

**WESTERN PENNSYLVANIA CHAPTER OF THE NATIONAL HEMOPHILIA FOUNDATION
D/B/A WESTERN PENNSYLVANIA BLEEDING DISORDERS FOUNDATION**

**FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2021 AND 2020
&
INDEPENDENT AUDITORS' REPORT**

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	2
FINANCIAL STATEMENTS:	
STATEMENTS OF FINANCIAL POSITION.....	4
STATEMENTS OF ACTIVITIES.....	5
STATEMENTS OF FUNCTIONAL EXPENSES.....	7
STATEMENTS OF CASH FLOWS	9
NOTES TO FINANCIAL STATEMENTS	10



McCall Scanlon & Tice, LLC
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Western Pennsylvania Chapter of the National Hemophilia Foundation
d/b/a Western Pennsylvania Bleeding Disorders Foundation:

We have audited the accompanying financial statements of the Western Pennsylvania Chapter of the National Hemophilia Foundation d/b/a Western Pennsylvania Bleeding Disorders Foundation (the "Organization"), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 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.

McCall Scaron & Tice, LLC

Pittsburgh, Pennsylvania

March 16, 2022

**WESTERN PENNSYLVANIA CHAPTER OF THE NATIONAL HEMOPHILIA FOUNDATION
d/b/a WESTERN PENNSYLVANIA BLEEDING DISORDERS FOUNDATION**

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

<u>ASSETS</u>		
	2021	2020
CURRENT ASSETS:		
Cash	\$ 86,788	\$ 250,981
Cash - board designated	14,563	-
Cash - restricted to use	25,698	11,570
Total cash	127,049	262,551
Accounts receivable	22,060	1,910
Prepaid expenses	16,178	10,939
Total current assets	165,287	275,400
INVESTMENTS	1,075,202	688,439
NONCURRENT ASSETS:		
Security deposit	2,200	1,300
Prepaid expenses	1,649	3,448
Total noncurrent assets	3,849	4,748
FURNITURE, FIXTURES, AND LEASEHOLD IMPROVEMENTS, net	4,422	5,593
TOTAL ASSETS	\$ 1,248,760	\$ 974,180
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 2,928	\$ 216
Accrued expenses	7,804	7,020
Deferred revenue	63,586	67,046
Current portion of PPP loan	-	11,972
Total current liabilities	74,318	86,254
PPP LOAN	31,082	15,228
NET ASSETS:		
Without donor restrictions:		
Undesignated	503,099	261,128
Board designated	614,563	600,000
With donor restrictions	25,698	11,570
Total net assets	1,143,360	872,698
TOTAL LIABILITIES AND NET ASSETS	\$ 1,248,760	\$ 974,180

See Notes To Financial Statements

WESTERN PENNSYLVANIA CHAPTER OF THE NATIONAL HEMOPHILIA FOUNDATION
d/b/a WESTERN PENNSYLVANIA BLEEDING DISORDERS FOUNDATION

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions		With Donor Restrictions	Total
	Undesignated	Board Designated		
SUPPORT AND REVENUES:				
Contributions	\$ 391,684	\$ 14,563	\$ 40,943	\$ 447,190
Special events	393	-	-	393
Interest income	140	-	-	140
Investment income (loss), net	136,763	-	-	136,763
Gain (loss) on disposal of assets	(491)	-	-	(491)
PPP loan forgiveness	27,436	-	-	27,436
Net assets released from restrictions	26,815	-	(26,815)	-
Total support and revenues	582,740	14,563	14,128	611,431
EXPENSES:				
Program services:				
Patient services	178,120	-	-	178,120
Public awareness and education	53,264	-	-	53,264
Supportive services:				
Management and general	37,284	-	-	37,284
Fundraising	72,101	-	-	72,101
Total expenses	340,769	-	-	340,769
INCREASE (DECREASE) IN NET ASSETS	241,971	14,563	14,128	270,662
NET ASSETS, BEGINNING OF YEAR	261,128	600,000	11,570	872,698
NET ASSETS, END OF YEAR	\$ 503,099	\$ 614,563	\$ 25,698	\$ 1,143,360

See Notes To Financial Statements

WESTERN PENNSYLVANIA CHAPTER OF THE NATIONAL HEMOPHILIA FOUNDATION
d/b/a WESTERN PENNSYLVANIA BLEEDING DISORDERS FOUNDATION

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions		With Donor Restrictions	Total
	Undesignated	Board Designated		
SUPPORT AND REVENUES:				
Contributions	\$ 363,409	\$ -	\$ 22,500	\$ 385,909
Special events	1,734	-	-	1,734
Interest income	323	-	-	323
Investment income (loss), net	(11,760)	-	-	(11,760)
Gain/(loss) on disposal of assets	-	-	-	-
PPP loan forgiveness	-	-	-	-
Net assets released from restrictions	15,750	-	(15,750)	-
Total support and revenues	369,456	-	6,750	376,206
EXPENSES:				
Program services:				
Patient services	163,633	-	-	163,633
Public awareness and education	53,097	-	-	53,097
Supportive services:				
Management and general	37,166	-	-	37,166
Fundraising	89,346	-	-	89,346
Total expenses	343,242	-	-	343,242
INCREASE (DECREASE) IN NET ASSETS	26,214	-	6,750	32,964
NET ASSETS, BEGINNING OF YEAR	234,914	600,000	4,820	839,734
NET ASSETS, END OF YEAR	\$ 261,128	\$ 600,000	\$ 11,570	\$ 872,698

See Notes To Financial Statements

WESTERN PENNSYLVANIA CHAPTER OF THE NATIONAL HEMOPHILIA FOUNDATION
d/b/a WESTERN PENNSYLVANIA BLEEDING DISORDERS FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services		Supportive Services		Total
	Patient Services	Public Awareness and Education	Management and General	Fundraising	
Salaries	\$ 67,953	\$ 30,201	\$ 21,141	\$ 31,711	\$ 151,006
Payroll taxes	5,213	2,317	1,622	2,433	11,585
Employee benefits	7,103	3,157	2,209	3,315	15,784
Professional fees	12,198	5,421	3,796	5,692	27,107
Supplies	4,512	2,005	1,404	2,106	10,027
Telephone	2,541	1,129	790	1,186	5,646
Postage	4,095	1,820	1,275	1,911	9,101
Occupancy	7,650	3,400	2,379	3,570	16,999
Printing and publications	6,760	3,004	2,103	3,155	15,022
Travel	(206)	(91)	(64)	(96)	(457)
Conferences, conventions, and meetings	251	112	78	117	558
Depreciation	306	136	95	143	680
Specific assistance to individuals	51,776	-	-	-	51,776
Special events	-	-	-	16,173	16,173
Membership dues	1,313	584	408	613	2,918
Awards and grants	6,500	-	-	-	6,500
Interest	155	69	48	72	344
Total expenses	\$ 178,120	\$ 53,264	\$ 37,284	\$ 72,101	\$ 340,769

See Notes To Financial Statements

WESTERN PENNSYLVANIA CHAPTER OF THE NATIONAL HEMOPHILIA FOUNDATION
d/b/a WESTERN PENNSYLVANIA BLEEDING DISORDERS FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services		Supportive Services		Total
	Patient Services	Public Awareness and Education	Management and General	Fundraising	
Salaries	\$ 65,382	\$ 29,059	\$ 20,340	\$ 30,512	\$ 145,293
Payroll taxes	5,029	2,235	1,565	2,347	11,176
Employee benefits	6,009	2,671	1,870	2,804	13,354
Professional fees	11,235	4,993	3,496	5,243	24,967
Supplies	5,661	2,516	1,760	2,642	12,579
Telephone	2,661	1,183	828	1,242	5,914
Postage	3,839	1,706	1,194	1,791	8,530
Occupancy	7,560	3,360	2,351	3,528	16,799
Printing and publications	5,463	2,428	1,700	2,549	12,140
Travel	3,286	1,460	1,023	1,533	7,302
Conferences, conventions, and meetings	968	430	301	452	2,151
Depreciation	701	312	218	327	1,558
Specific assistance to individuals	43,916	-	-	-	43,916
Special events	-	-	-	33,595	33,595
Membership dues	1,673	744	520	781	3,718
Awards and grants	250	-	-	-	250
Total expenses	\$ 163,633	\$ 53,097	\$ 37,166	\$ 89,346	\$ 343,242

See Notes To Financial Statements

**WESTERN PENNSYLVANIA CHAPTER OF THE NATIONAL HEMOPHILIA FOUNDATION
d/b/a WESTERN PENNSYLVANIA BLEEDING DISORDERS FOUNDATION**

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 270,662	\$ 32,964
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	680	1,558
Net realized and unrealized (gain) loss on investments	(126,743)	25,301
(Gain) loss on disposal of assets	491	-
PPP loan forgiveness	(27,436)	-
(Increase) decrease in:		
Accounts receivable	(20,150)	3,593
Security deposit	(900)	-
Prepaid expenses	(3,440)	154
Increase (decrease) in:		
Accounts payable	2,712	(1,738)
Accrued expenses	784	3,308
Deferred revenue	(3,460)	29,727
	93,200	94,867
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	149,765	819,092
Purchases of investments	(409,785)	(832,633)
	(260,020)	(13,541)
CASH FLOWS FROM FINANCING ACTIVITIES,		
Proceeds from PPP loan	31,318	27,200
	31,318	27,200
NET INCREASE (DECREASE) IN CASH	(135,502)	108,526
CASH, BEGINNING OF YEAR	262,551	154,025
CASH, END OF YEAR	\$ 127,049	\$ 262,551

See Notes To Financial Statements

**WESTERN PENNSYLVANIA CHAPTER OF THE NATIONAL HEMOPHILIA FOUNDATION
D/B/A WESTERN PENNSYLVANIA BLEEDING DISORDERS FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Western Pennsylvania Chapter of the National Hemophilia Foundation d/b/a Western Pennsylvania Bleeding Disorders Foundation (the "Organization") was founded to help meet the vast education and support needs of the bleeding disorders community in Western Pennsylvania. The Organization is leading the way in Western Pennsylvania by improving the quality of care and enriching the lives of those with bleeding disorders through education, advocacy, resource, and referral. The Organization is supported through contributions from the public and companies within the medical industry, grants, and investment income.

The Organization is an independent chapter of the National Hemophilia Foundation and also a member of the Hemophilia Federation of America.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, report all significant receivables, payables, and other liabilities as prescribed by accounting principles generally accepted in the United States of America ("U.S. GAAP").

COMPARATIVE DATA

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

FINANCIAL STATEMENT PRESENTATION

Accounting Standards require the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The following is a description of the two net asset categories:

NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of resources available for any purpose in performing the primary objectives of the Organization, which have not been restricted by donor or grantor. Board designated net assets consist of \$14,563 in cash to cover future expenses related to the Patient Assistance Program and \$600,000 in investments to cover future operating expenses.

**WESTERN PENNSYLVANIA CHAPTER OF THE NATIONAL HEMOPHILIA FOUNDATION
D/B/A WESTERN PENNSYLVANIA BLEEDING DISORDERS FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are those assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time, or are those required to be maintained permanently by donors.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ACCOUNTS RECEIVABLE

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Organization considers all of its receivables to be fully collectible; accordingly, no valuation allowance is considered necessary.

CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances in one financial institution located in Pittsburgh, Pennsylvania. The balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of June 30, 2021 and 2020, the Organization's cash balances were within the federally insured limits. Additionally, the Organization had \$1,075,202 and \$688,439 in investment accounts not covered by FDIC insurance as of June 30, 2021 and 2020, respectively. Management believes the Organization is not exposed to any significant credit risk on cash and investments.

INVESTMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are recorded at fair value in the statements of financial position. Investment income (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the change in net assets without donor restrictions.

**WESTERN PENNSYLVANIA CHAPTER OF THE NATIONAL HEMOPHILIA FOUNDATION
D/B/A WESTERN PENNSYLVANIA BLEEDING DISORDERS FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

Although the Organization's investments are invested in a variety of financial instruments managed by investment advisors, the fair values, reported in the statements of financial position, are subject to various market risks including changes in the equity markets, the interest rate environment, and economic conditions. Due to the level of risk associated with investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the fair value of investments reported in the accompanying statements of financial position could change materially in the near term.

FURNITURE, FIXTURES, AND LEASEHOLD IMPROVEMENTS, NET

It is the Organization's policy to capitalize furniture, fixtures, and leasehold improvements expenditures over \$1,000. Purchased furniture, fixtures, and leasehold improvements are recorded at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, which are generally 3 to 5 years for furniture and fixtures. Leasehold improvements are depreciated over 15 years.

INCOME TAXES

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization's policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties under the management and general class within supportive services.

In general, the Organization's tax positions for open tax years remain subject to examination by the tax authorities in the jurisdictions in which the Organization operates.

SUPPORT AND REVENUES

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor and is received up front is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a donor-restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Special event income is recognized when control of the promised goods or services is transferred to the Organization's attendants, in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services, which is primarily when the event is held.

**WESTERN PENNSYLVANIA CHAPTER OF THE NATIONAL HEMOPHILIA FOUNDATION
D/B/A WESTERN PENNSYLVANIA BLEEDING DISORDERS FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

CONCENTRATION OF SUPPORT AND REVENUES

The Organization receives a large portion of its support from one donor. For both years ended June 30, 2021 and 2020, this contribution totaled \$125,000, which represents 20% and 34% of total support and revenues, respectively.

DONATED SERVICES

A substantial number of volunteers have donated significant amounts of their time to the Organization's administrative operations and program services. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition under Accounting Standards.

IN-KIND CONTRIBUTIONS

In addition to receiving cash contributions, the Organization receives in-kind contributions of gift cards, memberships, etc. from various donors that are used during fundraising events. These items are recorded at their estimated fair value as an expense in the Organization's financial statements, and similarly increase special event revenue by a like amount. In-kind contributions received for the years ended June 30, 2021 and 2020 were \$7,076 and \$8,464, respectively.

SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 16, 2022, the date the financial statements were available to be issued.

2. FAIR VALUE MEASUREMENTS

The Organization follows Accounting Standards that define fair value, establish a framework for measuring fair value and enhance disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1 – Fair value is based on unadjusted quoted prices in active markets that are accessible to the Organization for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

WESTERN PENNSYLVANIA CHAPTER OF THE NATIONAL HEMOPHILIA FOUNDATION
D/B/A WESTERN PENNSYLVANIA BLEEDING DISORDERS FOUNDATION
NOTES TO FINANCIAL STATEMENTS

Level 2 – Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets, and other observable inputs.

Level 3 – Fair value is based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows, and other similar techniques.

The Organization’s investments in money market funds, equity funds, alternative investments, corporate bonds, and certificates of deposit are valued according to unadjusted quoted market prices in an active market for identical securities. There have been no changes in the methodologies used at June 30, 2021 and 2020.

The following table sets forth the Organization’s investments at fair value as of June 30, 2021 and 2020 by level, within the fair value hierarchy:

	Investments at Fair Value as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 10,546	\$ -	\$ -	\$ 10,546
Equity funds	620,086	-	-	620,086
Alternative investments	121,880	-	-	121,880
Municipal bonds	15,778	-	-	15,778
Corporate bonds	276,380	-	-	276,380
Certificates of deposit	30,532	-	-	30,532
Total investments at fair value	\$ 1,075,202	\$ -	\$ -	\$ 1,075,202

	Investments at Fair Value as of June 30, 2020			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 13,589	\$ -	\$ -	\$ 13,589
Equity funds	332,376	-	-	332,376
Alternative investments	50,075	-	-	50,075
Corporate bonds	221,506	-	-	221,506
Certificates of deposit	70,893	-	-	70,893
Total investments at fair value	\$ 688,439	\$ -	\$ -	\$ 688,439

**WESTERN PENNSYLVANIA CHAPTER OF THE NATIONAL HEMOPHILIA FOUNDATION
D/B/A WESTERN PENNSYLVANIA BLEEDING DISORDERS FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

Investment income (loss), net is comprised of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Net realized gains (losses)*	\$ 17,761	\$ (27,972)
Net unrealized gains (losses)	108,982	2,671
Interest and dividends	16,430	19,573
Investment expenses	<u>(6,410)</u>	<u>(6,032)</u>
Total investment income (loss), net	<u>\$ 136,763</u>	<u>\$ (11,760)</u>

*Realized gains (losses) are calculated based on historical cost.

3. FURNITURE, FIXTURES, AND LEASEHOLD IMPROVEMENTS, NET

A summary of furniture, fixtures, and leasehold improvements, net at June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Furniture and fixtures	\$ 13,102	\$ 23,952
Leasehold improvements	<u>10,207</u>	<u>10,207</u>
Total	23,309	34,159
Less accumulated depreciation	<u>18,887</u>	<u>28,566</u>
Furniture, fixtures, and leasehold improvements, net	<u>\$ 4,422</u>	<u>\$ 5,593</u>

Depreciation expense was \$680 and \$1,558 for the years ended June 30, 2021 and 2020, respectively.

4. PAYCHECK PROTECTION PROGRAM LOAN

On May 8, 2020, the Organization was granted a loan from PNC Bank in the amount of \$27,200 under the Paycheck Protection Program (“PPP”), which was established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”). The loan, including accrued interest, was forgiven in its entirety during March 2021, and was reported as PPP loan forgiveness on the statement of activities for the year ended June 30, 2021.

**WESTERN PENNSYLVANIA CHAPTER OF THE NATIONAL HEMOPHILIA FOUNDATION
D/B/A WESTERN PENNSYLVANIA BLEEDING DISORDERS FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

On February 23, 2021, the Organization was granted a second PPP loan from PNC Bank in the amount of \$31,082, with a maturity date of February 23, 2026. Monthly payments were set to commence July 2022 at an interest rate of 1.00% per annum. However, the loan, including accrued interest, was forgiven in its entirety during September 2021.

5. OPERATING LEASES

The Organization has operating leases for its office space and equipment. In addition, the Organization is committed to a month-to-month lease for storage space. Rental expense for the years ended June 30, 2021 and 2020 was \$11,463 and \$11,824, respectively. The following schedule reflects the future non-cancellable minimum lease payments under the Organization's operating leases:

<u>Years Ending June 30,</u>	<u>Amount</u>
2022	\$ 11,280
2023	10,990
2024	10,990
2025	11,290
2026	11,350
2027	<u>2,050</u>
Total	<u>\$ 57,950</u>

6. RETIREMENT PLAN

The Organization sponsors a defined contribution pension plan under Section 401(k) of the Internal Revenue Code. Contributions were \$1,432 and \$719 for the years ended June 30, 2021 and 2020, respectively.

**WESTERN PENNSYLVANIA CHAPTER OF THE NATIONAL HEMOPHILIA FOUNDATION
D/B/A WESTERN PENNSYLVANIA BLEEDING DISORDERS FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

7. NET ASSETS WITH DONOR RESTRICTIONS

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

Grant Description	06/30/20 Balance	Increases	Decreases	06/30/21 Balance
Nurses Outreach	\$ 2,570	\$ -	\$ -	\$ 2,570
CVS Health	4,000	5,000	4,000	5,000
COVID-19 Emergency Action Fund	5,000	-	5,000	-
CK Colburn Keenan Foundation	-	3,500	1,312	2,188
Butler County CARES	-	10,000	10,000	-
CK Colburn Keenan Foundation - COVID	-	1,503	1,503	-
Shire/Takeda	-	5,000	5,000	-
National Hemophilia Foundation	-	15,940	-	15,940
Total	<u>\$ 11,570</u>	<u>\$ 40,943</u>	<u>\$ 26,815</u>	<u>\$ 25,698</u>

Description	06/30/19 Balance	Increases	Decreases	06/30/20 Balance
Nurses Outreach	\$ 2,570	\$ -	\$ -	\$ 2,570
Hemophilia Alliance Foundation	670	13,500	14,170	-
CVS Health	1,580	4,000	1,580	4,000
COVID-19 Emergency Action Fund	-	5,000	-	5,000
Total	<u>\$ 4,820</u>	<u>\$ 22,500</u>	<u>\$ 15,750</u>	<u>\$ 11,570</u>

8. FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are summarized and categorized based upon their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis (i.e. time and effort) that was consistently applied.

**WESTERN PENNSYLVANIA CHAPTER OF THE NATIONAL HEMOPHILIA FOUNDATION
D/B/A WESTERN PENNSYLVANIA BLEEDING DISORDERS FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

9. LIQUIDITY

In managing the Organization's financial assets, an important consideration is to ensure sufficient liquidity. Financial asset liquidity as of June 30, 2021 is as follows:

Financial assets, at year end:

Cash	\$ 127,049
Accounts receivable	22,060
Investments	<u>1,075,202</u>
Total financial assets at year end	<u>1,224,311</u>

Less those unavailable for general expenditures within one year due to:

Board designations:

Cash	\$ 14,563
Investments	600,000

Donor restrictions:

Cash	25,698
Accounts receivable	<u>15,940</u>
	<u>625,698</u>

Financial assets available to meet cash needs for general expenditures within one year

\$ 598,613

The Organization is primarily supported by donations, grants, and sponsorships, which are used to provide services to individuals and families in western Pennsylvania, as well as pay for the management and administrative expenses of the Organization. To provide financial stability and meet any immediate liquidity need, the Board designated \$600,000 of investments for future operating expenses.
