

Hello Neighbor  
Financial Statements  
*For the Years Ended June 30, 2021 and December 31, 2020*



**Hello Neighbor  
Table of Contents**

*For the Years Ended June 30, 2021 and December 31, 2020*

	PAGE
Independent Accountant's Review Report.....	1
<i><u>FINANCIAL STATEMENTS</u></i>	
Statements of Financial Position.....	2
Statements of Cash Flows .....	2
Statements of Activities .....	3-4
Statements of Functional Expenses.....	5-6
Notes to the Financial Statements .....	7-9



## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

### To the Board of Directors

### Hello Neighbor

Pittsburgh, PA

We have reviewed the accompanying financial statements of Hello Neighbor (a nonprofit organization), which comprise the statement of financial position as of June 30, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### 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.

### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Pittsburgh, PA  
May 5, 2022

## Hello Neighbor

### Statement of Financial Position

As of June 30, 2021 and December 31, 2020

	2021	2020
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 778,809	837,026
Accounts Receivable	12,255	19,050
Grants Receivable	38,195	4,000
Prepaid Expenses	1,030	1,030
Security Deposit	2,500	2,500
<b>Total Current Assets</b>	<b>832,789</b>	<b>863,606</b>
<b>Non-Current Assets:</b>		
Property & Equipment	5,904	-
Accumulated Depreciation	[422]	-
<b>Total Non-Current Assets</b>	<b>5,482</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>\$ 838,271</b>	<b>\$ 863,606</b>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	1,881	628
Credit Card Payable	12,716	4,652
Payroll taxes payable	10,344	9,156
Refundable Advances	150,989	279,106
Unearned Revenue	156,842	151,045
IRA Payable	900	-
<b>Total Current Liabilities</b>	<b>333,672</b>	<b>444,587</b>
<b>TOTAL LIABILITIES</b>	<b>333,672</b>	<b>444,587</b>
<b>NET ASSETS</b>		
Without Donor Restrictions	397,099	373,519
With Donor Restrictions	107,500	45,500
<b>TOTAL NET ASSETS</b>	<b>504,599</b>	<b>419,019</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		
<b>NET ASSETS</b>	<b>\$ 838,271</b>	<b>\$ 863,606</b>

## Hello Neighbor

### Statement of Cash Flows

As of June 30, 2021 and December 31, 2020

	2021	2020
<b>CASH FLOWS</b>		
<b>From Operating Activities</b>		
Change in Net Assets	\$ 85,014	\$ 182,332
<b>Adjustments to reconcile change in Net Assets to net cash provided by operating activities:</b>		
Depreciation	422	-
<b>[Increase] Decrease in Assets:</b>		
Accounts Receivable	6,795	[19,050]
Loan to Officer	-	52
Grants Receivable	[34,195]	46,000
Prepaid Expenses	-	-
Security Deposit	-	-
<b>Increase [Decrease] in Liabilities:</b>		
Accounts Payable	1,253	628
Credit Card Payable	8,064	2,222
Payroll taxes Payable	1,188	9,156
Refundable Advances	[128,117]	279,106
Unearned Revenue	5,797	151,045
IRA Payable	900	-
<b>Net Cash provided/[used] by operating activities</b>	<b>[52,879]</b>	<b>651,491</b>
<b>From Investing Activities</b>		
Capital Expenditures	[5,904]	-
<b>Net Cash Used by Investing Activities</b>	<b>[5,904]</b>	<b>-</b>
<b>Net increase/[decrease] in cash</b>	<b>[58,783]</b>	<b>651,491</b>
Beginning Cash	837,026	185,535
Prior Period Adjustment	566	-
<b>ENDING CASH</b>	<b>\$ 778,809</b>	<b>\$ 837,026</b>

Operating activities reflect no interest paid as of June 30, 2021 and December 31, 2020.

See Independent Accountant's Review Report

The Accompanying Notes are an Integral Part of these Financial Statements

**Hello Neighbor**  
**Statement of Activities**

As of June 30,

Change in Net Assets	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>			
Contributions	\$ 222,210	-	\$ 222,210
Grants	77,408	107,500	184,908
Program Services Revenue	6,331	-	6,331
Special Event Revenue	800	-	800
Sponsorship Revenue	12,500	-	12,500
Interest Income	186	-	186
Miscellaneous Income	730	-	730
Net Assets released from restriction	45,500	[45,500]	-
<b>Total Revenues</b>	<b>365,665</b>	<b>62,000</b>	<b>427,665</b>
<b>Expenses:</b>			
Program Services	268,157	-	268,157
Management and General	53,756	-	53,756
Fundraising	20,738	-	20,738
<b>Total Expenses</b>	<b>342,651</b>	<b>-</b>	<b>342,651</b>
<b>Increase [Decrease] in Net Assets</b>	<b>23,014</b>	<b>62,000</b>	<b>85,014</b>
<b>Net Assets - Beginning of year</b>	<b>373,519</b>	<b>45,500</b>	<b>419,019</b>
<b>Prior Period Adjustment</b>	<b>566</b>		<b>566</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 397,099</b>	<b>\$ 107,500</b>	<b>\$ 504,599</b>

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## Hello Neighbor

Statements of Activities

As of December 31,

Change in Net Assets	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>			
Contributions	\$ 210,682	-	\$ 210,682
Grants	332,850	45,500	378,350
Program Services Revenue	29,987	-	29,987
Special Event Revenue	6,894	-	6,894
Sponsorship Revenue	26,380	-	26,380
Interest Income	781	-	781
Net Assets released from restriction	68,750	[68,750]	-
<b>Total Revenues</b>	<b>676,324</b>	<b>[23,250]</b>	<b>653,074</b>
<b>Expenses:</b>			
Program Services	361,089	-	361,089
Management and General	67,394	-	67,394
Fundraising	42,259	-	42,259
<b>Total Expenses</b>	<b>470,742</b>	<b>-</b>	<b>470,742</b>
<b>Change in Net Assets</b>	<b>205,582</b>	<b>[23,250]</b>	<b>182,332</b>
<b>Net Assets - Beginning of year</b>	<b>167,937</b>	<b>68,750</b>	<b>236,687</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 373,519</b>	<b>\$ 45,500</b>	<b>\$ 419,019</b>

See Independent Accountant's Review Report

The Accompanying Notes are an Integral Part of these Financial Statements

**Hello Neighbor**  
**Statement of Functional Expenses**  
As of June 30, 2021

	Programs						TOTAL
	Fundraising	Management & General	Mentorship	National Network	Other Programs	Total Programs	
<b>PERSONNEL</b>							
Salaries & Benefits	\$ 7,060	\$ 22,585	\$ 27,272	\$ 50,851	\$ 102,571	\$ 180,694	\$ 210,339
Payroll Taxes	485	2,879	2,027	3,909	8,198	14,134	17,498
Total Personnel Expenses	7,545	25,464	29,299	54,760	110,769	194,828	227,837
<b>OPERATING</b>							
Advertising & Marketing	7,119	3,273	-	1,049	268	1,317	11,709
Awards & Grants	-	-	-	9,612	21,797	31,409	31,409
Bank Charges & Fees	-	229	-	6	75	81	310
Conferences, Conventions & Meetings	-	-	-	-	30	30	30
Contractors	233	2,161	-	19,994	4,996	24,990	27,384
Depreciation	-	422	-	-	-	-	422
Development	4,156	48	-	-	22	22	4,226
Dues and Subscriptions	-	1,552	5	-	22	27	1,579
Insurance	-	2,372	-	-	-	-	2,372
Legal & Professional Services	-	7,993	-	-	-	-	7,993
Meals & Entertainment	112	410	-	29	70	99	621
Miscellaneous	-	1,312	-	1,396	1,394	2,790	4,102
Office Supplies & Software	256	2,963	570	570	634	1,774	4,993
Payroll Processing Fees	-	670	-	-	-	-	670
Postage	20	1,145	24	639	-	663	1,828
Printing	-	-	-	158	-	158	158
Rent & Lease	1,232	1,232	3,252	3,252	3,352	9,856	12,320
Repairs & Maintenance	-	280	-	-	-	-	280
Travel	-	1,171	25	-	88	113	1,284
Utilities	65	1,059	-	-	-	-	1,124
Total Operating Expenses	13,193	28,292	3,876	36,705	32,748	73,329	114,814
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 20,738</b>	<b>\$ 53,756</b>	<b>\$ 33,175</b>	<b>\$ 91,465</b>	<b>\$ 143,517</b>	<b>\$ 268,157</b>	<b>\$ 342,651</b>

See Independent Accountant's Review Report  
The Accompanying Notes are an Integral Part of these Financial Statements

**Hello Neighbor**  
**Statement of Functional Expenses**  
As of December 31, 2020

	Programs						TOTAL
	Fundraising	Management & General	Mentorship	National Network	Other Programs	Total Programs	
<b>PERSONNEL</b>							
Salaries	\$ 13,809	\$ 26,102	\$ 41,639	\$ 46,845	\$ 99,422	\$ 187,906	\$ 227,817
Payroll Taxes	888	1,649	3,043	3,578	7,269	13,890	16,427
Total Personnel Expenses	14,697	27,751	44,682	50,423	106,691	201,796	244,244
<b>OPERATING</b>							
Advertising & Marketing	15,596	2,378	820	-	64	884	18,858
Awards	-	-	-	400	88,312	88,712	88,712
Bank Charges & Fees	758	192	31	-	-	31	981
Conferences, Conventions & Meetings	-	30	47	-	-	47	77
Contractors	1,671	1,532	8,832	4,350	17,553	30,735	33,938
Dues and Subscriptions	358	2,803	5	-	-	5	3,166
Events	3,824	-	3,185	-	-	3,185	7,009
Insurance	-	4,331	-	-	-	-	4,331
Legal & Professional Services	540	14,017	1,093	-	-	1,093	15,650
Meals & Entertainment	-	1,699	19	200	2,048	2,267	3,966
Miscellaneous	-	265	-	-	-	-	265
Office Supplies & Software	1,951	1,950	5,149	5,149	5,306	15,604	19,505
Payroll Processing Fees	-	1,012	-	-	-	-	1,012
Postage	55	1,983	14	-	-	14	2,052
Printing	868	968	225	-	-	225	2,061
Rent & Lease	1,844	1,844	4,868	4,868	5,015	14,751	18,439
Repairs & Maintenance	-	-	97	-	-	97	97
Taxes & Licenses	-	150	-	-	-	-	150
Travel	-	2,469	529	91	242	862	3,331
Utilities	97	2,020	-	-	781	781	2,898
Total Operating Expenses	27,562	39,643	24,914	15,058	119,321	159,293	226,498
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 42,259</b>	<b>\$ 67,394</b>	<b>\$ 69,596</b>	<b>\$65,481</b>	<b>\$ 226,012</b>	<b>\$361,089</b>	<b>\$ 470,742</b>

See Independent Accountant's Review Report  
The Accompanying Notes are an Integral Part of these Financial Statements



## Hello Neighbor

### Notes to the Financial Statements

For the Years Ended June 30, 2021 and December 31, 2020

The following notes and accompanying financial statements are the responsibility of the Management of Hello Neighbor.

#### **Note 1 – Organization and Nature of Activities:**

##### *Organization*

The Organization was formed in 2017 under the Corporation Not-for-Profit code of the Commonwealth of Pennsylvania. Hello Neighbor is a qualified corporation exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

##### *Nature of Activities and Programs*

Hello Neighbor works to improve the lives of recently resettled refugee and immigrant families by matching them with dedicated neighbors to guide and support them in their new lives through mentorship. The Organization provides financial support to refugees in need, advocates for new refugee mothers and their children through the smart start program and study buddy programs, helps refugee woman gain financial freedom through food-based programs. Hello Neighbor also organizes a national network that brings together a coalition of grassroots organizations working in post-refugee resettlement.

#### **Note 2 - Significant Accounting Policies:**

##### *Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when they are earned and expenses when incurred.

##### *Use of Estimates*

The preparation of financial statements in conformity with 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.

##### *Financial Statement Presentation*

The financial statements report information regarding the Organization's financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Without donor restrictions are net assets that are not subject to donor-imposed stipulations. With donor restrictions are net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that will be met by the passage of time or other events specified by the Donor.

#### **Note 2 – Significant Accounting Policies [continued]:**

Other donor-imposed restrictions are perpetual in nature where the donor stipulates that resources be maintained in perpetuity. The Organization currently has no net assets with donor restrictions that are to be maintained in perpetuity as of June 30, 2021.

##### *Property and Equipment*

Property and equipment are recorded at cost if purchased or fair market value if donated. Depreciation is computed using straight line over the useful life of the property. The cost of additions and improvements exceeding \$2,500 is charged to the property accounts, while maintenance and repairs are expensed as incurred. The cost of property sold or retired and the related accumulated depreciation are eliminated from the accounts and the resulting gain or loss is reflected in the statement of activities.

##### *Revenue Recognition*

Contribution and grant revenue are recognized when grantors and donors make promises to give and are recorded as without donor restrictions or with donor restrictions depending on the existence/and or nature of any donor restrictions. Special events revenue is recognized when tickets to the events are sold. Program revenue is recognized when attendees register for the program.

Donor-restricted contributions or grants whose restrictions are satisfied in the same reporting period are considered without donor restrictions.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions in which they depend have been substantially met. Conditional gifts received prior to the satisfaction of conditions are recorded as refundable advances. As of June 30, 2021 and December 31, 2020 refundable advances were \$150,989 and \$279,106 respectively.

##### *Advertising*

Hello Neighbor expenses advertising costs when incurred. Advertising costs were primarily related to Hello Neighbor's programs.

## Hello Neighbor

### Notes to the Financial Statements

For the Years Ended June 30, 2021 and December 31, 2020

#### **Note 3 - Cash & Cash Equivalents:**

Hello Neighbor maintains cash at financial institutions. At times, the balances in these accounts may exceed the amount insured by the Federal Deposit Insurance Corporation [\$250,000].

Hello Neighbor considers cash in demand deposit accounts to be cash equivalents for statement of cash flow purposes.

#### **Note 4 - Accounts Receivable:**

Hello Neighbor records receivables for program service fees and grants receivable in the normal course of business. A valuation allowance is provided for accounts receivable whose collection is doubtful. Outstanding receivables were \$50,450 and \$23,050 as of June 30, 2021 and December 31, 2020. No allowances have been provided for these receivables, as the Organization expects to collect them in full.

#### **Note 5 - Paycheck Protection Program Loan:**

In 2020, the Organization received a loan in the amount of \$21,900 under the Paycheck Protection Program established by the Coronavirus Aid, Relief and Economic Security [CARES] Act. The Organization applied for and received forgiveness of the loan. The revenue from the loan has been recognized as Grants revenue for the year ended December 31, 2020.

#### **Note 6 - Income Taxes:**

Under the Internal Revenue Code Section 501(c)(3), Hello Neighbor is exempt from income tax liability. Therefore, no provision or liability for federal income taxes has been included in these financial statements.

#### *Examination by Taxing Authorities*

The federal income tax return of the Organization for 2019, 2020, or 2021 could be subject to examination by the IRS, generally for up to three years from the date the return was filed or the date the return was due, if later. As of the date of this report, there are no pending or actual examinations by the IRS.

#### **Note 7 - Net Assets with Donor Restrictions:**

Net assets are classified according to the level of restriction placed upon the assets by the donors.

Net assets with donor restrictions as of June 30, 2021 and December 31, 2020 consisted of the following:

#### **Note 7 - Net Assets with Donor Restrictions [Cont.]:**

	2021	2020
Restricted: programmatic use	\$ 107,500	\$ 45,500
Restricted: time	-	-
Total Net Assets with Donor Restrictions	<u>\$ 107,500</u>	<u>\$ 45,500</u>

#### **Note 8 - Concentration of Risk:**

Hello Neighbor's activities are concentrated in the Greater Pittsburgh Area; therefore, economic and demographic influences in this region could impact Hello Neighbor's revenue.

#### **Note 9 - Commitments & Contingencies:**

The Organization has no commitments or contingencies as of the date of the financial statements.

#### **Note 10 - Leases:**

##### *Rent*

On December 18, 2019, The Organization subleased its office space on Hamilton Avenue in Pittsburgh from Ethos Collaborative, LLC. The lease is a 2-year lease with monthly lease payments of \$2,000 per month starting January 1, 2020 through December 31, 2020 and \$2,060 per month January 1, 2021 through December 31, 2021. This sublease was not renewed.

Total rent expense was \$12,320 and \$18,439 for the years ending June 30, 2021 and December 31, 2020.

Effective January 1, 2022, the Organization entered into a new lease with Aim Ventures, LLC. to directly lease the office space on Hamilton Avenue including an expansion of offices and added storage space. The lease is a 3-year lease with monthly lease payments for the offices at \$4,228 per month starting January 1, 2022 through December 31, 2022, \$4,355 per month from January 1, 2023 to December 31, 2023 and \$4,430 per month from January 1, 2024 to December 31, 2024. The storage lease began February 1, 2022 and the monthly lease payments are \$525 through December 31, 2024. At the end of the lease term, the Organization has the option for a 3-year extension term.

## Hello Neighbor

### Notes to the Financial Statements

For the Years Ended June 30, 2021 and December 31, 2020

#### **Note 10 - Leases [Cont'd]:**

Following is a schedule of future minimum lease payments required under the above operating leases as of June 30, 2021:

<u>Year Ending</u>	<u>Amount</u>
2022	\$ 40,878
2023	57,273
2024	59,010
2025	<u>29,730</u>
Total	<u>\$186,891</u>

#### **Note 11 – Retirement Plan:**

The Organization established a SIMPLE IRA plan on January 1, 2021. Employees who earned at least \$5,000 per year are eligible to participate in the plan. Annual employer contributions are made for eligible participating employees with a dollar-for-dollar match contribution up to 3% of compensation. The total amount of employer contributions made from January 1, 2021 through June 30, 2021 was \$2,800.

#### **Note 12 - Functional Expenses:**

The financial statements report 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 include salaries, payroll taxes, and overhead costs on the basis of estimates of time and effort. Expenses directly related to a specific program are charged to that program.

#### **Note 13 - Availability of Financial Assets:**

Financial assets available within one year from the statement of financial position date for general expenditure are as follows:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 778,809	\$ 837,026
Accounts Receivable	<u>50,450</u>	<u>23,050</u>
	<u>\$ 829,259</u>	<u>\$ 860,076</u>

As part of liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Funds are set aside in a money market account to assist in meeting any short-term cash needs.

#### **Note 14 - Subsequent Events:**

The COVID-19 pandemic which began in March of 2020, still continues as of the date of this report. Management is carefully monitoring the situation during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

Management has considered subsequent events through the date of this report.

#### **Note 15 - Recent Accounting Pronouncements:**

The Financial Accounting Standards Board has issued statements that will become effective in future years as outlined below. Management has not yet determined the impact of these statements on the financial statements.

ASU 2016-02, "Leases (Topic 842)," is effective for the financial statements for the year ending June 30, 2023. This amendment will require lessees to recognize assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.