	-	18,710
Grocery Delivery	-	30,000	(9,957)	20,043
Other	770	5,000	(3,454)	2,316
Total	<u>\$ 56,754</u>	<u>\$ 178,600</u>	<u>\$ (147,011)</u>	<u>\$ 88,343</u>

	2019			
	Balance at December 31, 2018	Contributions	Net Assets Released from Restrictions	Balance at December 31, 2019
Capital	\$ 6,000	\$ -	\$ -	\$ 6,000
Healthy Aging	-	108,151	(98,151)	10,000
Pet Program	7,578	10,000	(100)	17,478
Nutritional Services	3,796	-	-	3,796
Community Volunteers	18,710	-	-	18,710
Other	770	-	-	770
Total	<u>\$ 36,854</u>	<u>\$ 118,151</u>	<u>\$ (98,251)</u>	<u>\$ 56,754</u>

Note 8 – Commitment

Health Advocates has an agreement with a church on a month-to-month basis to use office space for a monthly fee of \$275. Health Advocates also has a month-to-month lease for additional office space requiring payments of \$1,500 per month. The latter landlord has a security deposit of \$1,990 which is recorded as an other asset on the statements of financial position. Health Advocates is also responsible for certain expenses as defined in the agreement.