

Audited Financial Statements

FOUNDATION OF H.O.P.E., INC.

For the Years Ended December 31, 2021 and 2020

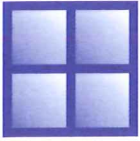
Audited Financial Statements

FOUNDATION OF H.O.P.E., INC.

For the Years Ended December 31, 2021 and 2020

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McKeever Varga & Senko

*Certified Public Accountants
Personal Financial Planners
Business Consultants*

Independent Auditor's Report

To the Board of Directors of
FOUNDATION OF H.O.P.E., INC.
Pittsburgh, Pennsylvania

Opinion

We have audited the accompanying financial statements of Foundation of H.O.P.E., Inc. (a Pennsylvania nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, 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 Foundation of H.O.P.E., Inc. as of December 31, 2021 and 2020, 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.

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 Foundation of H.O.P.E., 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 Foundation of H.O.P.E., Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Directors of
FOUNDATION OF H.O.P.E., INC.

(Continued)

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, 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 Foundation of H.O.P.E., 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 Foundation of H.O.P.E., 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.



Certified Public Accountants

September 8, 2022
Pittsburgh, Pennsylvania

Audited Financial Statements

FOUNDATION OF H.O.P.E., INC.

Statements of Financial Position

At December 31, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 275,382	\$ 319,851
Accounts receivable	281,842	4,025
Accounts receivable – related party	92,572	46,738
Grant receivable	400,000	447,029
Prepaid expenses	6,853	3,786
Total current assets	1,056,649	821,429
Property and equipment:		
Office equipment	13,272	14,379
Leasehold improvements	10,442	-
Less: accumulated depreciation	(6,064)	(3,558)
Total property and equipment	17,650	10,821
Total assets	\$ 1,074,299	\$ 832,250
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 14,992	\$ 14,058
Accrued expenses	14,383	11,285
Paycheck protection loan	-	10,553
Due to related party	128	3,612
Total liabilities	29,503	39,508
Net assets:		
Without donor restriction	208,095	40,688
With donor restriction	836,701	752,054
Total net assets	1,044,796	792,742
Total liabilities and net assets	\$ 1,074,299	\$ 832,250

The accompanying notes are an integral part of these financial statements.

FOUNDATION OF H.O.P.E., INC.

Statements of Activities and Changes in Net Assets

For the Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Revenue and support:						
Contract services:						
Chaplaincy program	\$ 353,747	\$ -	\$ 353,747	\$ 346,380	\$ -	\$ 346,380
Pre-release program	209,781	-	209,781	203,671	-	203,671
Diversion	281,247	-	281,247	-	-	-
Contributions	76,089	623,461	699,550	224,347	667,558	891,905
Fundraising events	7,967	-	7,967	3,406	-	3,406
In kind contributions	-	-	-	966	-	966
Investment income	-	-	-	(654)	-	(654)
Net assets released from restrictions	538,814	(538,814)	-	437,469	(437,469)	-
Total revenue and support	1,467,645	84,647	1,552,292	1,215,585	230,089	1,445,674
Expenses:						
Program services:						
Chaplaincy program	345,692	-	345,692	406,264	-	406,264
Pre-release program	110,818	-	110,818	112,289	-	112,289
Aftercare mentoring	148,566	-	148,566	131,574	-	131,574
Diversion program	529,969	-	529,969	374,923	-	374,923
Support services:						
Administrative	155,871	-	155,871	148,412	-	148,412
Fundraising	9,322	-	9,322	1,695	-	1,695
Total expenses	\$ 1,300,238	-	\$ 1,300,238	1,175,157	-	1,175,157
Increase (decrease) in net assets	167,407	84,647	252,054	40,428	230,089	270,517
Net assets, beginning of year	40,688	752,054	792,742	260	521,965	522,225
Net assets, end of year	\$ 208,095	\$ 836,701	\$ 1,044,796	\$ 40,688	\$ 752,054	\$ 792,742

The accompanying notes are an integral part of these financial statements.

FOUNDATION OF H.O.P.E., INC.

Statement of Functional Expenses

For the Year Ended December 31, 2021

	Program Services				Supporting Services		Total	
	Chaplaincy	Aftercare	Pre-Release	Diversion	Total Program	Admin-istrative		Fund-raising
Salaries and wages	\$ 238,321	\$ 85,352	\$ 84,976	\$ 327,603	\$ 736,252	\$ 88,246	\$ -	\$ 824,498
Independent contractor	26,228	1,230	180	54,398	82,036	650	-	82,686
Employee benefits	1,241	2,142	603	3,624	7,610	2,607	-	10,217
Pension	20,833	4,268	738	13,978	39,817	5,240	-	45,057
Payroll taxes	13,731	5,535	6,501	25,061	50,828	6,735	-	57,563
Bank service charges	-	-	-	-	-	531	-	531
Fundraising events	-	-	-	-	-	-	6,463	6,463
Professional fees	10,369	-	6,305	49,976	66,650	29,791	-	96,441
Program services	23,083	28,732	2,801	31,128	85,744	3,477	2,859	92,080
Insurance	-	-	-	-	-	7,054	-	7,054
Office expenses	3,471	6,130	5,915	12,299	27,815	7,421	-	35,236
Rent	-	10,920	-	6,680	17,600	400	-	18,000
Travel and conferences	6,006	468	2,799	110	9,383	-	-	9,383
Depreciation	-	-	-	-	-	2,672	-	2,672
Reimbursables	688	2,901	-	2,805	6,394	982	-	7,376
Continuing education	1,721	816	-	1,507	4,044	65	-	4,109
Staff development	-	72	-	800	872	-	-	872
Total expenses	\$ 345,692	\$ 148,566	\$ 110,818	\$ 529,969	\$ 1,135,045	\$ 155,871	\$ 9,322	\$ 1,300,238

The accompanying notes are an integral part of these financial statements.

FOUNDATION OF H.O.P.E., INC.

Statement of Functional Expenses

For the Year Ended December 31, 2020

	Program Services				Total Program	Supporting Services		Total
	Chaplaincy	Aftercare	Pre- Release	Diversion		Admin- istrative	Fund- raising	
Salaries and wages	\$ 322,728	\$ 81,616	\$ 80,231	\$ 238,037	\$ 722,612	\$ 86,610	\$ -	\$ 809,222
Employee benefits	3,296	2,142	2,729	3,267	11,434	2,503	-	13,937
Pension	22,657	2,413	4,906	6,811	36,787	5,506	-	42,293
Payroll taxes	10,033	5,277	8,238	14,816	38,364	6,041	-	44,405
Bank service charges	-	-	-	-	-	2,675	-	2,675
Fundraising events	-	-	-	-	-	-	1,695	1,695
Professional fees	9,774	-	5,932	39,143	54,849	27,128	-	81,977
Program services	19,052	23,002	1,775	48,262	92,091	1,031	-	93,122
Charitable contributions	124	-	-	-	124	250	-	374
Insurance	-	-	-	-	-	6,556	-	6,556
Office expenses	4,953	6,404	6,122	13,403	30,882	6,323	-	37,205
Rent	-	8,100	-	6,600	14,700	2,700	-	17,400
Travel and conferences	5,731	294	1,641	425	8,091	-	-	8,091
Depreciation	-	-	-	-	-	906	-	906
Reimbursables	2,553	2,038	492	1,093	6,176	83	-	6,259
Continuing education	4,634	288	223	3,066	8,211	-	-	8,211
Staff development	729	-	-	-	729	100	-	829
Total expenses	\$ 406,264	\$ 131,574	\$ 112,289	\$ 374,923	\$ 1,025,050	\$ 148,412	\$ 1,695	\$ 1,175,157

The accompanying notes are an integral part of these financial statements.

FOUNDATION OF H.O.P.E., INC.

Statements of Cash Flow

For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 252,054	\$ 270,517
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used for) operating activities:		
Depreciation	2,672	906
(Increase) decrease in:		
Accounts receivable	(277,817)	(3,942)
Accounts receivable – related party	(45,834)	129,538
Grant receivable	47,029	(371,447)
Investments	-	3,712
Prepaid expenses	(3,067)	294
Increase (decrease) in:		
Accounts payable	893	(9,648)
Accrued expenses	3,098	(1,001)
Due to related party	(3,443)	1,011
	(24,415)	19,940
Cash flows from investing activities:		
(Purchase) of equipment	(10,442)	(10,826)
Disposal of equipment	941	-
	(9,501)	(10,826)
Cash flows from financing activities:		
New borrowings	-	10,553
Repayment of debt	(10,553)	-
	(10,553)	10,553
Net cash provided by (used for) investing activities	(9,501)	(10,826)
Net cash provided by (used for) financing activities	(10,553)	10,553
Net increase (decrease) in cash and cash equivalents	(44,469)	19,667
Cash and cash equivalents, beginning of year	319,851	300,184
Cash and cash equivalents, end of year	\$ 275,382	\$ 319,851
Supplemental disclosure:		
Cash paid for interest	\$ -	\$ -
Cash paid for income tax	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

FOUNDATION OF H.O.P.E., INC.

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

Note 1. Nature of Activity and Operations

The Foundation of H.O.P.E., Inc. (the Foundation) is an interfaith-based nonprofit organization providing comprehensive chaplaincy ministry and pre-release and post-release after-care for offenders both within the Allegheny County Jail and within the outside community. The Foundation also provides eligible young people access to programs that are an alternative to prosecution. The Foundation's mission and goal is successful community reintegration of men and women who have been incarcerated in the Allegheny County Jail. The source of most of the Foundation's revenues are program services fees from government agencies. The Foundation also receives a significant portion of its revenues from contributions received from individuals, foundations, and other nonprofit organizations.

Note 2. Summary of Significant Accounting Policies

A. Basis of Accounting

The Foundation's financial statements were prepared using the accrual basis of accounting. Expenses are recognized in the period incurred. Revenues are recognized in the period in which they are earned.

B. Basis of Presentation

The Foundation presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205 and subsections. Under this standard net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified as follows:

Net assets without donor restrictions – net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions – net assets that are subject to donor restrictions. Currently all net assets with donor restriction may or will be met either by actions of the Foundation and/or passage of time. There are no restricted assets intended to be used for purposes of endowments. See Note 4 for a description of net assets with donor restrictions at December 31, 2021 and 2020.

The Foundation is also required to present a statement of cash flows.

FOUNDATION OF H.O.P.E., INC.

Notes to Financial Statements (Continued)

For the Years Ended December 31, 2021 and 2020

Note 2. Summary of Significant Accounting Policies (Continued)

C. Use of Estimates

The preparation of financial statements in conformity with the accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Cash and Cash Equivalents

For purposes of reporting cash flows, cash consists of cash on hand and checking accounts. At times, balances in these accounts may be in excess of federally insured limits.

E. Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a 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 statement of activities and changes in net assets as net assets released from restrictions.

F. Accounts Receivable

Related party accounts receivable represents amounts due from a related organization that holds two government contracts. All revenues are recognized when earned and receivables are recorded at net realizable value. The Foundation's policy for determining past due or delinquent status is based on how recently payments have been made or contractual terms, as applicable. It is the Foundation's policy to charge off uncollectable accounts receivable when management determines the receivable will not be collected. The Foundation has determined that no provision for uncollectable accounts receivable as of December 31, 2021 and 2020 is required.

G. Program Services

Fees for program services are recognized at the time the service is rendered.

FOUNDATION OF H.O.P.E., INC.

Notes to Financial Statements (Continued)

For the Years Ended December 31, 2021 and 2020

Note 2. Summary of Significant Accounting Policies (Continued)

H. Property and Equipment

It is the Foundation's policy to capitalize property and equipment purchases over \$1,000 and expense lesser amounts. Purchased property and equipment is recorded at cost and depreciated over the estimated useful life of the assets, using the straight-line method

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities and changes in net assets for the period. The cost of repairs and maintenance is charged to expense as incurred; whereas significant renewals and betterments are capitalized.

Depreciation expense totaled \$2,672 and \$906 for years ended December 31, 2021 and 2020, respectively.

I. Functional Allocation of Expenses

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The following expenses that are allocated based on hours worked are salaries, benefits and payroll taxes. The remainder of the expenses are allocated based off of actual usage by each program.

J. Income Taxes

The Foundation has received a determination letter from the Internal Revenue Service that grants an exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code, except for any income that may be a result of unrelated business transactions. The Foundation does not believe its financial statements include, or reflect, any uncertain tax positions that require disclosure under FASB ASC 740-10-25 (FIN 48).

The Foundation's IRS Forms 990, Return of Organization Exempt from Income Tax, for the fiscal years ended December 31, 2021, 2020, and 2019 are subject to examination by the IRS, generally for three years after they were filed.

K. Reclassifications

Certain amounts in these financial statements for the year ended December 31, 2020 have been reclassified to conform with the reporting categories for the year ended December 31, 2021.

FOUNDATION OF H.O.P.E., INC.

Notes to Financial Statements (Continued)

For the Years Ended December 31, 2021 and 2020

Note 2. Summary of Significant Accounting Policies (Continued)

L. Revenue from Contracts

The Foundation is contracted with Allegheny County, the City of Pittsburgh, and the Department of Corrections to provide comprehensive chaplaincy ministry, the diversion program for adults, and pre-release and post-release after-care for offender. The contract with Allegheny County is for an agreed upon amount and the Foundation bills monthly. The Department of Correction contract is based on service provided and is billed monthly. The City of Pittsburgh Contact is a cost reimbursement contract and the revenue is recognized as the costs are incurred. The timing of revenue recognition, billings, and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances and deposits (contract liabilities) on the statement of financial position. The contract receivable balances at December 31, 2021 and 2020 were \$373,819 and \$46,738, respectively. There were no unbilled receivables or advances and deposits as of December 31, 2021 and 2020.

Note 3. Concentration of Credit Risk

The Foundation maintains its cash balance at a financial institution located in Pennsylvania, which at times may exceed federal insured limits of \$250,000. At December 31, 2021 and 2020, the Foundation's uninsured cash balance was \$18,337 and \$30,171, respectively. The Foundation has not experienced any losses in such accounts. Management believes the Foundation is not exposed to any significant credit risk related to cash.

Note 4. Restrictions on Net Assets

A. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or periods specified as follows during the years ended December 31 as follows:

	2021	2020
Chaplaincy program	\$ 29,325	\$ 120
Pre-release program	225	-
Aftercare program	54,436	21,782
Diversion program	454,828	415,567
	<u>454,828</u>	<u>415,567</u>
Total	<u>\$ 538,814</u>	<u>\$ 437,469</u>

FOUNDATION OF H.O.P.E., INC.

Notes to Financial Statements (Continued)

For the Years Ended December 31, 2021 and 2020

Note 4. Restrictions on Net Assets (Continued)

B. Net Assets With Donor Restriction

Net assets with donor restrictions are available for the following purposes at December 31:

	2021	2020
Chaplaincy program	\$ 12,677	\$ 40,116
Pre-release program	-	200
Aftercare program	70,468	67,555
Diversion program	<u>753,556</u>	<u>644,183</u>
Total	<u>\$ 836,701</u>	<u>\$ 752,054</u>

Note 5. Grant Receivable

Unconditional promises to give are recorded as receivables and revenue when received. The Foundation distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. Grants are recorded after being discounted to the anticipated net present value of the future cash flows.

Pledges are expected to be realized in the following periods:

	2021	2020
In one year or less	\$ 400,000	\$ 447,029
Between one year and five years	<u>-</u>	<u>-</u>
Total	<u>\$ 400,000</u>	<u>\$ 447,029</u>

FOUNDATION OF H.O.P.E., INC.

Notes to Financial Statements (Continued)

For the Years Ended December 31, 2021 and 2020

Note 6. Related Party Transactions

Christian Associates of Southwestern Pennsylvania (CASP) has voting interest in the Foundation's governing board and is deemed to be a related party. CASP has two contracts through Allegheny County for Pre-Release and Chaplaincy programs. The Foundation performs all the duties within the scope of these contracts and invoices CASP for these services on a monthly basis. The contracts still remain with CASP.

For the years ended December 31, 2021 and 2020, the Foundation's program service revenue for the Pre-Release and Chaplaincy programs totaled \$563,529 and \$550,051 for services provided to Allegheny County under CASP's contracts for which the Foundation has administrative responsibility.

At December 31, 2021 and 2020, amounts due to the Foundation from CASP totaled \$92,572 and \$46,738, respectively. Amounts due to CASP were \$128 and \$169 at December 31, 2021 and 2020, respectively.

For the years ended December 31, 2021 and 2020, the Foundation paid CASP administrative and affiliation fees totaling \$17,181 and \$16,400, respectively.

Note 7. Economic Dependency

The Foundation performs services under CASP contracts with Allegheny County and the U.S. Department of Justice for the Second Chance Act. For the years ended December 31, 2021 and 2020, revenue from this source comprised of 36.3% and 38.0% of total revenue, respectively.

At December 31, 2021 and 2020, 24.7% and 92.0% of trade accounts receivable were comprised of amounts due from CASP, respectively.

FOUNDATION OF H.O.P.E., INC.

Notes to Financial Statements (Continued)

For the Years Ended December 31, 2021 and 2020

Note 8. Operating Leases

The Foundation rented office space for \$1,450 a month during 2021 and 2020. A new lease was signed for office space in September 2021. The new lease was for \$3,000 a month that began in November 2021. Total rent expenses amounted to \$18,000 and \$17,400 for the years ended December 31, 2021 and 2020, respectively. At December 31, 2021, future minimum annual rental payments required under the lease agreement with terms in excess of one year are as follows:

Year Ending December 31	
2022	\$ 36,000
2023	<u>30,000</u>
Total	<u>\$ 66,000</u>

Note 9. Pension Plan

The Foundation sponsors a Simplified Employee Pension Plan (the Plan) covering all employees who have attained certain age and service requirements and who are not covered by a collective bargaining agreement. Total contributions to retirement plans totaled \$45,057 and \$42,293 for the years ended December 31, 2021 and 2020, respectively.

Note 10. Liquidity and Availability of Financial Assets

The Foundation manages its liquid resources by focusing on grant requests, fundraising and programmatic efforts to ensure the organization has adequate contributions, grants, and contract revenue to fulfill its mission and conduct key programs. The Foundation prepares detailed budgets annually and has been very active in monitoring its costs to ensure the Foundation remains liquid.

FOUNDATION OF H.O.P.E., INC.

Notes to Financial Statements (Continued)

For the Years Ended December 31, 2021 and 2020

Note 10. Liquidity and Availability of Financial Assets (Continued)

The following reflects the Foundation's financial assets as of December 31, 2021 and 2020 expected to be available within one year to meet the cash needs for general expenditures. Amounts available include grant receivables expected to be collected within one year as well as donor-restricted amounts that are available for program specific general expenditure in the following year.

	2021	2020
Cash	\$ 275,382	\$ 319,851
Receivables	281,842	4,025
Receivables – related party	92,572	46,738
Grant receivables	<u>400,000</u>	<u>447,029</u>
Total financial assets	1,049,796	817,643
Less: long-term receivables	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,049,796</u>	<u>\$ 817,643</u>

Note 11. Government Grants

On May 1, 2020, the Foundation was granted a loan from PNC Bank, in the aggregate amount of \$161,800 pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The loan, which was in the form of a note dated May 1, 2020, matures on May 1, 2022 and bears interest at a rate of 1.0% per annum. The note may be prepaid by the Foundation at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Foundation submitted the application for loan forgiveness subsequent to year end. On September 15, 2021 the Foundation received forgiveness for \$151,247 in principal and \$2,100 in interest. The remaining \$10,553 loan balance was paid in one payment during 2021.

FOUNDATION OF H.O.P.E., INC.

Notes to Financial Statements (Continued)

For the Years Ended December 31, 2021 and 2020

Note 12. Risks and Uncertainties

After year-end it has become apparent that the Coronavirus also known as COVID-19 has put a strain on the economy. Those effects cannot yet be measured on the Foundation but should be considered when reading these financial statements. The Foundation is currently following all Federal, State and Local orders regarding business regulations during the COVID-19 crisis.

Note 13. Evaluation of Subsequent Events

The Foundation has evaluated subsequent events through September 8, 2022, the date on which the financial statements were available to be issued.