



## **Boca Helping Hands, Inc. and Subsidiary**

**Consolidated Financial Statements**  
Years Ended December 31, 2021 and 2020

## **Boca Helping Hands, Inc. and Subsidiary**

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Consolidated Financial Statements  
Years Ended December 31, 2021 and 2020

# Boca Helping Hands, Inc. and Subsidiary

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## **Independent Auditor's Report**

Board of Directors  
Boca Helping Hands, Inc. and Subsidiary  
Boca Raton, Florida

### ***Opinion***

We have audited the consolidated financial statements of Boca Helping Hands, Inc. (a not-for-profit Organization) and Subsidiary (the Organization), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization 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 (GAAS). 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 the Organization 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

**BDO USA, LLP**

September 21, 2022  
Miami, Florida

## Consolidated Financial Statements

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**Boca Helping Hands, Inc. and Subsidiary**  
**Consolidated Statements of Financial Position**

<i>December 31,</i>	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,698,459	\$ 3,819,165
Contribution and grants receivable	-	23,000
Other receivables	81,003	14,431
Investments	7,443,145	4,841,280
Prepaid expenses and other assets	36,126	40,353
Property and equipment, net	6,424,506	6,258,628
<b>Total Assets</b>	<b>\$ 15,683,239</b>	<b>\$ 14,996,857</b>
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 85,098	\$ 211,454
Paycheck Protection Program Loan	-	170,155
<b>Total Liabilities</b>	<b>85,098</b>	<b>381,609</b>
<b>Commitments And Contingencies (Note 9)</b>		
Net assets		
Without donor restrictions:		
Undesignated	7,975,781	9,692,454
Board designated net assets	7,587,004	4,898,044
<b>Total net assets without donor restrictions</b>	<b>15,562,785</b>	<b>14,590,498</b>
With donor restrictions	35,356	24,750
<b>Total Net Assets</b>	<b>15,598,141</b>	<b>14,615,248</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 15,683,239</b>	<b>\$ 14,996,857</b>

*See accompanying independent auditor's report and notes to the consolidated financial statements.*

# Boca Helping Hands, Inc. and Subsidiary

## Consolidated Statements of Activities

Year Ended December 31,	2021			2020		
	Without		With	Without		With
	Donor Restrictions		Donor Restrictions	Donor Restrictions		Donor Restrictions
		Total			Total	
<b>Revenue and Support</b>						
Grants and contributions	\$	3,171,832	\$	561,783	\$	3,733,615
Capital campaign contributions	-	-	25,000	-	-	25,000
In-kind, principally food	5,330,000	5,330,000	-	-	8,550,000	-
Special events, net of expenses of \$9,000 and \$41,600 for the years ended December 31, 2021 and 2020, respectively	185,673	185,673	-	-	112,075	-
Investment income, net	676,933	676,933	-	-	589,276	-
Other income	2,180	2,180	-	-	977	-
Net assets released from restrictions	576,177	-	(576,177)	-	775,261	(775,261)
<b>Total Revenue and Support</b>	<b>9,942,795</b>	<b>9,953,401</b>	<b>10,606</b>	<b>14,505,370</b>	<b>(70,350)</b>	<b>14,435,020</b>
<b>Expenses</b>						
<b>Program services:</b>						
Food Center (including in-kind contributions of \$5,330,000 and \$8,550,000 for the years ended December 31, 2021 and 2020, respectively)	6,696,190	6,696,190	-	-	9,516,546	-
BHH Backpacks	526,297	526,297	-	-	232,544	-
Job Training/Job Mentoring Programs	666,053	666,053	-	-	298,648	-
Resource center	328,918	328,918	-	-	245,575	-
<b>Total program services</b>	<b>8,217,458</b>	<b>8,217,458</b>	<b>-</b>	<b>10,293,313</b>	<b>-</b>	<b>10,293,313</b>
<b>Support Services:</b>						
General and administrative	504,042	504,042	-	-	397,178	-
Fundraising	419,163	419,163	-	-	325,002	-
<b>Total Support Services</b>	<b>923,205</b>	<b>923,205</b>	<b>-</b>	<b>722,180</b>	<b>-</b>	<b>722,180</b>
<b>Total Expenses</b>	<b>9,140,663</b>	<b>9,140,663</b>	<b>-</b>	<b>11,015,493</b>	<b>-</b>	<b>11,015,493</b>
Change in net assets, before other items	802,132	812,738	10,606	3,489,877	(70,350)	3,419,527
Forgiveness of Paycheck Protection Program Loan	170,155	170,155	-	-	-	-
<b>Change In Net Assets</b>	<b>972,287</b>	<b>982,893</b>	<b>10,606</b>	<b>3,489,877</b>	<b>(70,350)</b>	<b>3,419,527</b>
<b>Net Assets - beginning of year</b>	<b>14,590,498</b>	<b>14,615,248</b>	<b>24,750</b>	<b>11,100,621</b>	<b>95,100</b>	<b>11,195,721</b>
<b>Net Assets - end of year</b>	<b>\$ 15,562,785</b>	<b>\$ 15,598,141</b>	<b>\$ 35,356</b>	<b>\$ 14,590,498</b>	<b>\$ 24,750</b>	<b>\$ 14,615,248</b>

*See accompanying independent auditor's report and notes to the consolidated financial statements.*



## Boca Helping Hands, Inc. and Subsidiary

### Consolidated Statement of Functional Expenses

Year Ended December 31, 2021	Program Services				Supporting Services			
	Food Center	BHH Backpacks	Job Training/ Job Mentoring Programs	Resource Center	Total Program Services	General and Administrative	Fundraising	Total Expenses
Salaries	\$ 347,345	\$ 37,141	\$ 152,395	\$ 72,002	\$ 608,883	\$ 257,349	\$ 191,539	\$ 1,057,771
Payroll taxes and employee benefits	91,320	9,765	40,066	18,930	160,081	67,659	50,357	278,097
In-kind food donations	5,330,000	-	-	-	5,330,000	-	-	5,330,000
Food purchases	501,128	437,860	-	-	938,988	-	-	938,988
Emergency assistance payments to clients	-	-	-	136,166	136,166	-	-	136,166
Job training	-	-	438,825	-	438,825	-	-	438,825
Building maintenance and supplies	78,837	1,958	6,053	4,328	91,176	11,495	11,495	114,166
Rent	-	-	-	29,914	29,914	-	-	29,914
Utilities and other	19,961	3,210	6,273	7,098	36,542	4,728	4,728	45,998
Printing, telephone and other office expenses	13,463	-	4,487	4,487	22,437	33,654	33,654	89,745
Insurance	94,613	6,880	4,341	15,130	120,964	11,004	10,475	142,443
Professional services	-	-	-	-	-	40,911	-	40,911
Security	34,554	-	1,819	-	36,373	-	-	36,373
Marketing	-	-	-	-	-	-	67,833	67,833
Information technology	8,198	-	2,733	2,733	13,664	20,494	20,494	54,652
Vehicle fuel and maintenance	38,641	6,819	-	-	45,460	-	-	45,460
Equipment rental	8,289	-	-	-	8,289	-	-	8,289
Bank charges	-	-	-	-	-	28,160	-	28,160
Miscellaneous	3,413	-	1,138	1,138	5,689	8,446	8,446	22,581
Depreciation	126,428	22,664	7,923	36,992	194,007	20,142	20,142	234,291
<b>Total Expenses</b>	<b>\$ 6,696,190</b>	<b>\$ 526,297</b>	<b>\$ 666,053</b>	<b>\$ 328,918</b>	<b>\$ 8,217,458</b>	<b>\$ 504,042</b>	<b>\$ 419,163</b>	<b>\$ 9,140,663</b>

See accompanying independent auditor's report and notes to the consolidated financial statements.

## Boca Helping Hands, Inc. and Subsidiary

### Consolidated Statement of Functional Expenses

Year Ended December 31, 2020	Program Services					Supporting Services			
	Food Center	BHH Backpacks	Job Training/ Job Mentoring Programs		Resource Center	Total Program Services	General and Administrative	Fundraising	Total Expenses
Salaries	\$ 309,917	\$ 40,137	\$ 124,884	\$ 60,094	\$ 535,032	\$ 208,205	\$ 136,027	\$ 879,264	
Payroll taxes and employee benefits	74,365	9,631	29,966	14,420	128,382	49,959	32,640	210,981	
In-kind food donations	8,550,000	-	-	-	8,550,000	-	-	8,550,000	
Food purchases	195,240	137,170	-	-	332,410	-	-	332,410	
Emergency assistance payments to clients	-	-	-	66,849	66,849	-	-	66,849	
Job training	-	-	124,771	-	124,771	-	-	124,771	
Building maintenance and supplies	43,943	7,922	3,751	17,515	73,131	9,537	9,537	92,205	
Rent	-	-	-	31,388	31,388	-	-	31,388	
Utilities and other	19,267	3,473	1,645	7,680	32,065	4,181	4,181	40,427	
Printing, telephone and other office expenses	9,729	1,754	831	3,878	16,192	24,287	24,287	64,766	
Insurance	96,315	4,235	3,416	8,981	112,947	8,241	7,279	128,467	
Professional services	-	-	-	-	-	30,286	-	30,286	
Security	36,807	-	1,937	-	38,744	-	-	38,744	
Marketing	-	-	-	-	-	-	71,482	71,482	
Information technology	6,702	1,208	572	2,671	11,153	16,731	16,731	44,615	
Vehicle fuel and maintenance	37,189	6,563	-	-	43,752	-	-	43,752	
Equipment rental	22,919	-	-	-	22,919	-	-	22,919	
Bank charges	-	-	-	-	-	22,913	-	22,913	
Miscellaneous	2,352	424	201	937	3,914	5,870	5,871	15,655	
Depreciation	111,801	20,027	6,674	31,162	169,664	16,968	16,967	203,599	
Total Expenses	\$ 9,516,546	\$ 232,544	\$ 298,648	\$ 245,575	\$ 10,293,313	\$ 397,178	\$ 325,002	\$ 11,015,493	

See accompanying independent auditor's report and notes to the consolidated financial statements.

# Boca Helping Hands, Inc. and Subsidiary

## Consolidated Statements of Cash Flows

Year Ended December 31,	2021	2020
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 982,893	\$ 3,419,527
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	234,291	203,599
Net realized/unrealized gains on investments	(543,636)	(499,296)
Forgiveness of Paycheck Protection Program Loan	(170,155)	-
Capital campaign contributions	(25,000)	(454,500)
Change in operating assets:		
Contribution and grants receivable	23,000	72,100
Other receivables	(66,572)	59,619
Prepaid expenses and other assets	4,227	(2,573)
Change in operating liabilities:		
Accounts payable and accrued expenses	(126,356)	92,434
<b>Total Adjustments</b>	<b>(670,201)</b>	<b>(528,617)</b>
<b>Net Cash Provided By Operating Activities</b>	<b>312,692</b>	<b>2,890,910</b>
<b>Cash Flows From Investing Activities:</b>		
Purchases of property and equipment	(400,169)	(378,946)
Purchases of investments	(2,883,636)	(1,562,339)
Proceeds from sale of investments	825,407	927,840
<b>Net Cash Used In Investing Activities</b>	<b>(2,458,398)</b>	<b>(1,013,445)</b>
<b>Cash Flows From Financing Activities:</b>		
Capital campaign contributions	25,000	454,500
Paycheck Protection Program Loan	-	170,155
<b>Net Cash Provided by Financing Activities</b>	<b>25,000</b>	<b>624,655</b>
<b>Net (Decrease) Increase In Cash And Cash Equivalents</b>	<b>(2,120,706)</b>	<b>2,502,120</b>
<b>Cash and Cash Equivalents - beginning of year</b>	<b>3,819,165</b>	<b>1,317,045</b>
<b>Cash and Cash Equivalents - end of year</b>	<b>\$ 1,698,459</b>	<b>\$ 3,819,165</b>
<b>Non-cash Financing Activities</b>		
Forgiveness of Paycheck Protection Program Loan	\$ 170,155	\$ -

*See accompanying independent auditor's report and notes to the consolidated financial statements.*

# Boca Helping Hands, Inc. and Subsidiary

## Notes to Financial Statements

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### 1. Organization and Summary of Significant Accounting Policies

#### *Nature of Activities*

Boca Helping Hands, Inc. (BHH) is a community-supported not-for-profit organization, incorporated in the state of Florida in 2000. It was established to address increasing food insecurity and other challenges faced by the underserved communities in Palm Beach County, Florida. BHH's mission is to provide food, medical and financial assistance to meet basic human needs as well as education, job training and guidance to create self-sufficiency. Boca Helping Hands Endowment Fund, Inc. (Endowment Fund), BHH's wholly owned subsidiary, is a not-for-profit organization incorporated in the State of Florida in 2012. The purpose of the Endowment Fund is to benefit and support BHH in its mission to provide food, assistance, job mentoring and other services to underserved communities in Palm Beach County, Florida and to enhance BHH's long-range goals. The Endowment Fund includes funds only designated by the Executive Board and does not include any donor-restricted funds (NOTE 6).

#### *Basis of Consolidation*

The accompanying consolidated financial statements include the accounts of BHH and the Endowment Fund (collectively referred to as the Organization). All intercompany accounts and transactions have been eliminated for consolidated financial statement purposes.

#### *Description of Programs*

##### *Food Center*

The Organization operates a food center, with programs that were converted to drive-through services during the pandemic to eliminate contact. In the food center, volunteers cook and serve seven hot, nutritious meals weekly to those experiencing food insecurity in the community (lunches from Monday through Saturday in East Boca Raton and a Friday night dinner in Lake Worth). Volunteers also deliver hot meals to homebound clients. Staff and volunteers also distribute pantry bags containing food staples (meat, fruit, produce, dairy, bread and other food items) to eligible low-income individuals and families from Monday through Saturday in East Boca Raton and at select times weekly in West Boca Raton, Delray Beach, Boynton Beach, and Lake Worth. Eligibility, affirming status at or below the federal poverty level as required under the USDA's TEFAP program, is monitored very closely. During the year ended December 31, 2021, the Organization prepared and distributed approximately 79,000 hot meals, delivering approximately 4,000 meals to the homebound. The Organization also distributed approximately 72,000 pantry bags of food to clients who were primarily comprised of the working poor or retired, disabled and unemployed individuals. During the year ended December 31, 2020, the Organization prepared and distributed approximately 89,000 hot meals, delivering approximately 6,000 meals to the homebound. The Organization also distributed approximately 79,000 pantry bags of food to clients who were primarily comprised of the working poor or retired, disabled and unemployed individuals (many whom were out of work due to COVID-19). During the years ended December 31, 2021 and 2020, the Organization received approximately 2,793,000 and 3,127,000 pounds, respectively, of food from food banks, supermarkets, restaurants, individuals, businesses, schools, governmental agencies and other organizations.

# Boca Helping Hands, Inc. and Subsidiary

## Notes to Financial Statements

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### *BHH Backpacks*

The Organization administers Boca Helping Hands Backpacks, which addresses the critical problem of what low-income children in “Title 1” schools (whose primary weekday meals are free school breakfast and free or reduced-cost school lunch) eat over the weekend. Each Friday during the school year, the Organization sends hundreds of local elementary schoolchildren home with six meals, three snacks, two shelf-stable milks and two juice boxes in boxes for the weekend. There are currently twelve participating schools, with more anticipated to join the program. The Organization purchases the food, faith and community volunteer groups pack the boxes, and then the boxes are delivered to each of the schools on a weekly basis during the academic school year. The specific food items cost \$10.59 per child/per week. During the years ended December 31, 2021 and 2020, the Organization incurred approximately \$438,000 and \$137,000, respectively, in expenses related to food purchases in connection with this program.

### *Job Training/Job Mentoring Programs*

BHH’s Job Training Program recruits and screens eligible clients and covers the costs of job readiness training, vocational training and certification for those admitted to the program. The BHH Job Training Program allows the applicants to choose from a variety of training programs, including Commercial Driver’s License; Home Health Aide; Certified Nursing Assistant; Medical Billing and Coding; Customer Service; IT Help Desk Technician; Heating, Ventilation, Air Conditioning and Refrigeration; Drafting; and Carpentry (see descriptions below).

Commercial Driver’s License (CDL): The Organization has partnered with The CDL School in Lake Worth and Miami and the Metropolitan Trucking and Technical Institute in West Palm Beach to train students to earn a Class A Commercial Driver’s License. Students must begin the program already having their temporary permit and then complete required tests and forty hours of vehicle driving training. Graduates work with these schools and the Organization’s job mentors to pursue job opportunities.

Home Health Aide (HHA): The Organization has worked in partnership with the Family Care Training Center in West Palm Beach to prepare students to work in the home healthcare industry. The Organization pays the tuition and related costs to complete their training curriculum. Graduates work with the Organization’s job mentors to pursue job opportunities with local home healthcare agencies. Those students who demonstrate superior dedication and commitment are encouraged to pursue an advanced class leading to certification as Certified Nursing Assistants, which generally leads to higher wages as well as greater opportunities for employment and advancement.

Certified Nursing Assistant (CNA): The Organization has partnered with the Family Care Training Center in West Palm Beach and Medical Institute of Palm Beach in Greenacres to prepare students to work in the home healthcare industry. The Organization has paid the tuition and related costs to complete their training curriculum, which includes hands-on training and clinical experience. Upon completion, students take Florida’s Board of Nursing (Prometric) Nurse Aide Exam to obtain their certification. Graduates work with the Organization’s job mentors to pursue job opportunities with local home healthcare agencies and hospitals.

# **Boca Helping Hands, Inc. and Subsidiary**

## **Notes to Financial Statements**

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**Medical Billing and Coding (MBC):** The Organization contracted a Certified Professional Coder (CPC) instructor to train students to work in the rapidly growing healthcare field. Students learn the curriculum for nine months and then prepare to take their CPC Certification. Graduates work with the Organization's job mentors to pursue job opportunities that can include working at health systems and hospitals, physician offices and ambulatory surgery centers, amongst many others. As many as one-third of coders are able to work remotely.

**Customer Service Representative:** The Organization partners with Call4Health, a medical healthcare call center in Delray Beach, to train and place students in jobs in the rapidly growing call center industry. Students are able to obtain a job as a Patient Care Representative in as little as 2-3 weeks.

**IT Help Desk Technician:** The Organization has partnered with The Academy to prepare students to work as Computer Service Technicians, providing the necessary training for graduates to earn CompTIA A+ and Network+ certifications. Students attend weekly classes over a ten-week period and graduates work with The Academy and BHH job mentors to pursue job opportunities.

**Heating, Ventilation, Air Conditioning and Refrigeration (HVAC):** The Organization partners with Palm Beach State College in Lake Worth to train students as technicians in this high-demand field, which supports a wide range of commercial and residential clients. Students complete a 12-month, instructor-led program at PBSC during which they earn their National Center for Construction Education and Research (NCCER) HVAC/R Levels 1 & 2 credentials, North American Technician Excellence (NATE) certification, and North American Insulation Manufacturers: EPA Section 609 certification. Graduates work with PBSC and BHH mentors to pursue job opportunities.

**Drafting:** The Organization partners with Atlantic Technical College in Coconut Creek to teach students the drafting principles, techniques, and technology needed to work as a Certified Drafter and begin employment in approximately 14 months. Leading up to taking the American Design Drafting Association (ADDA) and the Architectural Certified Drafter (CD) credential exams, students prepare 2-D work in Computer-Aided Design and Drafting (CADD) and create prototypes using a 3-D printer. Graduates work with Atlantic Tech and BHH job mentors to pursue job opportunities. Demand for architectural and civil drafters is expected to grow about 4% by 2029, according to the Bureau of Labor Statistics.

**Carpentry:** The Organization partners with Atlantic Technical College in Coconut Creek to prepare students for employment in the Construction and Manufacturing industries by teaching the skills of cutting, shaping, and installing building materials during the construction of buildings, ships, timber bridges, concrete formwork, and more. During the 12-month program, students experience all facets of the carpentry trade, including planning, management, finance, technical and production skills, underlying principles of technology, labor issues, community issues, health, safety, and environmental issues. Graduates work with Atlantic Tech and BHH job mentors to pursue job opportunities. Demand for carpenters is expected to grow about 8% by 2026, according to the Bureau of Labor Statistics.

Selected Job Training clients are carefully screened for each program and must complete an initial Job Readiness Skills class during which they receive training in "soft skills" that are essential for success in the workplace. During the years ended December 31, 2021 and 2020, 115 and 72 students, respectively, graduated from BHH's Job Training Programs.



# Boca Helping Hands, Inc. and Subsidiary

## Notes to Financial Statements

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In BHH's Job Mentoring Program, Job Training graduates, as well as clients who may only need assistance with a job search, receive personalized assistance from volunteer job mentors. The job mentors help with conducting job searches, filling out applications, writing and updating resumes, developing and revising cover letters and preparing for interviews. Clients in the Job Mentoring Program also receive access to computers for job search and application purposes. The Job Mentoring Program offers computer classes for those wishing to learn basic computer skills, MS Word, or Excel. During the years ended December 31, 2021 and 2020, the Organization's Job Mentoring Program assisted 86 and 52 individuals, respectively, in obtaining employment.

### *Resource Center*

Through its Resource Center, Boca Helping Hands provides limited financial assistance to qualifying Boca Raton, Delray Beach, Boynton Beach and Lake Worth residents in crisis. Clients may receive limited, emergency financial assistance aid with rent (must have a 3-day notice from landlord) and utilities (must have a final notice from FPL or the local water utility). Assistance amounts for families are limited for a twelve-month period and situations are reviewed on a case-by-case basis. Not all clients qualify nor are funds available to assist every qualified applicant. Clients must go through a screening process to meet criteria to be approved. All financial assistance provided by the Organization for these crisis situations is paid directly to the landlords, utility companies and similar enterprises only. At the Lake Worth location, the Organization partners with the Palm Beach County Food Bank to register clients for SNAP (food stamps) and Medicaid by appointment.

Children's Assistance Program (CAP): CAP helps full-time (40 hours or more) working parents and full-time-student parents by providing limited financial assistance for summer camp, after-school care, and day care for qualifying Boca Raton, Delray Beach, Boynton Beach and Lake Worth residents of one year or longer. Those interested in applying for CAP must go through a specific screening process and meet criteria to be approved.

Affordable Healthcare Access: BHH and Genesis Community Health Center, Inc. (Genesis), a Florida not-for-profit healthcare organization, have established collaboration agreements whereby Genesis is providing healthcare services (medical, dental and behavioral) to BHH clients and others. These services include primary care for families, lab services, HIV Rapid Testing, physical examinations for work and school, health benefits counseling, dental services, behavioral care services and more. In 2021, the organization further expanded access to affordable medical and behavioral care through a new partnership with Florida Atlantic University's Christine E. Lynn College of Nursing Community Based Clinics (serving residents in West Palm Beach).

English for Speakers of Other Languages: Boca Helping Hands volunteer instructors facilitate English for Speakers of Other Languages (ESOL) classes so that clients can learn English and strengthen their speaking and listening skills. Conversation Café gives ESOL students the chance to practice having casual English conversations with volunteers and other students. Survival English is an immersive online course with additional interaction between students and the instructor. All ESOL courses continue to be conducted virtually since 2020.

During the years ended December 31, 2021 and 2020, the Organization's Resource Center provided approximately \$136,000 and \$67,000, respectively, in financial assistance for crisis situations and the Children's Assistance Program of which approximately \$59,000 and \$14,000, respectively, were used in funding to make healthcare access more affordable.

# **Boca Helping Hands, Inc. and Subsidiary**

## **Notes to Financial Statements**

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### ***Basis of Accounting***

The Organization prepares its consolidated financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets and revenues, gains and losses are classified into two classes of net assets based on the existence or absence of donor-imposed restrictions. The two classes of net asset categories are as follows:

Net Assets without Donor Restrictions consist of contributions and other inflows of assets whose use is not subject to donor-imposed restrictions.

Net Assets with Donor Restrictions consist of contributions and other inflows of assets whose use is subject to donor-imposed restrictions that are more specific than broad limits reflecting the nature of the Organization, the environment in which the Organization operates and the purposes specified in the Organization's articles of incorporation or bylaws or comparable documents. Donor-imposed restrictions may be temporary in nature, such as stipulating that resources may be used only after a specified date or limited to specific programs or services. Certain donor-imposed restrictions are perpetual in nature.

### ***Cash and Cash Equivalents***

The Organization considers all liquid investments with a maturity date of three months or less when purchased to be cash equivalents.

### ***Capital Campaign***

During the year ended December 31, 2020, the Organization launched a capital campaign fund to raise funds to construct a new warehouse food storage facility (NOTE 3). Capital campaign contributions received for the purpose of the warehouse construction are recorded as net assets with donor restrictions. Those restrictions are considered to expire and are released from net assets with donor restrictions to net assets without donor restrictions once the funds are used for construction or capital campaign related expenses are incurred.

### ***Contribution and Grants Receivable***

Contribution and grants receivables are stated at the amount management expects to collect from outstanding balances and are all due within one year. Management provides for probable uncollectible amounts through a charge to changes in net assets and a credit to the allowance for doubtful accounts based upon its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts and which are not covered, are written off through a charge to the allowance and a credit to the related receivables. There was no provision for uncollectable contributions and grants for the years ended December 31, 2021 and 2020, nor was there any allowance for uncollectable contributions and grants since all the receivables were collected subsequent to each respective year end.



# Boca Helping Hands, Inc. and Subsidiary

## Notes to Financial Statements

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### ***Other Receivables***

As disclosed above, BHH and Genesis have established collaboration agreements whereby Genesis provides healthcare services to BHH clients and others. As part of these agreements, BHH leases dental offices for the programs to operate and Genesis is responsible for part of the rent. The Organization records Genesis' proportionate share of the medical leases as Other Receivables in the consolidated balance sheets until the balance due from Genesis is collected. There was no provision for uncollectable balances due from Genesis at December 31, 2021 and 2020, nor was there any allowance for uncollectable balances due from Genesis since all the receivables were collected subsequent to each respective year end.

### ***Investments***

The Organization reports its investments in equity securities, bond securities, and investments held at the Community Foundation for Palm Beach and Martin Counties at fair value in the Consolidated Statements of Financial Position. Investment gains and losses (including realized and unrealized gains and losses on investments, interest and dividends) are included in the change in net assets in the Consolidated Statements of Activities. See NOTE 4 for the discussion of fair value measurements.

### ***Prepaid Expenses and Other Assets***

Prepaid expenses and other assets primarily represent amounts paid in advance for insurance that benefits future years.

### ***Property and Equipment, Net***

Property and equipment are stated at cost at the date of purchase or, if donated, at the estimated fair market value at the date of donation. The Organization capitalizes all expenditures of property and equipment which will provide future economic benefit. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

<b>Assets</b>	<b>Useful Life</b>
Buildings and Improvements	30-40 Years
Furniture and Equipment	5 Years
Vehicles	4 Years

In the absence of donor-imposed restrictions, donated assets are recorded at their fair market value as net assets without donor restrictions and recorded at the date of donation.

### ***Impairment of Long-Lived Assets***

The carrying value of long-lived assets is reviewed if the facts and circumstances, such as significant declines in revenues, earnings or cash flows or material adverse changes in the operating climate, indicate that they may be impaired. If any impairment in the value of the long-lived assets is indicated, the carrying value of the long-lived assets is adjusted to reflect such impairment based on the fair value of the impaired assets or an estimate of fair value based on discounted cash flows. The Organization did not record impairment of long-lived assets for the years ended December 31, 2021 and 2020.

# Boca Helping Hands, Inc. and Subsidiary

## Notes to Financial Statements

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### *Use of Estimates*

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

### *Revenue Recognition - Contributions*

Funding for the Organization is substantially provided through contributions from individuals, foundations, businesses, faith-based organizations, grants and fund-raising events. Donations are evaluated as to whether they qualify as exchange transactions or contributions as defined by U.S. GAAP.

Transfers of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions. Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Organization fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair value and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in more than one year are discounted using a market rate of return and are recorded at net present value.

When a donor 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 Consolidated Statements of Activities as "Net assets released from restrictions."

The Organization receives grant funds from various social and governmental agencies. The amounts received under these grants are designated for specific purposes by the granting agencies. For reciprocal arrangements, grant revenue is recognized when the allowable costs as defined by the individual grants are incurred and/or the unit of service has been performed. The Organization records advances at the start of each grant as a liability. For non-reciprocal arrangements, in which the granting agency has not received a direct benefit in exchange for the resources provided,

# Boca Helping Hands, Inc. and Subsidiary

## Notes to Financial Statements

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revenue is only recognized when certain conditions are met, such as compliance requirements established by the terms of each agreement. The Organization records a refundable advance when amounts are received in advance of the compliance conditions being met. Grants receivables at year-end represent expenditures and/or units of service performed, which have not yet been reimbursed by the granting agency.

The Organization conducts special events of which a portion of gross proceeds are recognized as contribution revenue and a portion of the gross proceeds are recognized as an exchange transaction under Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers* (Topic 606). The portion of the special events revenue recorded as an exchange transaction represents the direct costs of the events which ultimately benefit the donor rather than the Organization and are recognized at the time of the event.

### ***Donated Facilities, Goods and Services***

Donated facilities, goods and services are recognized if the benefits received either create or enhance non-financial assets or require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The Organization receives a substantial amount of food donations from food banks, supermarkets, restaurants, individuals, businesses, schools, governmental agencies and other organizations. Donations of food are recorded as revenue and support and program services expense when the food is received or delivered to the Organization's clients. The value of in-kind food donations recorded in the accompanying consolidated financial statements for the years ended December 31, 2021 and 2020 amounted to \$5,330,000 and \$8,550,000, respectively, based on the estimated fair market value of food donated for distribution to clients.

In 2021, the Organization changed its valuation methodology to value the food donations in the aggregate based on the national estimated average fair value of one pound of food, rather than by the estimated fair value of bags of food distributed and meals served to clients during the year. For the year ended December 31, 2021, the total value of contributed food was recorded at \$1.91 per pound based on an independent study by Feeding America as adjusted by inflation using the Consumer Price Index. For the year ended December 31, 2020, contributed food was recorded at \$10.50 per meal served and \$94.47 per grocery bag distributed. The impact of the change is a decrease in in-kind revenue and in-kind expense of approximately \$2,181,000, respectively, reported for the year ended December 31, 2021. There is no impact on the change in net assets.

Food inventory on hand at December 31, 2021 and 2020 was not material and, accordingly, was not included in the Organization's assets in the accompanying Consolidated Statements of Financial Position.

The Organization receives substantial support from a dedicated group of more than 300 volunteers. No amount has been recorded in the consolidated financial statements for these contributed services because they do not meet the criteria for recognition in accordance with U.S. GAAP.

# **Boca Helping Hands, Inc. and Subsidiary**

## **Notes to Financial Statements**

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### ***Functional Allocations of Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Activities and Consolidated Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Direct expense has been assigned to functions based on specific identification. All indirect expenses have been allocated among the program and supporting services based on a reasonable basis that is consistently applied. Personnel expenses are allocated on the basis of estimated time and effort. Occupancy, insurance and depreciation expenses are allocated based on the percentage of square footage in the buildings by each function.

### ***Income Taxes***

The Organization qualifies as a tax-exempt not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and exempt from state income taxes under similar provisions in the Florida Statutes. Accordingly, no provision for income tax is required.

The Organization recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively.

The U.S. Federal jurisdiction is the major tax jurisdiction where the Organization files income tax returns. The Organization is generally no longer subject to U.S. Federal examinations by tax authorities for years before 2018.

### ***Concentrations and Credit Risk***

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of cash and cash equivalents maintained in financial institutions in excess of the Federal Deposit Insurance Corporation insured limit of \$250,000. The Organization limits the amount of credit risk exposure to any one financial institution. Although cash balances may exceed federally insured limits at times during the year, the Organization has not experienced and does not expect to incur any losses in such accounts.

Investments of the Organization are subject to both credit and market risks. Credit risk is the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Market risk is the possibility that fluctuations in the investment market will impact the value of the portfolio. Additionally, due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Organization's investment balance and the amounts reported in the Consolidated Statements of Financial Position. The Organization continually reviews its investment portfolios to monitor these risks.

# Boca Helping Hands, Inc. and Subsidiary

## Notes to Financial Statements

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### ***Risks and Uncertainties***

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in global exposure.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. The Organization's operations are dependent on private and public donations which could be affected by the pandemic. In addition, certain programs and events were suspended or revised in fiscal years 2020 and 2021 due to the pandemic. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. However, given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the total effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for future fiscal years. However, as of the date of this report, the effects of the COVID-19 outbreak has not had a material effect on the financial statements.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) was signed into law in response to the COVID-19 pandemic. The CARES Act includes many measures to provide relief to companies. The Organization has not taken advantage of any such measures, except for the Paycheck Protection Program loan (NOTE 5). The Organization continues to assess the impact that the CARES Act will have on its operations.

### ***Recent Accounting Pronouncements***

#### ***Lease Accounting***

In February 2016, the Financial Accounting Standards Board (FASB) issued an accounting standard update (ASU) which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance sheet under current U.S. GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements, lessor accounting, and disclosures related to accounting changes and error corrections. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

The update originally required transition to the new lease guidance using a modified retrospective approach which would reflect the application of the update as of the beginning of the earliest comparative period presented. A subsequent amendment to the update provides an optional transition method that allows entities to initially apply the new lease guidance with a cumulative-effect adjustment to the opening balance of equity in the period of adoption.

If this optional transition method is elected, after the adoption of the new lease guidance, the Organization's presentation of comparative periods in the consolidated financial statements will continue to be in accordance with current lease accounting. The Organization is evaluating the full impact of this standard and the method of adoption it will elect. The update is effective for fiscal years beginning after December 15, 2021, and for interim periods within fiscal years beginning after December 15, 2022, with early application permitted.

# Boca Helping Hands, Inc. and Subsidiary

## Notes to Financial Statements

### *Contributed Nonfinancial Assets*

In September 2020, the FASB issued an ASU (ASU 2020-07) which amends guidance for not-for-profit entities that receive contributed nonfinancial assets. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities, and to disclose information regarding each type of contributed nonfinancial asset. The update is to be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021, and for interim reporting periods beginning after June 15, 2022. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

### *Reclassifications*

Certain items in the 2020 financial statements were reclassified to conform to the 2021 financial statements. There was no impact on change in net assets as a result of these reclassifications.

## **2. Liquidity Management and Availability of Resources**

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization holds cash in various interest-bearing bank accounts with well-known financial institutions and has accounts receivable specialists who actively follow up and collect on open accounts receivable balances. Additionally, the Organization has adopted investment and spending policies for its endowment assets that attempt to provide a predictable stream of income to programs and operations supported by its endowments while seeking to maintain the purchasing power of the endowment assets on an inflation adjusted basis.

The Organization's financial assets available within one year of the Consolidated Statements of Financial Position date for general expenditures are as follows as of December 31,:

	2021	2020
Cash and cash equivalents	\$ 1,698,459	\$ 3,819,165
Contribution and grants receivable	-	23,000
Other receivables	81,003	14,431
Investments	7,443,145	4,841,280
Total financial assets available within one year	9,222,607	8,697,876
Less: amounts unavailable to management due to donor imposed restrictions	(35,356)	(24,750)
Less: amounts unavailable to management without Board approval		
Endowment (Note 6)	(7,587,004)	(4,898,044)
Total financial assets available to management	\$ 1,600,247	\$ 3,775,082

# Boca Helping Hands, Inc. and Subsidiary

## Notes to Financial Statements

### 3. Property and Equipment, Net

Property and equipment, net, consists of the following at December 31,:

	2021	2020
Land	\$ 3,066,214	\$ 3,066,214
Buildings and improvements	4,224,173	3,610,357
Furniture and equipment	742,483	611,380
Vehicles	313,642	313,642
Construction in progress	-	344,750
Total	8,346,512	7,946,343
Less: accumulated depreciation	(1,922,006)	(1,687,715)
Total property and equipment, net	\$ 6,424,506	\$ 6,258,628

Depreciation expense for the years ended December 31, 2021 and 2020 were approximately \$234,000 and \$204,000, respectively.

During the year ended December 31, 2020, the Organization began constructing a new warehouse to provide additional storage to support the growth of its food donations and distribution efforts. At project completion total cost was approximately \$680,000. Sources of funds to complete the project include the Organization's general funds and its capital campaign (NOTE 1). During the year ended December 31, 2021, the Organization collected approximately \$25,000 of capital campaign contributions for the warehouse and spent approximately \$35,000 on construction and equipment for the facility. The project was completed during the third quarter of fiscal year 2021 and amounts recorded to construction in progress were reclassified to their respective asset categories.

### 4. Fair Value Measurements

The Accounting Standards Committee establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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# Boca Helping Hands, Inc. and Subsidiary

## Notes to Financial Statements

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The three levels of the fair value hierarchy are described as follows:

**Level 1:** inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

**Level 2:** inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3:** inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

### ***Items Measured at Fair Value on a Recurring Basis***

Mutual funds consist of securities managed by independent investment advisors with discretionary investment authority. Mutual funds are valued at the closing price reported in the active market in which the individual securities are traded.

Corporate bonds consist of investments in securities issued through independent investment advisors. These investments are valued at the closing price reported in the active market in which the bond securities are traded.

Government bonds consist of investments in securities issued by the U.S. Treasury. These investments are valued at the closing price reported in the active market in which the bond securities are traded.

Investments held at the Community Foundation of Palm Beach and Martin Counties (Community Foundation) consist of investments held with the Community Foundation whose fair values are determined by calculating the Organization's net asset value (NAV) in the pool. The Organization has the ability to redeem the investment at NAV upon request and approval of the Community Foundation's board and there are no unfunded commitments. At December 31, 2021 and 2020, these investments are reflected at NAV, using the practical expedient, on the accompanying Consolidated Statements of Financial Position.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methodologies are appropriate and consistent with other market participants,



# Boca Helping Hands, Inc. and Subsidiary

## Notes to Financial Statements

the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The values assigned to certain investments are based upon currently available information and do not necessarily represent amounts that may ultimately be realized. Because of the inherent uncertainty of valuation, those estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed and those differences could be material.

The following tables represent the Organization's financial instruments measured at fair value on a recurring basis at December 31, 2021 for each of the fair value hierarchy level.

### *Fair Value Measurements at December 31, 2021*

Description	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
<b>Assets:</b>				
<b>Mutual funds</b>				
Corporate bond	\$ 272,992	\$ 272,992	\$ -	\$ -
Diversified emerging markets	425,545	425,545	-	-
Fixed income	728,202	728,202	-	-
Foreign	632,056	632,056	-	-
High yield bond	694,058	694,058	-	-
Infrastructure	17,976	17,976	-	-
Large blend	1,035,939	1,035,939	-	-
Large growth	596,271	596,271	-	-
Large value	727,499	727,499	-	-
Mid-cap blend	613,900	613,900	-	-
Mid Growth	4,531	4,531	-	-
Mid Value	2,416	2,416	-	-
Small blend	469,878	469,878	-	-
Technology	240,548	240,548	-	-
Corporate bonds	340,928	340,928	-	-
Government bonds	604,118	604,118	-	-
<b>Total investments in the fair value hierarchy</b>	<b>7,406,857</b>	<b>7,406,857</b>	<b>-</b>	<b>-</b>
Investments at net asset value *	36,288			
<b>Total assets at fair value</b>	<b>\$ 7,443,145</b>	<b>\$ 7,406,857</b>	<b>\$ -</b>	<b>\$ -</b>

(\*) In accordance with Subtopic 820-10, certain investments that are measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy.

# Boca Helping Hands, Inc. and Subsidiary

## Notes to Financial Statements

The following tables represent the Organization's financial instruments measured at fair value on a recurring basis at December 31, 2020 for each of the fair value hierarchy level.

### *Fair Value Measurements at December 31, 2020*

Description	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
<b>Assets:</b>				
<b>Mutual funds</b>				
Corporate bond	\$ 229,557	\$ 229,557	\$ -	\$ -
Diversified emerging markets	145,546	145,546	-	-
Fixed income	630,481	630,481	-	-
Foreign	597,541	597,541	-	-
High yield bond	444,127	444,127	-	-
Infrastructure	6,920	6,920	-	-
Large blend	707,158	707,158	-	-
Large growth	347,750	347,750	-	-
Large value	387,220	387,220	-	-
Mid-cap blend	299,343	299,343	-	-
Small blend	264,924	264,924	-	-
Technology	134,426	134,426	-	-
Corporate bonds	289,991	289,991	-	-
Government bonds	324,553	324,553	-	-
<b>Total investments in the fair value hierarchy</b>	<b>4,809,537</b>	<b>4,809,537</b>	<b>-</b>	<b>-</b>
Investments at net asset value *	31,743			
<b>Total assets at fair value</b>	<b>\$ 4,841,280</b>	<b>\$ 4,809,537</b>	<b>\$ -</b>	<b>\$ -</b>

(\*) In accordance with Subtopic 820-10, certain investments that are measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy.

There were no financial assets or liabilities measured at fair value on a non-recurring basis at December 31, 2021 and 2020.

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# Boca Helping Hands, Inc. and Subsidiary

## Notes to Financial Statements

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Investment income, net from cash and cash equivalents and investments is comprised of the following for the years ended December 31:

	2021	2020
Dividends and interest, net of fees	133,297	89,980
Net realized gains (losses)	113,111	(4,042)
Net unrealized gains	430,525	503,338
<b>Total</b>	<b>\$ 676,933</b>	<b>\$ 589,276</b>

Investment income, net for the years ended December 31, 2021 and 2020 is shown net of management fees of approximately \$48,000 and \$30,000, respectively.

### 5. Paycheck Protection Program Loan

On April 13, 2020, the Organization received a loan of \$170,155 under the Paycheck Protection Program (PPP) authorized by the Coronavirus Aid, Relief, and Economic Security Act that was signed into law on March 27, 2020. The loan began accruing interest at a rate of 1.00% on the effective date. Principal payments were due in equal monthly installments commencing in April 2021. During the year ended December 31, 2021, the Organization was granted forgiveness for this loan, and recorded it as income, included within the caption "Forgiveness of Paycheck Protection Program Loan" on the accompanying Consolidated Statements of Activities for the year ended December 31, 2021.

### 6. Board Designated Endowment

The Organization's Endowment Fund consists of individual funds established for the purpose of benefiting and supporting BHH in its mission to provide food, assistance, job mentoring and other services to underserved populations in Palm Beach County, Florida and to enhance BHH's long-range goals. The Endowment Fund includes funds only designated by the Executive Board and does not include any funds with donor restrictions. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Executive Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

#### *Return Objectives, Risk Parameters and Strategies Employed for Achieving Objectives*

In support of the mission of the Organization, the Endowment Fund is to be invested to provide sufficient distributable earnings in the form of a total return from capital appreciation and income (dividends, interest and realized capital gains) in real terms, considering inflation and to regulate the Endowment Fund's long term ability to distribute income. The primary investment mission is to preserve principal and purchasing power in real dollar terms, while supporting current income requirements of the Organization.

# Boca Helping Hands, Inc. and Subsidiary

## Notes to Financial Statements

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### *Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Board of the Organization approves all spending of the Endowment Fund when required to support the operations of BHH. The intent is to only use funds from the Endowment Fund when necessary and allow the Endowment Fund to grow. Accordingly, over the long-term, the Organization expects the current spending policy to allow its endowments to grow.

### *Summary of Endowment Assets:*

Endowment assets consist of the following as of December 31,:

	2021	2020
Cash and cash equivalents	\$ 181,533	\$ 71,875
Investments	7,405,471	4,826,169
Total	\$ 7,587,004	\$ 4,898,044

Management of the Organization anticipates that, as a result of fundraising and solicitation efforts, the Endowment Fund will receive donor funds in the future.

Changes in endowment net assets are as follows for the years ended December 31,:

	2021	2020
Endowment net assets, beginning	\$ 4,898,044	\$ 3,924,874
Board designated transfer of contributions	2,017,601	388,545
Amounts appropriated for expenditure	-	-
Investment income including interest, dividends and net realized and unrealized gains (net of fees)	671,359	584,625
Endowment net assets, ending	7,587,004	4,898,044

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# Boca Helping Hands, Inc. and Subsidiary

## Notes to Financial Statements

### 7. Net Assets With Donor Restrictions

Net assets with donor restrictions are time and purpose restricted as follows as of December 31, 2021 and 2020:

<i>Year ended December 31, 2021</i>	January 1	Additions / Investment gains	Releases	December 31
<b>Subject to expenditure for a specific purpose:</b>				
Donor restricted contribution for BHH Backpacks	\$ -	\$ 448,859	\$ (448,859)	\$ -
Donor restricted contribution for job mentoring/job training	15,000	102,924	(82,568)	35,356
Donor restricted contribution for resource center	-	10,000	(10,000)	-
Donor restricted contribution for capital campaign	9,750	25,000	(34,750)	-
<b>Total purpose restrictions</b>	<b>24,750</b>	<b>586,783</b>	<b>(576,177)</b>	<b>35,356</b>
<b>Total net assets with donor restrictions</b>	<b>\$ 24,750</b>	<b>\$ 586,783</b>	<b>\$ (576,177)</b>	<b>\$ 35,356</b>

<i>Year ended December 31, 2020</i>	January 1	Additions / Investment gains	Releases	December 31
<b>Subject to expenditure for a specific purpose:</b>				
Donor restricted contribution for BHH Backpacks	\$ -	\$ 99,786	\$ (99,786)	\$ -
Donor restricted contribution for job mentoring/job training	-	240,625	(225,625)	15,000
Donor restricted contribution for resource center	-	10,000	(10,000)	-
Donor restricted contribution for capital campaign	-	354,500	(344,750)	9,750
<b>Total purpose restrictions</b>	<b>-</b>	<b>704,911</b>	<b>(680,161)</b>	<b>24,750</b>
<b>Subject to expenditure for a specific time period:</b>				
Multi year pledge	95,100	-	(95,100)	-
<b>Total time restrictions</b>	<b>95,100</b>	<b>-</b>	<b>(95,100)</b>	<b>-</b>
<b>Total net assets with donor restrictions</b>	<b>\$ 95,100</b>	<b>\$ 704,911</b>	<b>\$ (775,261)</b>	<b>\$ 24,750</b>

During the years ended December 31, 2021 and 2020, net assets released from restrictions were \$576,177 and \$775,261, respectively, and were primarily contributions for BHH backpacks, job mentoring and job training, resource center, and capital campaign.

# Boca Helping Hands, Inc. and Subsidiary

## Notes to Financial Statements

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### 8. Employee Benefit Plan

During the year ended December 31, 2015, the Organization adopted a 401(k) benefit plan (the 401(k) Plan), which provides benefits for all of its employees who have attained an equivalent of six months of employment. The Organization makes an annual 3% safe harbor contribution to the 401k Plan based on all eligible employee salaries. Total 401(k) Plan expenses and contributions for the years ended December 31, 2021 and 2020 were approximately \$26,000 and \$19,000, respectively.

### 9. Commitments and Contingencies

The Organization leases, through non-cancellable third-party operating leases, two properties in conjunction with its collaborative effort with Genesis to provide medical and dental services to its consumers (NOTE 1). Lease payments and related common area maintenance and real estate tax charges of approximately \$9,000 are due monthly for the dental facility lease through April 2021. Additionally, lease payments and related common area maintenance and real estate tax charges of approximately \$2,000 are due monthly for the medical facility lease through June 2024. The Organization receives a monthly reimbursement of approximately \$7,500 from Genesis representing its proportionate share of the rent for the dental facility lease through April 2021 under the collaboration agreement.

Total rent expense incurred under the leases during each of the years ended December 31, 2021 and 2020 was approximately \$29,000 and \$31,000, respectively.

Future minimum approximate lease payments under these non-cancelable operating leases at December 31, 2021 are as follows:

For the years ending December 31,:	
2022	23,000
2023	23,000
2024	12,000
Total	\$ 58,000

### 10. Subsequent Events

The Organization has evaluated subsequent events through September 21, 2022, which is the date the consolidated financial statements were available to be issued. Since December 31, 2021, market values of investments continue to fluctuate based on global financial conditions. However, because the values of the Organization's investments have and will fluctuate, and management has determined that the changes through the date these financial statements were available to be issued are not considered permanent in nature, the amount of future realized and unrealized gains or losses will be recognized in the periods that they occur.

## **Boca Helping Hands, Inc. and Subsidiary**

### **Notes to Financial Statements**

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In 2022, the Board of the Organization changed the Endowment spending policy whereby; 4% of the Endowment Fund's three year average portfolio value is to be appropriated for distribution annually.