

OBAT Helpers, Inc.

FINANCIAL STATEMENTS

Years Ended December 31, 2021 and December 31, 2020



L. M. HENDERSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS / ADVISORS

OBAT Helpers, Inc.

Table of Contents

December 31, 2021 and December 31, 2020

	<u>Page Number</u>
FINANCIAL STATEMENTS	
Independent Auditor's Report	1
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Statements of Functional Expenses	5 - 6
Notes to Financial Statements	7 - 15



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Independent Auditor's Report

To the Board of Directors of
OBAT Helpers, Inc.
Indianapolis, Indiana

We have audited the accompanying financial statements of OBAT Helpers, Inc. (an Indiana 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 OBAT Helpers, Inc. as of December 31, 2021, and the changes in 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of OBAT Helpers, 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 OBAT Helpers, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 OBAT Helpers, 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 OBAT Helpers, 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.

Report on Summarized Comparative Information

We have previously audited OBAT Helpers, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 20, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

L.M. Henderson & Company, L.L.P.

Certified Public Accountants
Indianapolis, Indiana

November 27, 2023

OBAT Helpers, Inc.

Statement of Financial Position

at December 31, 2021 and December 31, 2020

	December 31, 2021	December 31, 2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 420,790	\$ 602,219
Investments	23,367	-
Prepaid expense	10,900	917
Total current assets	455,057	603,136
NONCURRENT ASSETS:		
FIXED ASSETS:		
Furniture and fixtures	2,288	1,540
Less: Accumulated depreciation	986	616
Total fixed assets	1,302	924
Investments designated - quasi-endowment fund	504,300	-
Grant receivable	171,706	-
Total noncurrent assets	677,308	924
Total assets	\$ 1,132,365	\$ 604,060
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 15,937	\$ 9,028
EIDL	-	94,300
Accrued interest	-	1,355
Total current liabilities	15,937	104,683
NET ASSETS:		
Net assets without restrictions	836,927	499,377
Net assets with restrictions	279,501	-
Total net assets	1,116,428	499,377
Total liabilities and net assets	\$ 1,132,365	\$ 604,060

See Notes to Financial Statements.

OBAT Helpers, Inc.

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2021 with Comparative Totals for the Year Ended December 31, 2020

	Year Ended December 31, 2021		Totals for the	
	Without	With	Year Ended December 31,	
	Restrictions	Restrictions	2021	2020
<u>SUPPORT AND REVENUE:</u>				
Contributions and grants:				
Direct public support	\$ 1,925,816	\$ 107,795	\$ 2,033,611	\$ 1,456,049
Religious contributions	547,664	-	547,664	451,292
Indirect public support	-	-	-	4,855
Investment stock donations - in-kind	19,748	-	19,748	-
Grant revenue	187,164	171,706	358,870	-
	<u>2,680,392</u>	<u>279,501</u>	<u>2,959,893</u>	<u>1,912,196</u>
Other revenue				
SBA EIDL loan forgiveness	-	-	-	2,000
PPP loan forgiveness - SBA Grant	-	-	-	7,500
Investment returns - net of expenses	7,918	-	7,918	-
Interest income	102	-	102	20
	<u>8,020</u>	<u>-</u>	<u>8,020</u>	<u>9,520</u>
Total support and revenue	<u>2,688,412</u>	<u>279,501</u>	<u>2,967,913</u>	<u>1,921,716</u>
<u>EXPENSE:</u>				
Program service expense	1,941,181	-	1,941,181	1,248,237
General and administrative expense	247,013	-	247,013	144,015
Fundraising expense	162,668	-	162,668	96,152
Total expense	<u>2,350,862</u>	<u>-</u>	<u>2,350,862</u>	<u>1,488,404</u>
<u>CHANGES IN NET ASSETS</u>	<u>337,550</u>	<u>279,501</u>	<u>617,051</u>	<u>433,312</u>
Net assets, beginning of year	<u>499,377</u>	<u>-</u>	<u>499,377</u>	<u>66,065</u>
Net assets, end of year	<u>\$ 836,927</u>	<u>\$ 279,501</u>	<u>\$ 1,116,428</u>	<u>\$ 499,377</u>

See Notes to Financial Statements.

OBAT Helpers, Inc.

Statement of Cash Flows

Years Ended December 31, 2021 and December 31, 2020

	Year Ended	
	December 31, 2021	December 31, 2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Changes in net assets	\$ 617,051	\$ 433,312
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	370	308
EIDL loan forgiveness income - SBA grant	-	(2,000)
Donation of investments	(19,748)	-
Unrealized gain on investments	(7,602)	-
(Increase) decrease in certain assets:		
Prepaid expense	(9,983)	1,547
Grant receivable	(171,706)	-
Increase (decrease) in certain liabilities:		
Accounts payable	6,909	(12,168)
Accrued interest	(1,355)	1,355
Total adjustments	(203,115)	(10,958)
Net cash provided by operating activities	413,936	422,354
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Capital expenditures	(748)	-
Purchase of investments	(302)	-
Purchase of investments - quasi-endowment fund	(500,015)	-
Net cash used in investing activities	(501,065)	-
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Proceeds/payments from/for EIDL grant from SBA	(94,300)	96,300
Net cash (used in) provided by financing activities	(94,300)	96,300
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	(181,429)	518,654
<u>CASH AND CASH EQUIVALENTS:</u>		
Beginning of year	602,219	83,565
End of year	\$ 420,790	\$ 602,219
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</u>		
Cash paid during the year for interest	\$ 2,710	\$ 3,795

See Notes to Financial Statements.

OBAT Helpers, Inc.

Statements of Functional Expenses

Year Ended December 31, 2021

	Program Services	Support Activities		Totals For the Year Ended
	Bangladesh	General and Administrative	Fundraising	December 31, 2021
Grants and awards	\$ 1,880,026	\$ -	\$ -	\$ 1,880,026
Payroll	20,830	36,070	46,400	103,300
Payroll taxes	1,613	2,793	3,593	7,999
Bank fees	-	514	-	514
Business registration fees	-	19,267	-	19,267
Consulting expense	-	101,649	71,349	172,998
Depreciation	-	370	-	370
Events, seminars, and programs	30,029	86	504	30,619
Insurance	-	904	-	904
Interest expense	-	1,355	-	1,355
Marketing & advertising	60	1,214	24,139	25,413
Miscellaneous	-	576	-	576
Office supplies	-	491	525	1,016
PayPal, Stripe, and credit card fees	-	31,219	-	31,219
Postage & mailing services	2,981	342	8,844	12,167
Printing, stationery & photo copy	38	262	-	300
Professional fees	-	33,650	-	33,650
Rent	-	8,996	-	8,996
Staff development	-	3,600	1,734	5,334
Software & online services	625	2,601	5,536	8,762
Telephone & telecommunications	-	1,054	-	1,054
Travel	4,979	-	44	5,023
	<u>\$ 1,941,181</u>	<u>\$ 247,013</u>	<u>\$ 162,668</u>	<u>\$ 2,350,862</u>

OBAT Helpers, Inc.

Statements of Functional Expenses

Year Ended December 31, 2020

	Program Services	Support Activities		Totals For the Year Ended
	Bangladesh	General and Administrative	Fundraising	December 31, 2020
Grants and awards	\$ 1,105,588	\$ -	\$ -	\$ 1,105,588
Payroll	888	87,719	-	88,607
Payroll taxes	-	2,317	-	2,317
Bank fees	528	2,195	-	2,723
Consulting expense	-	-	74,387	74,387
Depreciation	-	308	-	308
Events, seminars, and programs	109,378	750	500	110,628
Insurance	-	728	-	728
Interest expense	-	3,795	-	3,795
Marketing & advertising	3,161	1,862	5,966	10,989
Meals & entertainment	-	-	1,343	1,343
Miscellaneous	-	902	-	902
Office supplies	-	3,532	72	3,604
PayPal, Stripe, and credit card fees	23,875	662	-	24,537
Postage & mailing services	1,589	228	3,299	5,116
Books & subscriptions	-	1,879	-	1,879
Printing, stationery & photo copy	112	775	-	887
Professional fees	-	18,450	-	18,450
Rent	-	8,148	-	8,148
Staff development	196	1,999	-	2,195
Software & online services	327	6,880	9,391	16,598
Telephone & telecommunications	-	886	-	886
Travel	2,595	-	1,194	3,789
	<u>\$ 1,248,237</u>	<u>\$ 144,015</u>	<u>\$ 96,152</u>	<u>\$ 1,488,404</u>

OBAT Helpers, Inc.

Notes to Financial Statements

December 31, 2021 and December 31, 2020

Note 1: SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies followed by OBAT Helpers, Inc. (Organization or OBAT) are listed below:

- (a) OBAT Helpers, Inc. was organized as a non-profit organization in the State of Indiana on September 27, 2004 and received their exemption status as a Private Charity under Section 501(c)3 of the Internal Revenue Code, effective as of the same date.

The Organization is committed to providing aid, support, education and economic empowerment to the displaced, unfortunate and forgotten population residing in camps in Bangladesh through grants and cash assistance. The Organization has established schools, health clinics, tutoring, computer training and vocational centers along with a self-empowerment program. Provision of basic amenities for the camp residents such as clean water and sanitation through infrastructure development, is a priority. Education and economic empowerment are the areas of focus as together, they have the potential to lift the camp dwellers out of dire poverty and hopelessness.

The OBAT partners with the Integrated Service for Development of Children and Mothers, a non-governmental organization headquartered in Bangladesh. OBAT provides funds to facilitate projects in the areas of education, training, family assistance, health and sanitation, infrastructure, and self-empowerment. OBAT Helpers, Inc. operates more than 50 educational and training projects, including schools, tutoring, sewing and computer training centers for children and adults. OBAT also provides assistance and services to the sick, widows and orphans residing in the camps. Three health clinics of OBAT provide treatment of basic ailments to camp residents while clean water is provided through the installation of tube wells throughout the camps. Other construction work includes construction of bathrooms as well as drains. OBAT partners with Prantic Unnayan Society to implement its programs.

For IDP projects, OBAT partners with OBAT BD and ISDCM. For Rohingya projects, OBAT partners with Prantic Unnayan Society, Sushilan, and HMBD.

- (b) OBAT follows Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, "Topic 606")* for recognition of revenue. Topic 606 creates a single framework for recognizing revenue from contracts with customers and grantors that fall within the scope of the standard.

The Organization also follows ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*. This standard clarifies and improves current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction.

OBAT Helpers, Inc.

Notes to Financial Statements

December 31, 2021 and December 31, 2020

Note 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

- (c) The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without restrictions - Net assets that are not subject to permanent nor donor-imposed stipulations. The Organization may designate portions of its net assets without donor restrictions as Board designates for various purposes. At December 31, 2021 and December 31, 2020, the Organization had \$836,927 and \$499,377, respectively, in net assets without restrictions.

Net assets with restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions and reported in the statements of activities as net assets released from restrictions. At December 31, 2021 and December 31, 2020, the Organization had \$279,501 and \$-0-, respectively in net assets with restrictions.

- (d) Contributions are recognized when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the condition on which they depend have been met. Contributions that are with donor restrictions are reported as increases in net assets without donor restrictions restricted by the donor are reported as an increase in net assets without restriction if the restrictions expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increase in net assets with restrictions. When a restriction expires, net assets with restrictions are classified to net assets without restriction and reported in the Statement of Activities as net assets released from restrictions. Grant revenues are recorded as they are earned according to the provisions of the grant. Grant expenses are recognized when incurred for a grant-related obligation.
- (e) The Organization capitalizes purchases at cost that have an estimated useful life of greater than one year. Donated property and equipment are stated at fair market value at the time of the gift. Maintenance, repairs, and minor renewals are expensed as incurred. The Organization follows the practice of depreciating the cost of property and equipment using the straight-line method of depreciation over their estimated useful lives.

OBAT Helpers, Inc.

Notes to Financial Statements

December 31, 2021 and December 31, 2020

Note 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

- (f) The Organization follows FASB ASC 958, *Not-for-Profit Entities – Presentation of Financial Statements*, for the recording and presentation of contributed nonfinancial assets: donated materials and donated services. Contributions of goods and services are recognized if the goods or services received (a) create or enhance nonfinancial assets or (b) require specialized skill, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Such donations (including stock and artwork) are recorded as revenue at their estimated fair value at the date of donation. During the year-ended December 31, 2021 the Organization received a stock donation that was recorded on the date of donation at a fair value of \$19,748.

No amounts have been reflected in the financial statements for donated labor by unskilled volunteers, as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time to the Organization's program services.

- (g) Investments are initially recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at fair value in the statements of financial position. The Organization values its investments according to Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820-10 and ASC 958, *Not-for-Profit Entities*. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less investment expenses. Investment returns, net of expenses, are classified as increases and decreases in net assets without donor restrictions unless the use of the assets received is limited by donor-imposed stipulations or by law. When donor restrictions exist, such investment returns, net of expenses, are reported as net assets with donor restrictions.
- (h) Marketing and advertising costs are expensed as incurred. Marketing and advertising expense was \$25,413 and \$10,989 for the years ended December 31, 2021 and December 31, 2020, respectively.
- (i) The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and notes to the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made in the preparation of the financial statements include the allocation of costs among the Organization's various programs in the statements of functional expenses.
- (j) The Organization considers deposits that can be redeemed on demand and investments that have maturities of less than three months, when purchased, to be cash equivalents. The Organization maintains cash and cash equivalents in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts.
- (k) Management has evaluated subsequent events through November 27, 2023, the date that the financial statements were available to be issued.

OBAT Helpers, Inc.

Notes to Financial Statements

December 31, 2021 and December 31, 2020

Note 2: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets available for general expenditures within one year of the Statement of Financial Position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the Statement of Financial Position date:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Financial assets, at year end*	\$ 1,120,163	\$ 602,219
Less financial assets unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restrictions by donor with time or purpose restrictions	171,706	-
Board Designations:		
Fidelity Brokerage – quasi-endowment fund	<u>504,300</u>	<u>-</u>
	<u>\$ 444,157</u>	<u>\$ 602,219</u>

*Total assets, less nonfinancial assets (e.g. PP&E and prepaids)

The Organization is substantially supported by contributions. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's board designated quasi-endowment fund at Fidelity was established by the Board to provide support and further the charitable purpose of the Organization and may be drawn upon in the event of financial distress.

Note 3: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions available are for the following specific purposes at December 31, 2021:

Projects:	
Education	\$ 70,181
Medical	8,300
Infrastructure	10,000
Relief and family assistance	<u>191,020</u>
Total	<u>\$ 279,501</u>

There were no donor restrictions at December 31, 2020.

During 2021, the Board designated \$500,000 from net assets without donor restrictions to set-up a quasi-endowment fund at Fidelity. The quasi-endowment fund at Fidelity had a fair value of \$504,300 at December 31, 2021. See Note 13 for further details.

OBAT Helpers, Inc.

Notes to Financial Statements

December 31, 2021 and December 31, 2020

Note 4: CREDIT RISK

In accordance with the FASB ASC 825-10-50-20, 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. Bank deposits are federally insured up to \$250,000 for accounts owned at federally insured banks. The following are deposits in excess of federally insured limits for the years ended December 31, 2021 and December 31, 2020:

	December 31, 2021	December 31, 2020
Deposits	\$ 336,860	\$ 573,895
Federally insured	<u>250,000</u>	<u>251,459</u>
Deposits in excess of federally insured limits	<u>\$ 86,860</u>	<u>\$ 322,436</u>

Note 5: TAX STATUS

The Organization was created on September 27, 2004. The Organization has been determined by the Internal Revenue Service to be tax exempt under Section 501(c)(3) of the Internal Revenue Code (the Code). As a result, contributions made to the Organization qualify as charitable deductions as described in Section 170(c) of the Code. The Organization has been classified as an organization that is a public charity under Section 170(b)(1)(A)(vi) of the Code.

Management evaluates all tax positions taken or expected to be taken on its annual information returns, including the position that the Organization continues to qualify to be treated as a Section 501(c)(3) organization for both federal and state purposes. For the year ended December 31, 2021, management does not feel it has taken any tax positions that would not be sustained under examination. Therefore, no interest or penalties have been accrued or charged to expense as of December 31, 2021, or for the year then ended. The annual information return for the Organization is subject to examination by taxing authorities for a period of three years from the date they are filed.

Note 6: CONTRIBUTION CONCENTRATION

During the year ended December 31, 2021, the Organization received over 10% of its contributions from one Foundation, totaling \$510,000, representing approximately 18% of total contribution revenue.

OBAT Helpers, Inc.

Notes to Financial Statements

December 31, 2021 and December 31, 2020

Note 7: LEASE COMMITMENTS

The Organization has a one-year lease for office space. The office lease includes the use of a copier machine and shared storage. Total rent expense incurred for the years ended December 31, 2021 and December 31, 2020 was \$8,996 and \$8,148, respectively. A rent reduction amendment was provided for August - December 2020 due to the COVID-19 pandemic of \$533.

Note 8: FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to a specific program and/or supporting service function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The Organization's methodology was to allocate functional expenses to program services and support services based on management's best estimate.

Total fundraising expense for the years ended December 31, 2021 and December 31, 2020 was \$162,668 and \$96,152, respectively.

Note 9: RELATED PARTY TRANSACTIONS

Total donations from the Board of Directors were \$66,798 and \$18,859 for the years ended December 31, 2021 and December 31, 2020, respectively.

Note 10: PAYCHECK PROTECTION PROGRAM AND ECONOMIC INJURY DISASTER LOAN

In May 2020, the Organization applied for and was approved for a \$7,500 loan under the Paycheck Protection Program (PPP) created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration (SBA). The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements.

The Organization met the loan forgiveness requirements and concluded the loan represented in substance, a government grant that was fully forgiven. As such, the Organization accounted for the loan in a manner consistent with IAS 20. The Organization applied for forgiveness of the loan in January 2021 and was awarded full forgiveness of the loan by the SBA. The Organization recognized the revenue relating to the loan proceeds as it incurred the qualifying expenses. Such revenue is included in Other Income - PPP loan forgiveness income - SBA Grant in the Organization's Statement of Activities.

In June 2020, the Organization applied for and was awarded an Economic Injury Disaster Loan (EIDL) by the SBA for \$94,300, due to the COVID-19 Pandemic. The note bears interest was payable in monthly installments starting in June 2022. The Note was set to mature during May 2050. The Organization incurred and accrued interest expense of \$1,355 for the year ended December 31, 2020. During July 2021, the EIDL principal of \$94,300 was paid off in full, along with interest of \$2,710.

OBAT Helpers, Inc.

Notes to Financial Statements

December 31, 2021 and December 31, 2020

Note 11: INVESTMENTS

The Organization's investments from stock donations consisted of the following at December 31, 2021 and December 31, 2020:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Mutual funds	\$ 5,526	\$ 5,788	\$ -	\$ -
Equities	<u>14,524</u>	<u>17,579</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 20,050</u>	<u>\$ 23,367</u>	<u>\$ -</u>	<u>\$ -</u>

The Organization's board designated quasi-endowment fund at Fidelity consisted of the following at December 31, 2021 and December 31, 2020:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market	\$ 358,845	\$ 358,845	\$ -	\$ -
Equities	139,238	143,434	-	-
Real estate	<u>1,932</u>	<u>2,021</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 500,015</u>	<u>\$ 504,300</u>	<u>\$ -</u>	<u>\$ -</u>

Note 12: FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements*, established a framework for measuring fair value. The 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).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs: Unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access;

Level 2 Inputs: Inputs other than quoted prices included in Level 1 that are observable for the assets and liabilities either directly or indirectly; and

Level 3 Inputs: Unobservable inputs based on the Organization's own assumptions.

The assets or liabilities 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.

OBAT Helpers, Inc.

Notes to Financial Statements

December 31, 2021 and December 31, 2020

Note 12: FAIR VALUE MEASUREMENTS (continued)

Following is a description of the valuation methodology used for assets and liabilities measured at fair value. There have been no changes in the methodology used at December 31, 2021.

Money market, mutual funds, equities, real estate (REIT): Fair market value was determined based on market approach using quoted market values. When quoted market values are not available market value was determined based on the most recent price of the equivalent quoted yield for the investment, or those of comparable maturity, quality, and type.

Quasi-endowment fund at Fidelity: Fair market value underlying assets within the quasi-endowment. Determined based on market approach using quoted market values. When quoted market values are not available market value was determined based on the most recent price of the equivalent quoted yield for the investment, or those of comparable maturity, quality, and type.

Fair value recognized on the statement of financial position on a recurring basis at December 31, 2021 was as follows:

	<u>Fair Value Measurements at Reporting Date Using</u>			
<u>Fair value at December 31, 2021:</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Investments from stock donations:				
Mutual fund:				
Mutual fund - research	\$ 5,788	\$ -	\$ -	\$ 5,788
Equities:				
Common stock	<u>17,579</u>	<u>-</u>	<u>-</u>	<u>17,579</u>
Totals	<u>\$ 23,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,367</u>
Investments from Board designations:				
Quasi-endowment fund at Fidelity				
Money market	\$ 358,845	\$ -	\$ -	\$ 358,845
Equities:				
Common stocks	143,434	-	-	143,434
Real estate:				
REIT – industrial	<u>2,021</u>	<u>-</u>	<u>-</u>	<u>2,021</u>
Totals	<u>\$ 504,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 504,300</u>

OBAT Helpers, Inc.

Notes to Financial Statements

December 31, 2021 and December 31, 2020

Note 13: BOARD DESIGNATED QUASI-ENDOWMENT FUND

During 2021, the Board designated \$500,000 from net assets without donor restrictions to set-up a quasi-endowment fund at Fidelity. Through the Fidelity Wealth Advisor Solutions Program, Fidelity Personal and Workplace Advisors, LLC provided OBAT the opportunity to enter into an investment management agreement with Compak Asset Management (“Compak”). The quasi-endowment fund at Fidelity allows for the expenditure of principal as well as income and is considered a long-term investment. OBAT’s objective is to leave the money invested in the quasi-endowment fund for five to ten years and will not need significant withdrawals from the fund.

OBAT’s Endowment Committee adopted investment and spending policies for the quasi-endowment fund assets. Compak set-up a Special Situations account, suitable for aggressive investors and uses the S&P Sharia Compliant index in choosing the stocks for the quasi-endowment fund. The quasi-endowment assets are invested in a manner that is intended to produce results that mirror the overall S&P 500 stock market, which has had a long-term average return of 9% - 10% over the last fifty years. Actual returns in any given year may vary.

The Board designated quasi-endowment fund at Fidelity had a fair value of \$504,300 at December 31, 2021.

A reconciliation of the beginning and ending balance of the quasi-endowment fund at Fidelity is as follows:

Balance, beginning of year	\$ -
Contributions	500,000
Investment return, net	<u>4,300</u>
Balance, end of year	<u>\$ 504,300</u>