

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

**Financial Statements
For the Years Ended
December 31, 2021
and
December 31, 2020**

Independent Auditor's Report

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

Opinion

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, 2021 and December 31, 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.

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, 2021 and December 31, 2020, and the result 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.

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 Health Advocates for Older People, 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 Health Advocates for Older People, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

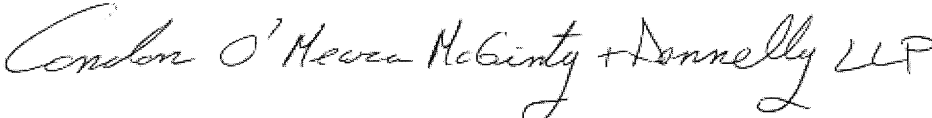
Auditor's Responsibilities for the Audit of the Financial Statements

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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 Health Advocates for Older People, 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 Health Advocates for Older People, 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.



Condon O'Heara McGinty + Donnelly LLP

April 18, 2022

HEALTH ADVOCATES FOR OLDER PEOPLE, INC.

Statements of Financial Position

Assets

	December 31	
	2021	2020
Assets		
Cash	\$ 119,948	\$ 41,359
Investments, at fair value	3,021,736	2,671,251
Prepaid expenses and other assets	20,434	9,272
Total assets	\$3,162,118	\$2,721,882

Liabilities and Net Assets

Liabilities		
Accounts payable and accrued expenses	\$ 21,419	\$ 16,677
SBA PPP loan	-	33,171
Total liabilities	21,419	49,848
Net assets		
Without donor restrictions	3,063,262	2,583,691
With donor restrictions	77,437	88,343
Total net assets	3,140,699	2,672,034
Total liabilities and net assets	\$3,162,118	\$2,721,882

See notes to financial statements.

HEALTH ADVOCATES FOR OLDER PEOPLE, INC.

Statements of Activities

	For the Years Ended December 31			
	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
	Total	Total	Total	Total
Public support and revenue				
Contributions	\$ 19,967	\$ 223,973	\$ 243,940	\$ 178,600
Special events	277,395	-	277,395	-
Annual appeal	65,745	-	65,745	-
Other	-	-	-	8,389
Net assets released from restrictions	234,879	(234,879)	-	(147,011)
Total public support and revenue	<u>597,986</u>	<u>(10,906)</u>	<u>587,080</u>	<u>31,589</u>
Expenses				
Program services				
Home safety	22,135	-	22,135	-
Healthy aging	398,664	-	398,664	-
Exercise	8,415	-	8,415	-
Wellness	30,284	-	30,284	-
Total program services	<u>459,498</u>	<u>-</u>	<u>459,498</u>	<u>-</u>
Supporting activities				
Management and general	40,968	-	40,968	-
Fundraising	40,203	-	40,203	-
Total supporting activities	<u>81,171</u>	<u>-</u>	<u>81,171</u>	<u>-</u>
Total expenses	<u>540,669</u>	<u>-</u>	<u>540,669</u>	<u>-</u>
Increase (decrease) in net assets before other	57,317	(10,906)	46,411	31,589
Other				
Investment return, net	340,741	-	340,741	-
PPP loans forgiveness	81,513	-	81,513	-
Increase (decrease) in net assets	479,571	(10,906)	468,665	31,589
Net assets, beginning of year	<u>2,583,691</u>	<u>88,343</u>	<u>2,672,034</u>	<u>56,754</u>
Net assets, end of year	<u>\$ 3,063,262</u>	<u>\$ 77,437</u>	<u>\$ 3,140,699</u>	<u>\$ 88,343</u>

See notes to financial statements.

HEALTH ADVOCATES FOR OLDER PEOPLE, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2021
(with summarized totals for the year ended December 31, 2020)

	2021						2020	
	Program Services			Supporting Activities			Total	Total
	Home Safety	Healthy Aging	Exercise and Wellness	Total Program Services	Management and General	Fund-Raising		
Salaries and wages	\$ 20,562	\$ 244,748	\$ -	\$ 265,310	\$ -	\$ -	\$ -	\$ 241,480
Employee benefits	-	37,052	-	37,052	-	-	-	5,441
Payroll taxes	1,573	17,932	-	19,505	-	-	-	24,331
Professional fees	-	12,730	36,794	49,524	27,175	-	27,175	68,218
Contracted services	-	4,827	-	4,827	-	-	-	9,236
Telephone	-	2,039	-	2,039	396	-	396	5,002
Supplies	-	12,843	1,905	14,748	3,733	285	4,018	27,685
Postage and shipping	-	2,750	-	2,750	-	-	-	3,317
Occupancy	-	35,721	-	35,721	198	-	198	34,049
Printing and publications	-	9,425	-	9,425	-	-	-	5,059
Travel	-	2,973	-	2,973	-	-	-	1,782
Consulting fees	-	200	-	200	-	-	-	2,016
Outside computer services	-	5,174	-	5,174	-	-	-	8,820
Catering and facilities rentals	-	-	-	-	-	39,739	39,739	-
Insurance	-	-	-	-	7,142	-	7,142	11,542
Interest	-	-	-	-	2,182	-	2,182	-
Other	-	10,250	-	10,250	142	179	321	5,783
Total	\$ 22,135	\$ 398,664	\$ 38,699	\$ 459,498	\$ 40,968	\$ 40,203	\$ 81,171	\$ 453,761

See notes to financial statements.

HEALTH ADVOCATES FOR OLDER PEOPLE, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services			Supporting Activities			Total
	Home Safety	Healthy Aging	Exercise and Wellness	Total Program Services	Management and General	Fund-Raising	
Salaries and wages	\$ 23,649	\$ 217,831	\$ -	\$ 241,480	\$ -	\$ -	\$ 241,480
Employee benefits	-	5,441	-	5,441	-	-	5,441
Payroll taxes	1,809	22,522	-	24,331	-	-	24,331
Professional fees	-	7,549	34,144	41,693	26,525	-	68,218
Contracted services	-	9,236	-	9,236	-	-	9,236
Telephone	-	3,616	-	3,616	1,386	-	5,002
Supplies	267	11,201	9,957	21,425	1,793	4,467	27,685
Postage and shipping	-	3,317	-	3,317	-	-	3,317
Occupancy	-	34,049	-	34,049	-	-	34,049
Printing and publications	-	4,174	-	4,174	-	885	5,059
Travel	43	1,471	-	1,514	268	-	1,782
Consulting fees	-	2,016	-	2,016	-	-	2,016
Outside computer services	-	4,605	-	4,605	4,215	-	8,820
Insurance	-	-	-	-	11,542	-	11,542
Other	-	5,561	-	5,561	-	222	5,783
Total	\$ 25,768	\$ 332,589	\$ 44,101	\$ 402,458	\$ 45,729	\$ 5,574	\$ 51,303
							\$ 453,761

See notes to financial statements.

HEALTH ADVOCATES FOR OLDER PEOPLE, INC.

Statements of Cash Flows

	For the Years Ended December 31	
	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Increase in net assets	\$ 468,665	\$ 116,377
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Realized (gain) loss on sale of investments	(190,699)	46,393
Unrealized (gain) on investments	(121,137)	(213,442)
Forgiveness of SBA PPP loans	(79,513)	-
(Increase) decrease in assets		
Pledge receivable	-	10,000
Prepaid expenses and other assets	(11,162)	(4,328)
Increase in accounts payable and accrued expenses	<u>4,742</u>	<u>3,377</u>
Net cash provided by (used in) operating activities	<u>70,896</u>	<u>(41,623)</u>
Cash flows from investing activities		
Purchases of investments	(1,072,425)	(480,310)
Proceeds from sale of investments	<u>1,033,776</u>	<u>512,873</u>
Net cash provided by (used in) investing activities	<u>(38,649)</u>	<u>32,563</u>
Cash flows from financing activities		
Proceeds from SBA PPP loan	48,342	33,171
Repayment of SBA PPP loan	<u>(2,000)</u>	<u>-</u>
Net cash provided by financing activities	<u>46,342</u>	<u>33,171</u>
Net increase in cash	78,589	24,111
Cash, beginning of year	<u>41,359</u>	<u>17,248</u>
Cash, end of year	<u>\$ 119,948</u>	<u>\$ 41,359</u>

See notes to financial statements.

HEALTH ADVOCATES FOR OLDER PEOPLE, INC.**Notes to Financial Statements
December 31, 2021 and December 31, 2020****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 policiesNet assets

Health Advocates’ net assets consist of the following:

Without donor restrictionsOperating

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, 2021 and December 31, 2020 and is included as part of net assets without donor restrictions.

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, 2021 and December 31, 2020, 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, 2021 and December 31, 2020****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, 2021. 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, 2021 and December 31, 2020**

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 18, 2022, which is the date the financial statements were available to be issued.

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, 2021 and December 31, 2020:

	<u>2021</u>	<u>2020</u>
Financial assets		
Cash	\$ 119,948	\$ 41,359
Investments, at fair value	<u>3,021,736</u>	<u>2,671,251</u>
Total	<u>\$ 3,141,684</u>	<u>\$ 2,712,610</u>

HEALTH ADVOCATES FOR OLDER PEOPLE, INC.

Notes to Financial Statements (continued)
December 31, 2021 and December 31, 2020

Note 5 – Investments, at fair value

The following is a summary of the investments as of December 31, 2021 and December 31, 2020:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Cash equivalents	\$ 142,993	\$ 142,993	\$ 117,550	\$ 117,550
Stocks	631,684	1,052,499	751,621	1,070,344
Mutual funds	631,761	637,869	704,908	824,516
Exchange traded and closed-end funds	<u>920,991</u>	<u>1,188,375</u>	<u>524,002</u>	<u>658,841</u>
Total	<u>\$2,327,429</u>	<u>\$3,021,736</u>	<u>\$2,098,081</u>	<u>\$2,671,251</u>
Unrealized gain at				
December 31, 2021 and				
December 31, 2020		<u>\$ 694,307</u>		<u>\$ 573,170</u>
Change in unrealized gain				
on investments		<u>\$ 121,137</u>		<u>\$ 213,442</u>

Investment return consists of the following as of December 31:

	2021	2020
Interest and dividends	\$ 55,160	\$ 40,854
Realized gain (loss) on sale of investments	190,699	(46,393)
Change in unrealized gain	121,137	213,442
Investment fees	<u>(26,255)</u>	<u>(21,155)</u>
Total	<u>\$ 340,741</u>	<u>\$ 186,748</u>

Note 6 – Loan payable

During 2021 and 2020, Health Advocates applied for and received \$33,171 and \$48,342, respectively under the Paycheck Protection Program (“PPP”) which is a business loan program established under the Coronavirus Aid, Relief, and Economic Security Act. In 2020, Health Advocates elected to record the proceeds as a liability until the loan was, 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. Any amounts not forgiven are subject to interest at a fixed rate of 1% for a two year-term. Health Advocates received loan forgiveness on both PPP loans totaling \$79,513 and repaid the remaining \$2,000 outstanding balance to satisfy the PPP loan.

HEALTH ADVOCATES FOR OLDER PEOPLE, INC.

**Notes to Financial Statements (continued)
December 31, 2021 and December 31, 2020**

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, 2021 and December 31, 2020:

	2021			
	Balance at December 31, <u>2020</u>	<u>Contributions</u>	Net Assets Released from <u>Restrictions</u>	Balance at December 31, <u>2021</u>
Capital	\$ 6,000	\$ -	\$ -	\$ 6,000
Healthy Aging	10,000	213,900	(223,900)	-
Pet Program	27,478	-	-	27,478
Nutritional Services	3,796	-	(25)	3,771
Community Volunteers	18,710	-	-	18,710
Grocery Delivery	20,043	2,570	(1,905)	20,708
Other	<u>2,316</u>	<u>7,503</u>	<u>(9,049)</u>	<u>770</u>
Total	<u>\$ 88,343</u>	<u>\$ 223,973</u>	<u>\$ (234,879)</u>	<u>\$ 77,437</u>
	2020			
	Balance at December 31, <u>2019</u>	<u>Contributions</u>	Net Assets Released from <u>Restrictions</u>	Balance at December 31, <u>2020</u>
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	<u>770</u>	<u>5,000</u>	<u>(3,454)</u>	<u>2,316</u>
Total	<u>\$ 56,754</u>	<u>\$ 178,600</u>	<u>\$ (147,011)</u>	<u>\$ 88,343</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 property owner has a security deposit of \$1,990 which is recorded as prepaid expense and other asset on the statements of financial position. Health Advocates is also responsible for certain additional expenses as defined in the agreement.