

FIRST H.E.L.P., INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2021

FIRST H.E.L.P., INC.  
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## Independent Auditors' Report

The Board of Directors  
First H.E.L.P., Inc.  
Worcester, Massachusetts

### **Opinion**

We have audited the accompanying financial statements of First H.E.L.P., Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year 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 First H.E.L.P., Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of First H.E.L.P., Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 First H.E.L.P., Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

The Board of Directors

First H.E.L.P., Inc.

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### **Auditors' 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 auditors' 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 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 First H.E.L.P., 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 First H.E.L.P., 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.

The Board of Directors  
First H.E.L.P., Inc.  
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**Emphasis of Matter – Restatement**

As discussed in Note 11 to the financial statements, the beginning net assets without donor restrictions reported on the accompanying statement of activities has been restated to conform to accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Greenberg, Rosenblatt, Kull & Bitsoli, P.C.*

GREENBERG, ROSENBLATT, KULL & BITSOLI, P.C.

Worcester, Massachusetts  
November 4, 2022

FIRST H.E.L.P., INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021

ASSETS

Cash	\$ 151,747	
Contributions receivable	345,000	
Software and website development, net	54,309	
Equipment, net	<u>763</u>	
Total assets		<u>\$ 551,819</u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$ 6,580	
Accrued expenses	17,500	
Deferred revenue	<u>330,000</u>	
Total liabilities		\$ 354,080

Net assets:

Without donor restrictions	138,794	
With donor restrictions	<u>58,945</u>	
Total net assets		<u>197,739</u>

Total liabilities and net assets		<u>\$ 551,819</u>
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The accompanying notes are an integral part of these financial statements

FIRST H.E.L.P., INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, grants and other support:			
Contributions:			
Individual and small business contributions	\$ 271,842	\$ 17,422	\$ 289,264
Foundation and trust grants	30,000	131,505	161,505
Corporate sponsorships	45,780	30,000	75,780
Event sponsorship and admission	39,877	-	39,877
Third party fundraisers	38,225	-	38,225
COVID-19 government relief program	13,393	-	13,393
Contributions of nonfinancial assets	11,169	-	11,169
Interest income	1,862	-	1,862
Other	394	-	394
Net assets released from restrictions	<u>213,660</u>	<u>(213,660)</u>	<u>-</u>
Total revenues, grants, and other support	<u>666,202</u>	<u>(34,733)</u>	<u>631,469</u>
Expenses:			
Program services:			
Family weekend	206,825	-	206,825
Care packages and family support	86,861	-	86,861
Training	37,107	-	37,107
General awareness and memorial	30,460	-	30,460
Scholarships	11,379	-	11,379
Total program services	<u>372,632</u>	<u>-</u>	<u>372,632</u>
Support services:			
General and administrative	300,181	-	300,181
Fundraising	46,031	-	46,031
Total supporting services	<u>346,212</u>	<u>-</u>	<u>346,212</u>
Total expenses	<u>718,844</u>	<u>-</u>	<u>718,844</u>
Change in net assets	(52,642)	(34,733)	(87,375)
Net assets - beginning, restated	<u>191,436</u>	<u>93,678</u>	<u>285,114</u>
Net assets - ending	<u>\$ 138,794</u>	<u>\$ 58,945</u>	<u>\$ 197,739</u>

The accompanying notes are an integral part of these financial statements

FIRST H.E.L.P., INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2021

	Program Services					Support Services			Total Expenses	
	Family Weekend	Care Packages and Family Support	Training	General Awareness and Memorial	Scholarships	Programs Total	General and Administration	Fundraising		Support Total
Advertising and marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206,516	\$ 1,544	\$ 208,060	\$ 208,060
Event venues and conferences	97,530	-	1,025	7,480	-	106,035	-	29,475	29,475	135,510
Travel	55,988	-	14,685	4,697	-	75,370	4,376	5,351	9,727	85,097
Merchandise	14,501	67,105	-	-	-	81,606	-	2,221	2,221	83,827
Salaries and wages	5,263	7,894	10,525	13,157	2,631	39,470	13,157	-	13,157	52,627
Contracted services	28,065	-	6,000	250	-	34,315	976	-	976	35,291
Legal and accounting	-	-	-	-	-	-	28,071	-	28,071	28,071
Print and publication	3,220	1,402	2,583	1,232	-	8,437	1,729	6,580	8,309	16,746
Website and software subscriptions	-	-	-	-	-	-	16,621	-	16,621	16,621
Postage	251	9,717	-	947	-	10,915	3,314	-	3,314	14,229
Grants to individuals	-	-	-	-	8,500	8,500	-	-	-	8,500
Bank and processing fees	-	-	-	-	-	-	7,222	-	7,222	7,222
Other	1,512	-	182	1,459	-	3,153	2,832	860	3,692	6,845
Office supplies	-	-	-	-	-	-	4,985	-	4,985	4,985
Payroll taxes	495	743	990	1,238	248	3,714	1,238	-	1,238	4,952
Depreciation and amortization	-	-	1,117	-	-	1,117	2,798	-	2,798	3,915
Payroll processing fees	-	-	-	-	-	-	3,362	-	3,362	3,362
Insurance	-	-	-	-	-	-	2,984	-	2,984	2,984
	<u>\$ 206,825</u>	<u>\$ 86,861</u>	<u>\$ 37,107</u>	<u>\$ 30,460</u>	<u>\$ 11,379</u>	<u>\$ 372,632</u>	<u>\$ 300,181</u>	<u>\$ 46,031</u>	<u>\$ 346,212</u>	<u>\$ 718,844</u>

The accompanying notes are an integral part of these financial statements



FIRST H.E.L.P., INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2021

Operating activities:		
Change in net assets	\$	(87,375)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization		3,915
COVID-19 government relief program loan forgiveness		(13,393)
Changes in operating assets and liabilities:		
Accounts receivable		(165,000)
Accounts payable		6,580
Accrued expenses		3,238
Deferred revenue		<u>330,000</u>
Net cash provided by operating activities	\$	77,965
Investing activities:		
Costs of software and website development		(52,899)
Acquisition of equipment		<u>(1,195)</u>
Net cash used in investing activities		(54,094)
Financing activities:		
Proceeds from COVID-19 government relief program loan		13,393
Repayment of officer loan payable		<u>(5,000)</u>
Net cash provided by financing activities		<u>8,393</u>
Net increase in cash		32,264
Cash - beginning		<u>119,483</u>
Cash - ending	\$	<u>151,747</u>

The accompanying notes are an integral part of these financial statements

FIRST H.E.L.P., INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

(1) NATURE OF ORGNIAZATION AND ACTIVITIES

First H.E.L.P., Inc. (the Organization) is a Massachusetts nonprofit organization established to serve first responders across the United States by reducing mental health stigma through education services, providing support to families of first responders suffering from post-traumatic stress, acknowledging the service and sacrifice of first responders lost to suicide, and bringing awareness to suicide and mental health issues. The Organization began its mission by focusing on the law enforcement community. In March 2021, the Organization changed its name from Blue H.E.L.P, Inc. to First H.E.L.P, Inc. representing its readiness to serve other first responder communities, such as firefighters and emergency medical technicians.

The Organization fulfills its mission by focusing its efforts on the following programs:

Family Weekend:

An annual retreat is sponsored for first responders and their families to meet and attend various events moderated by trained professionals to teach coping skills.

Care Packages and Family Support:

Care packages and financial support are provided to families affected by first responder suicide.

Training:

Workshops and peer-to-peer mentoring sessions are designed to inform first responders on the physical and psychological effects of job-related stress and to reduce the effects of post-traumatic stress.

General Awareness and Memorial:

Conferences and social media campaigns to raise suicide awareness and memorial events that pay tribute to first responders lost to suicide.

Scholarships:

Secondary education scholarships are provided to children affected by first responder suicide.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

FIRST H.E.L.P., INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Basis of Presentation:**

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of donor restrictions, as follows:

Net assets without donor restrictions - are resources available to support operations without donor or grantor-imposed restrictions. The board of directors of the Organization may elect to designate such resources for specific purposes. There were no board designated net assets without donor restrictions at December 31, 2021.

Net assets with donor restrictions - are resources restricted by donors or grantors for a particular purpose or for use in a particular future period (Note 3). The Organization's donor-imposed restrictions are temporary in nature and expire when the resources are used in accordance with donor instructions or when program restrictions have lapsed.

**Contributions Receivable:**

Contributions receivable represent conditional and unconditional promises to give that are expected to be collected within one year. Management periodically assesses the collectability of individual accounts and establishes an allowance for doubtful accounts when necessary. Accounts are written off when deemed uncollectible. There was no allowance for doubtful accounts at December 31, 2021.

**Software and Website Development:**

Software and website development are stated at cost and amortized using the straight-line method over the estimated useful life of three years. Management periodically evaluates software and website development for impairment. No impairment loss was reported for the year ended December 31, 2021.

**Equipment:**

Equipment is stated at cost and depreciated using the straight-line method over the estimated useful life of three years. Management periodically evaluates equipment for impairment. No impairment loss was reported for the year ended December 31, 2021.

**Revenue Recognition:**

The Organization determines whether transactions deemed to be a contribution or grant are conditional or unconditional. A contribution is a conditional if there is an agreement that includes a barrier that must be overcome, and either a right of return of an asset or a right of release of a promise to transfer an asset exists. A barrier may include stipulations regarding a measure of performance that limits the discretion of the Organization on the conduct of an activity or are related to the purpose of the agreement. The Organization does not consider the probability of compliance with the barrier when determining if such awards are conditional and reports conditional contributions as deferred revenue until barriers are overcome.

FIRST H.E.L.P., INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued):

Grants and contributions are recognized when cash, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Consequently, contributions receivable includes \$330,000 of deferred revenues related to corporate sponsorships subject to training program conditions that have not been met as of December 31, 2021.

Grants and contributions with donor restrictions are recognized as net assets with donor restrictions when unconditionally received or pledged. Transfers are made to net assets without donor restrictions as costs are incurred or when program restrictions have lapsed.

Contributions of nonfinancial assets are recognized at fair value if they create value to the Organization and would typically need to be purchased if not provided by donation. Donated nonfinancial assets for venues contributed and utilized in 2021 of approximately \$11,000 are reported in contributions revenue and fundraising expenses for the year ended December 31, 2021.

Functional Allocation of Expenses:

The costs of providing programs have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Expenses that can be specifically identified with a program is allocated directly to that program classification in the statement of functional expenses. Other expenses are allocated across functions as determined by management, with salaries, wages and payroll taxes allocated based on estimated time and effort.

Advertising and Marketing:

The Organization's advertising and marketing promotes its programs among the audiences it serves and potential donors. The costs of advertising and marketing are expensed as incurred and totaled approximately \$208,000 in 2021.

Tax-Exempt Status:

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the United States Internal Revenue Code. Accordingly, no provision for income taxes is required on program services provided.

Uncertain tax positions are evaluated to assess whether there is a greater than 50% probability they will be sustained upon examination by tax authorities. Management believes there are no uncertain tax positions below this threshold that would require a liability to be recognized for an entity level tax plus related interest and penalties as of December 31, 2021.

Use of Estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

FIRST H.E.L.P., INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

(3) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions related to expenditures for specified purposes and programs at December 31, 2021, are summarized as follows:

<u>Program</u>	<u>Restriction</u>	
Scholarships	To provide scholarships to children affected by first responder suicide.	\$ 31,500
Training	To provide first responder community suicide prevention training and support.	12,217
Family Weekend	To allow children affected by first responder suicide to attend a camp during the family weekend.	9,059
Memorial	To provide for engraved bricks to be placed at Heroes Memorial Park Bridge located in Rowlett, Texas.	<u>6,169</u>
		<u>\$ 58,945</u>

(4) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of December 31, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position:

Financial assets:	
Cash	\$ 151,747
Contributions receivable	<u>345,000</u>
	496,747
Less: deferred revenues related to donor-restricted conditional contributions for program services	(330,000)
Less: cash unavailable for general expenditures within one year due to donor-restrictions for program services	<u>(58,945)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 107,802</u>

FIRST H.E.L.P., INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

(5) SOFTWARE AND WEBSITE DEVELOPMENT

Software and website development, is comprised as follows at December 31, 2021:

External-use software	\$ 40,199
Website development	<u>19,200</u>
	59,399
Accumulated amortization	<u>(5,090)</u>
	<u>\$ 54,309</u>

Amortization expense totaled approximately \$3,300 in 2021.

(6) EQUIPMENT

Equipment, net consists of the following at December 31, 2021:

Computer equipment	\$ 1,844
Accumulated depreciation	<u>(1,081)</u>
	<u>\$ 763</u>

Depreciation expense totaled approximately \$600 in 2021.

(7) RELATED PARTY TRANSACTIONS

In 2021, the Organization paid the outstanding balance of an interest free loan of \$5,000 to an officer and director.

(8) FUNDRAISING

Total fundraising expenses in 2021, excluding the use of nonfinancial assets (Note 2), include \$5,000 for online fundraisers and \$30,000 for in-person fundraisers. These total expenses are 8% and 58% of the related online and in-person fundraiser revenues, respectively.

In 2021, certain unrelated organizations hosted fundraising events on behalf of the Organization at no cost to the Organization. Approximately \$38,000 of donations from these fundraisers are reported on the statement of activities for the year ended December 31, 2021.

FIRST H.E.L.P., INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

(9) CONCENTRATIONS

Approximately 19% of the Organization's revenue came from one donor in 2021.

Approximately 96% of the Organization's contributions receivable is from one donor at December 31, 2021.

(10) COVID-19 GOVERNMENT RELIEF PROGRAM

In late 2019, a novel coronavirus (COVID-19) emerged and subsequently spread worldwide with the World Health Organization declaring COVID-19 a pandemic in March 2020. The pandemic resulted in disruptions to supply chains and consumer activities.

In response to COVID-19, the U.S. federal government enacted relief and economic stimulus programs designed to assist small businesses during the COVID-19 pandemic. The Paycheck Protection Program (PPP) was enacted to provide small business loans through the Small Business Administration (SBA) that were forgivable if certain criteria was met. The Organization received two PPP loans from the SBA in 2021, one in January for \$6,988 and one in March for \$6,405. The proceeds of the loans were used to pay for qualifying expenses in accordance with the forgiveness criteria established under the PPP. The Organization was notified by the SBA in August and November 2021 that the loans and related accrued interest were forgiven. Accordingly, total PPP loan forgiveness of \$13,393 is reported in revenues in the statement of activities for the year ended December 31, 2021.

(11) RESTATEMENT OF BEGINNING NET ASSETS

The Organization previously prepared its financial statements in accordance with the modified cash basis of accounting, which is a basis of accounting other than U.S. GAAP. The following reflects the adjustments to restate the beginning net assets without donor restrictions from the modified cash basis to the accrual basis in conformity with U.S. GAAP as reported in the statement of activities:

Net assets without donor restrictions - beginning (prior to restatement)	\$ 30,698
Adjust for beginning of the year:	
Contributions receivable	180,000
Loan payable - related party used for expenses	(5,000)
Accrued expenses	<u>(14,262)</u>
Net assets without donor restrictions - beginning, restated	<u>\$ 191,436</u>

FIRST H.E.L.P., INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

(12) SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring after December 31, 2021, through November 4, 2022, the date the financial statements were available to be issued, and has determined there are no subsequent events requiring adjustment to or disclosure in the financial statements.