

KC Help Annual Report

For Fiscal Year 2021

October 14, 2022

Friends of KC Help

Operation and Growth of the Knights Community Hospital Equipment Lend Program (KC Help) in 2021 continued to be a challenge due to operating under Covid-19 protocols. The lessons learned in 2020 served us well. KC Help remains a critical participant in our area's healthcare network. We did have some of our staff and volunteers contract the Omicron virus. Thankfully, they did not pick up the virus from work at KC Help and took appropriate steps to monitor and isolate, so our policies remained affective. We are thankful they have recovered and are back supporting this vital work.

Health care professionals turned to KC Help often to meet their patients' critical needs, as supply chain delays and cost impacted their normal resources. Additionally, local durable medical equipment providers sought out KC Help support for parts and equipment for short term equipment loans for their customers that had ordered equipment, and were experiencing supply chain delays.

Hospitals and physicians rely on our services to fill in the gaps. Throughout 2021, our service to the communities remained strong and our volunteers and staff responded with a can-do attitude. Highlights in 2021 include placing thousands of durable medical equipment items with families who would otherwise have had to do without. Thus, we emerged at the 2021 year's end increasing our statewide service from 5988 items in 2020 to 7904 items in 2021 (a growth of 32%). Charts of individual branches are attached*.

Statewide we loaned:

- 301 hospital beds to clients for recovery at home reducing the impact to our area hospitals,
- 1313 Manual Wheelchairs,
- 127 Electric Wheel Chairs,
- 129 lift chairs
- 1800+ walkers
- 4215 bathroom equipment and other DME
- We served:
 - 1869 families from the Tri Cities branch.
 - 2424 families from the Wenatchee branch
 - 667 families from the Poulsbo branch
 - 4960 families total statewide.

While these numbers speak volumes about our service to our communities, they pale in comparison to the medical conditions and stress families are experiencing. Loss of jobs and delays in getting the desperately needed medical equipment at any cost, confirm our presence in the community is essential. Expressions of hope and joy when we are able to help, confirm we are doing meaningful and necessary work.

The attached Income and Expense (P&L) statement shows all KC Help branches and their financial status*. As the attached performance charts, graphs and highlights document, our program has been an essential link in the health care services in our communities. One of the highlights of our year was a onetime special donation of durable medical equipment from In Home Medical that closed its 3 stores and offered KC Help the equipment along with good quality office furniture perfect for our new facility. Another was CSS Farms out of Kalotus granted us warehouse space for a couple of years. Then

KC Help Annual Report

For Fiscal Year 2021

volunteers from the area K of C councils loaded and took dozens of trailer loads out to the Kalotus CSS Farms. Even with this donated storage space, we simply have run out of room!

Individual client financial donations improved but continue to be impacted due to Covid and loss of employment. A sustaining grant from last year helped us immensely in 2021 and allowed us to reduce our loan on the Pasco facility. Grants from 3 River Community Foundation for wheelchair parts and equipment was received. Revenue from current financial sources have likely reached a limit, making revenue from the future Richland mini storage project a critical element of our future financial stability.

Our Wenatchee and Poulsbo branches, continued their services even with the restrictions required during the pandemic. Both these areas are growing and building a sound foundation. Our newest eastern Washington area efforts to acquire a warehouse and open a Colville branch is ongoing. Limited service is occurring with equipment being stored by volunteers similar to our early beginnings in the Tri Cities. Our Mexico operation continues to use essentially everything we send them. Border crossing and meeting the legal requirements continues to challenge us but we were able to send two shipments of equipment to our San Felipe operation in Mexico even with the Covid and immigration border restrictions. Our website blog continues to grow and there are articles featured for you to access anytime (www.kchelp.org).

Our Tri Cities administrative staff provided excellent service. They answered 5322 phone calls (not counting repeat calls) to our Tri Cities office, completed and reconciled our Statewide 2021 financial accounts for preparation of our Corporate IRS Form 990, maintained our Tri Cities data bases for clients, equipment loaned, returned, and donated. From these data bases we were able to produce the Tri Cities charts and use them for grant applications and presentations to our community's organizations. The administrative work our staff provides makes it possible for our volunteers to focus on cleaning and repair in order to provide sound, sanitized equipment to our community.

I am happy to announce our Poulsbo branch received its own 501(c)3 designation from the IRS. Larry Devline is its President and CEO. We now have two separate but interconnected KC Help corporations in Washington State. This is the first step of the goal that was requested by the KC Help Board of Directors Pre-COVID. The western KC Help Corporation is building its volunteer resource from nearby K of C Councils and expanding to additional branch locations on the Olympic Peninsula. With the support of the State Knights of Columbus Leadership, additional areas are investigating startup, including Spokane and communities north of Seattle. Like the Poulsbo KC Help, as these new locations establish their presence, we will support them in the transition to their own 501(c)3 status.

Our communities' need of our service continues to grow and equipment donations are increasing to a point where we must create a strategic plan to build additional infrastructure. This plan is essential for us to support the growth needed in the Tri Cities and throughout Washington and in Mexico. Attached is our current strategic plan*. KC Help Board acceptance is necessary, as strategic plans will change as time and needs change.

The first strategic goal is to create a corporate headquarters and additional revenue stream. We launched the site conceptual design phase of our Richland KC Help Corporate facility and mini storage project. We now have detailed drawings for the corporate facility, the mini storage units, site layout, retaining wall, lighting, water, and septic layouts. This sets the stage to proceed confidently with the permitting and formal design phase of the project. Significant donations were received which allowed us to proceed with survey, re-zoning, boundary line adjustment and formalizing a memo of understanding

KC Help Annual Report

For Fiscal Year 2021

with the Richland Knights to acquire the property at no cost. Working with Homebuilders Association, we connected with professionals for guidance in proceeding with the project. This sets the foundation for a Capital Campaign in 2022. Thanks to Hank Ogryzek our VP, the conceptual design is finalized. We hired Knutzen Engineering for overall site design, completed site survey to support the zone change application to the City of Richland, health department approval of relocating the reserve field of the Club septic system and received City of Richland approval of the Zone change to C-3. These tasks led to some changes in our Conceptual design. The tax acreage assessment for the property was 10 acres instead of the actual 9.2 acres yielded by the survey. The Health department requirements for relocating the reserve field and its connecting septic piping affected additional acreage and our conceptual site layout. This resulted in reducing our acreage to be transferred from 5 acres to 3.2 acres. Thus, our design changed to relocating the RV and Boat Storage to the Club's southwest property area.

Very generous private donations in 2021 has enabled the design and permitting tasks of the project to proceed. While not part of the accomplishments in 2021, in the first half of 2022, we have obtained the Club trustee's approval in principle to use the southwest area of their property and are proceeding with a lease agreement for that section which will include a provision to delay payments until rental income can recapture the development cost. The BLA approval allows us to proceed with the land transfer and the sales contract is being prepared. We have also managed to enter into a contract with Old Castle Concrete for a very favorable cost for the retaining wall Bin blocks. Our work with Knutzen Engineering is proceeding with topographical, geotechnical, site, egress, structures, and retaining wall design and support in submitting the many permit applications required for this project. Finally, we have verified with a lending institution that we can qualify for a line of credit to build the project in parallel with our capital campaign. They hope we will consider them in our final decisions.

Our volunteers and friends of KC Help are the cornerstone of our service and our community support speaks volumes on just how much value is seen in our service. I am overwhelmed by the generosity I witness and the compassion of everyone involved.

In closing, we ended 2021 with sound operations, financial stability, good progress on our strategic plan and great support from our volunteers, staff, and the communities we serve.

In gratitude, I submit this Annual Report of 2021 for the KC Help Board of Directors acceptance.

Jerry Rhoads
CEO KC Help

*Attachments as note above

KC Help Annual Report

For Fiscal Year 2021

KC Help Strategic Plan

1. Create Corporate Repair and Distribution Facility – 16,000 sq. ft. and Mini Storage business for income to support KC Help services.
 - Transfer repair of large equipment items & excess inventory to New Facility
 - Transfer Financial Accounting and Administration to Corporate Facility
 - Statewide Services to Washington State Branches and Mexico
 - \$2.8 Million Project Capital Campaign. Status
 - In Progress, as of 7-14-2022
 - \$157,000 raised,
 - \$77,000 Pledged,
 - \$50,000 In Kind Pledged,
 - 3.2 acres to be donated by Richland Knights for Headquarters and Mini Storage
 - 1-2 acres to be leased from Richland Knights for RV Storage,
 - Design and Permits in process.
 - Verified a line of credit for 2.2 million is available for the project.
 - Create a Subsidiary of KC Help for Commercial Activities
 - Establish a sustaining revenue source –
 - Self-Service Storage ~ \$285,000
 - RV Storage ~ \$80,000
2. Existing Pasco ROC Warehouse
 - Convert existing warehouse to a distribution facility with equipment sanitization, storage (three months), minor repairs, with administration support. Local Service to Greater Tri Cities Area
3. Established West Side 501(c)3 at Poulsbo Larry Devline Founder
 - Expanding KC Help West Side through new 501(c)3
4. Expand Storage for Wenatchee
 - Wenatchee Capital Campaign Started Initial results = \$77,000
5. Colville, Spokane District 18 and District 20
 - In Process of Finding Existing Building or Property to Startup.
6. Seek Other Washington State Districts/Councils to Join

KC Help Annual Report

For Fiscal Year 2021

KC Help Corporation Campus

Overview

Our building site is 3.2 acres of land donated by the Richland Knight of Columbus located at the corner of the Richland Bypass highway (SR 240) and Van Giesen Street (SR 224). The Campus will include a two-story building, totaling 16,000 sq. ft., equipped with a freight elevator. The first floor houses the KC Help Corporate Office and Mini Storage Business Office. An equipment receiving area includes a sanitization area for virus fogging and a steam cleaning area for soiled equipment. Repair stations for equipment types include space for staging incoming equipment and work stations for each type equipped with hydraulic work benches, lifts and tooling. The distribution includes space for staging and hydraulic lift for loading.

The second floor is open storage of ready to issue equipment allowing equipment type grouping and flexibility. The Open floor plan will also accommodate staging equipment for distribution to Mexico and other Washington State KC Help Branches.

The site affords convenient access and departure from Van Giesen.

Two commercial projects are planned for revenue support of KC Help.

Current plans are for KC Help to create a Subsidiary for these projects. The Subsidiary will be an income taxed corporation that issues dividends periodically to KC Help. The two projects are:

- A Gated Mini Storage facility containing 170 individual storage units each with security and lighting.
- An RV and Boat Storage containing approximately 100 parking units located in the southwest corner of the Club's property.

Donations to KC Help will be tax deductible for the Site development and KC Help Capital Cost. Commercial loans paid off through rental income will be used for the two commercial projects. Separate contracts for the two projects will assure proper division between the Charitable and Commercial portions of KC Help.

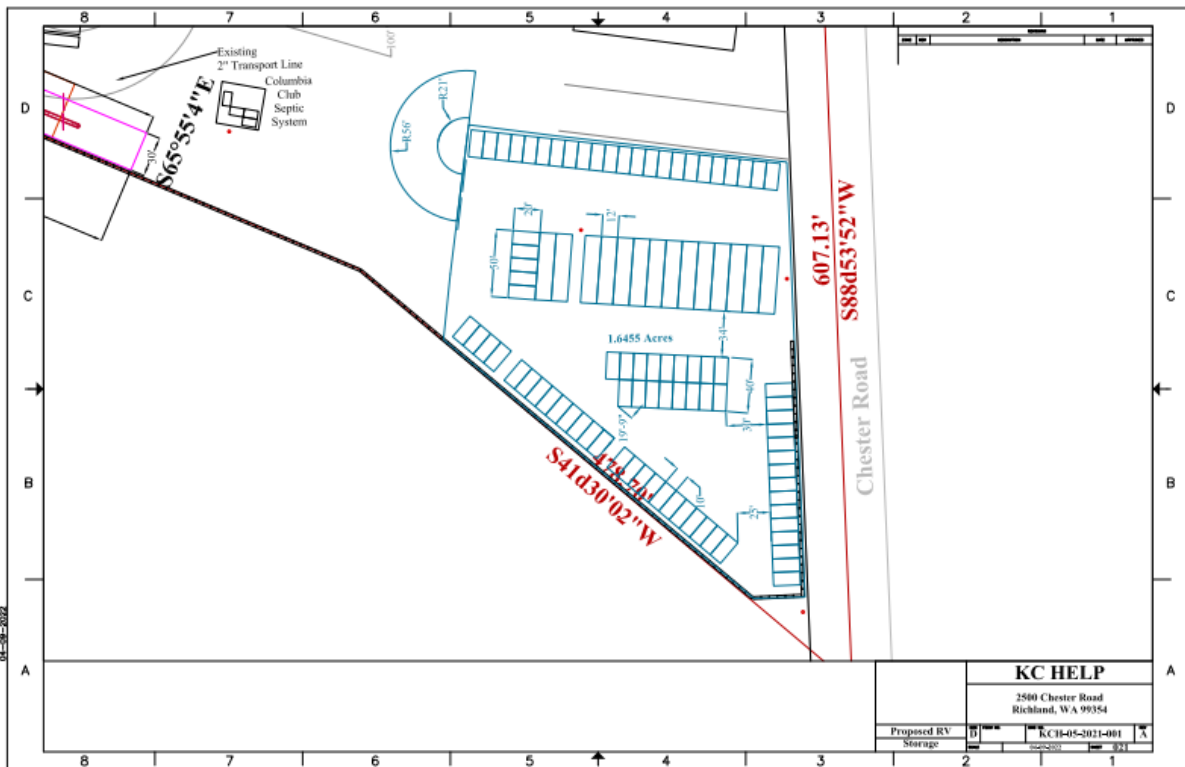
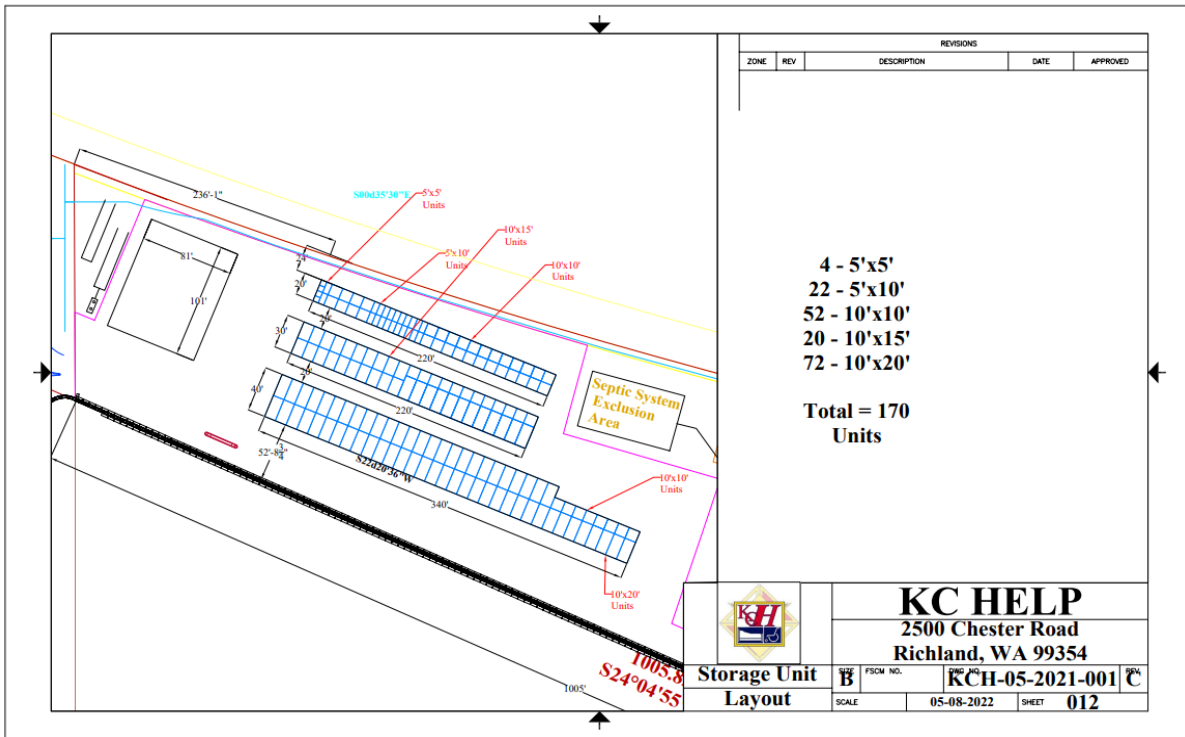
Before



After

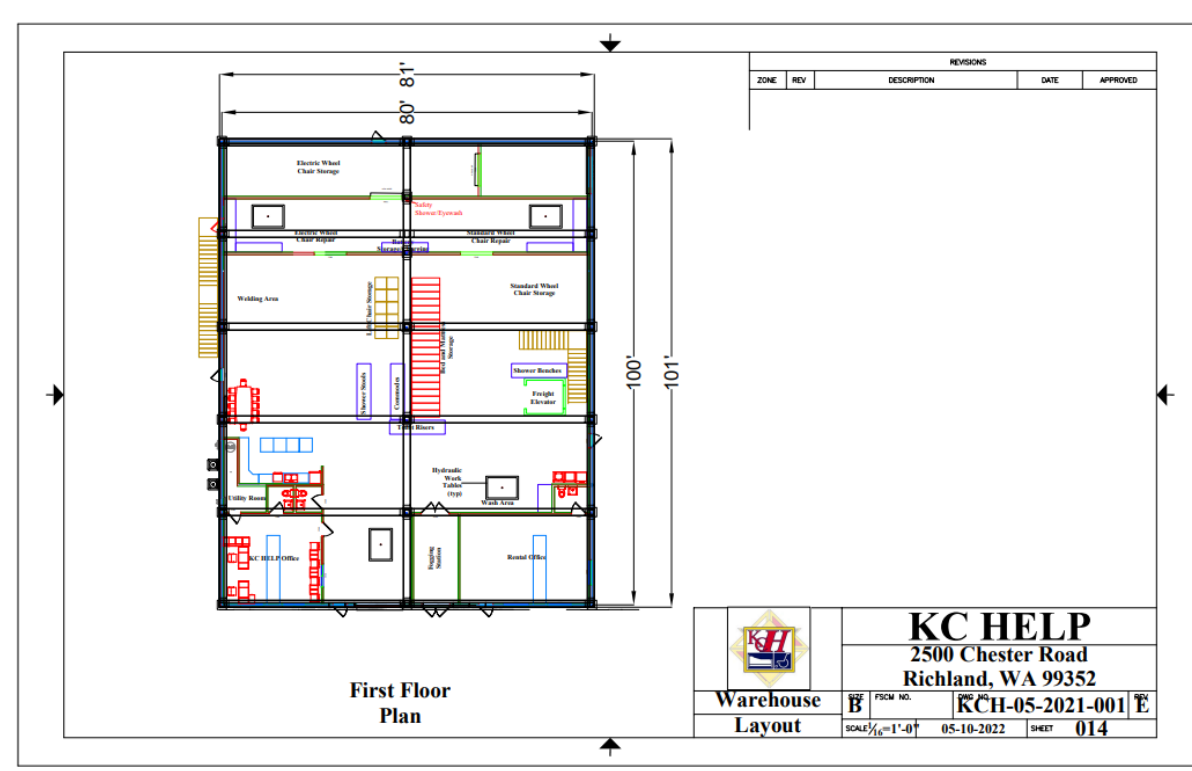
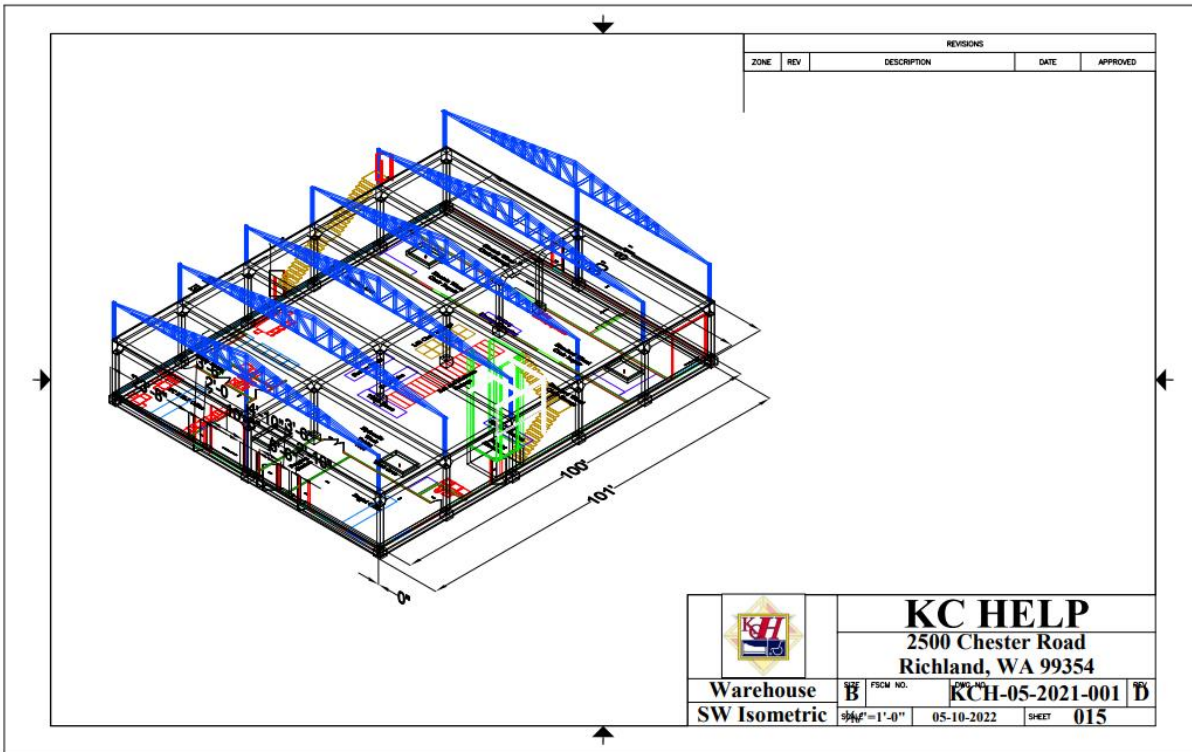


KC Help Annual Report For Fiscal Year 2021



KC Help Annual Report

For Fiscal Year 2021



KC Help Annual Report
For Fiscal Year 2021



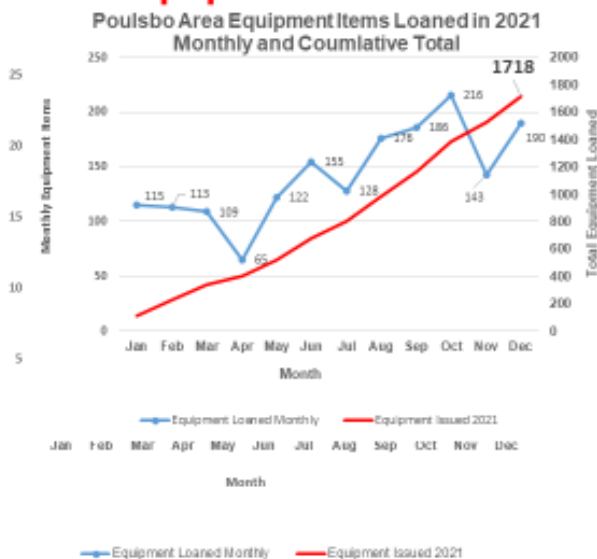
Community Served Poulsbo

Equipment Types Loaned in 2021



Community Served Poulsbo

Equipment Loaned in 2021

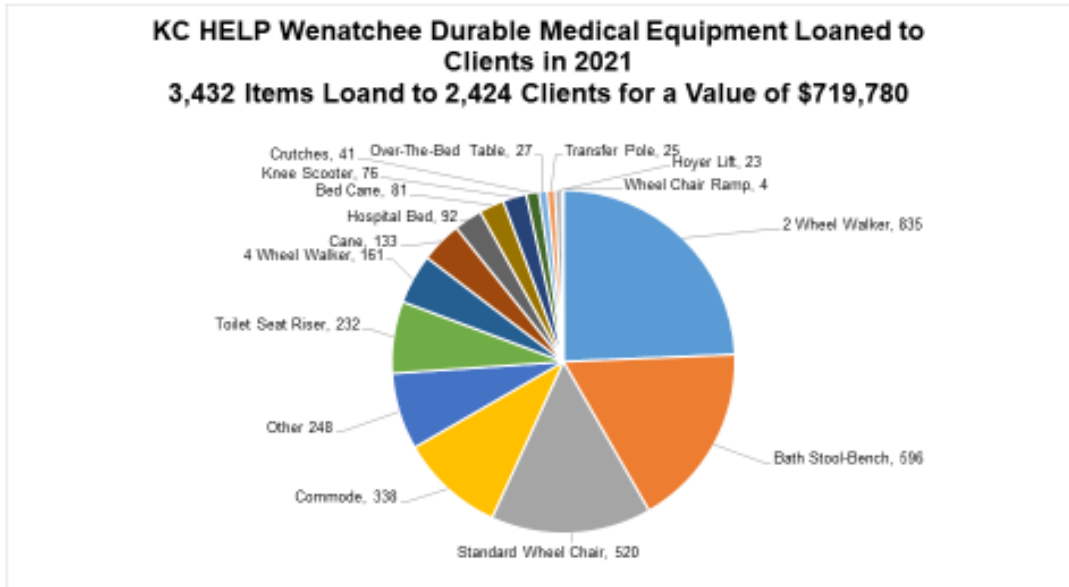


KC Help Annual Report
For Fiscal Year 2021

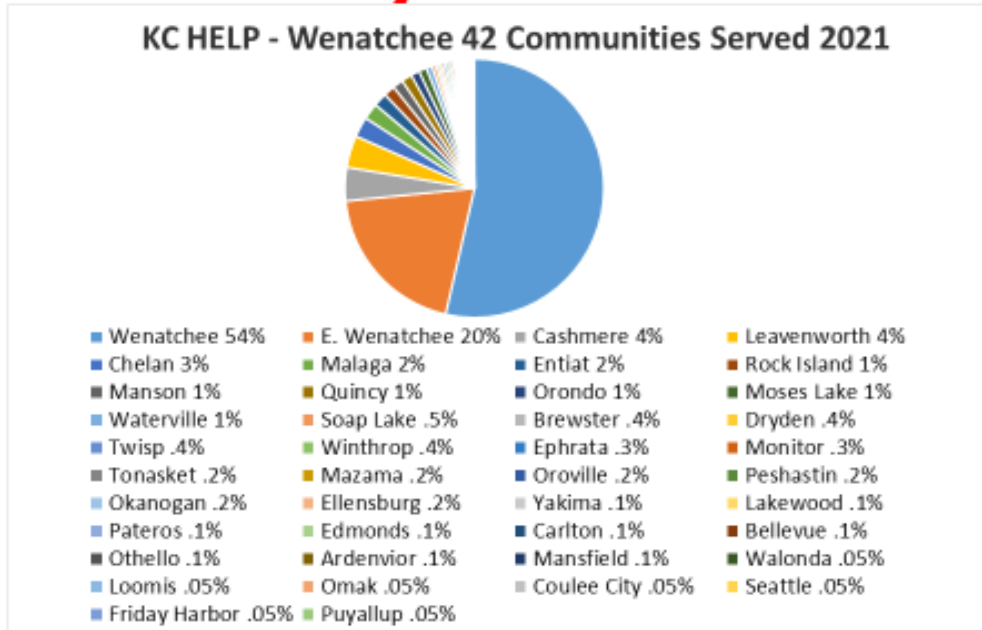


Community Served Wenatchee

Equipment Type Loaned in 2021



Community Served Wenatchee



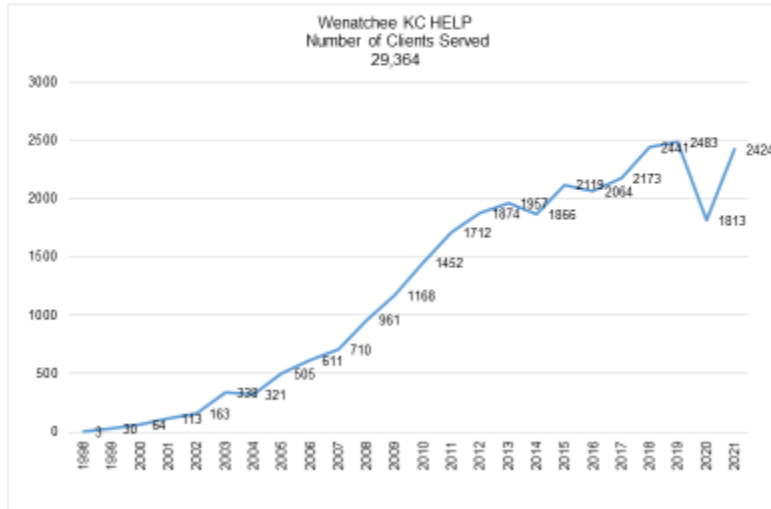
KC Help Annual Report

For Fiscal Year 2021



Community Served Wenatchee

Clients Served History



Community Served Tri Cities

Equipment Types Loaned in 2021

KC Help Tri Cities Durable Medical Equipment Loaned to Clients in 2021
1869 Clients were loaned 2754 Equipment Items for a Value \$764,550

