HELP THE HELPLESS

FINANCIAL STATEMENTS

December 31, 2010 and 2009

CONTENTS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Help the Helpless
Minneapolis, Minnesota

We have audited the accompanying statements of financial position of Help the Helpless (a non-profit organization) as of December 31, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Help the Helpless, as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Simma Flottemesch & Orenstein, Ltd.

Minneapolis, Minnesota
August 8, 2011

HELP THE HELPLESS

STATEMENTS OF FINANCIAL POSITION

December 31, 2010 and 2009

ASSETS

	2010	2009
Cash and cash equivalents	$ 418,181	$ 241,760
Pledges receivable, less allowance for doubtful accounts of $10,000 for both years	2,982	813
Investments	17,556	15,209
Prepaid expenses	5,660	1,632
Property and equipment, net of accumulated depreciation	1,541	192
TOTAL ASSETS	$ 445,920	$ 259,606

LIABILITIES AND NET ASSETS

	2010	2009
CURRENT LIABILITIES		
Accounts payable	$ 5,604	$ 1,901
NET ASSETS		
Unrestricted	437,334	233,592
Temporarily restricted	2,982	24,113
TOTAL NET ASSETS	440,316	257,705
TOTAL LIABILITIES AND NET ASSETS	$ 445,920	$ 259,606

SEE NOTES TO FINANCIAL STATEMENTS

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STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2010 and 2009

	2010			2009		
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUES, GAINS AND OTHER SUPPORT						
Contributions	$ 1,400,400	$ 650,000	$ 2,050,400	$ 1,246,828	$ 27,043	$ 1,273,871
Investment income	4,943	-	4,943	2,449	-	2,449
Net assets released from restrictions	671,131	(671,131)	-	28,725	(28,725)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	2,076,474	(21,131)	2,055,343	1,278,002	(1,682)	1,276,320
EXPENSES						
Program services	1,811,531	-	1,811,531	1,204,505	-	1,204,505
Supporting services						
Management and general	42,379	-	42,379	24,419	-	24,419
Fund raising	18,822	-	18,822	33,158	-	33,158
TOTAL EXPENSES	1,872,732	-	1,872,732	1,262,082	-	1,262,082
CHANGE IN NET ASSETS	203,742	(21,131)	182,611	15,920	(1,682)	14,238
NET ASSETS, BEGINNING OF YEAR	233,592	24,113	257,705	217,672	25,795	243,467
NET ASSETS, END OF YEAR	$ 437,334	$ 2,982	$ 440,316	$ 233,592	$ 24,113	$ 257,705

SEE NOTES TO FINANCIAL STATEMENTS

HELP THE HELPLESS

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2010 and 2009

	2010				2009			
	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising	Total
Bank fees	$ -	$ 7,701	$ -	$ 7,701	$ -	$ 6,604	$ -	$ 6,604
Contributions and aid expense	1,808,726	-	-	1,808,726	1,200,038	-	-	1,200,038
Contract labor	-	11,686	-	11,686	-	-	-	-
Depreciation	-	609	-	609	-	229	-	229
Miscellaneous	-	5,714	-	5,714	-	2,402	-	2,402
Postage and delivery	-	266	7,253	7,519	-	-	15,135	15,135
Printing and publications	-	-	11,569	11,569	-	-	18,023	18,023
Professional fees	-	11,345	-	11,345	-	11,080	-	11,080
Pledges written off	2,805	-	-	2,805	4,467	-	-	4,467
Supplies	-	3,265	-	3,265	-	2,332	-	2,332
Utilities	-	1,793	-	1,793	-	1,772	-	1,772
	$ 1,811,531	$ 42,379	$ 18,822	$ 1,872,732	$ 1,204,505	$ 24,419	$ 33,158	$ 1,262,082

SEE NOTES TO FINANCIAL STATEMENTS

HELP THE HELPLESS

STATEMENTS OF CASH FLOWS

December 31, 2010 and 2009

		2010		2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	$	182,611	$	14,238
Items not affecting cash				
Depreciation		609		228
Net increase in fair market value of investments		(2,328)		(2,071)
Change in assets and liabilities				
Pledges receivable		(2,169)		1,682
Prepaid expenses		(4,028)		2,251
Accounts payable		3,703		1,701
Cash provided by operating activities		178,398		18,029
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments		(19)		(196)
Proceeds from sale of investments		-		30,000
Purchases of property and equipment		(1,958)		-
Cash provided by (used for) investing activities		(1,977)		29,804
INCREASE IN CASH AND CASH EQUIVALENTS		176,421		47,833
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		241,760		193,927
CASH AND CASH EQUIVALENTS, END OF YEAR	$	418,181	$	241,760

SEE NOTES TO FINANCIAL STATEMENTS

(1) Nature of Organization

Help the Helpless (the Organization) is a Minnesota non-profit organization formed solely for the purpose of aiding St. Mary's School (St. Mary's), a Catholic educational and orphanage facility located in India for the handicapped, deaf and poor. The Organization solicits contributions from the general public to support the needs of St. Mary's. St. Mary's uses this aid to support its operations which include providing food, clothing, school supplies and other daily necessities for the children. St. Mary's also uses these funds for maintaining facilities and paying salaries to the personnel who work at the school.

(2) Summary of Significant Accounting Policies

Significant accounting policies of the Organization are summarized below:

Cash and Cash Equivalents – Cash and cash equivalents consist of a cash account, a certificate of deposit and a money market account maintained at one financial institution. On July 21, 2010 the Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law. This Act extends unlimited (Federal Deposit Insurance Corporation) FDIC insurance to all non-interest bearing transaction accounts held at depository institutions through December 31, 2012.

Investments – Investments consist of stocks and mutual funds, all of which are stated at fair market value.

Contributions and Donations – Contributions received and unconditional promises to give are measured at their fair market value and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Donated materials and equipment are recorded as contributions at estimated fair market values as of the date received. No amounts have been reflected in the Organization's accompanying statements for volunteer services, as general volunteer labor does not meet the criteria for recognition of in-kind services under FASB Accounting Standards Codification 958. However, the Organization's overall success is in part attributable to those volunteers who have contributed approximately 5,500 hours of service for both years ending December 31, 2010 and 2009.

Property and Equipment – Property and equipment are stated at cost and depreciation is computed using the accelerated method over the estimated useful life of 5 years.

Functional Allocation of Expenses – The costs of providing program and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(2) Summary of Significant Accounting Policies, Continued

Income Tax – The Organization is tax exempt under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under section 509(a) of the Internal Revenue Code and charitable contributions by donors are tax deductible.

Fair Value Measurements – The Organization adopted FAS No. 157, "Fair Value Measurements," which in now codified as Fair Value Measurements and Disclosures, topic 820, in the ASC, with respect to its financial assets and liabilities. This standard defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles (GAAP) and enhances disclosures about fair value measurement. Adoption of the initial provisions of FAS No. 157 resulted in additional disclosures contained in Note 7.

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 reported amounts and related disclosures. Actual results could differ from those estimates.

(3) Investments

Investments consist of the following at December 31:

	2010	2009
Stocks	$ 8,870	$ 7,003
Mutual funds	8,686	8,206
	$ 17,556	$ 15,209

Investment income is comprised of the following for the years ending December 31:

	2010	2009
Dividend and interest income	$ 2,615	$ 378
Fair market value appreciation	2,328	2,071
	$ 4,943	$ 2,449

(4) Property and Equipment

Property and equipment consist of the following at December 31:

	2010	2009
Computer equipment	$ 5,179	$ 3,221
Accumulated depreciation	(3,638)	(3,029)
	$ 1,541	$ 192

(5) Contribution and Aid Expense, St. Mary's

The Organization contributed aid totaling $1,808,726 and $1,200,038 for the years ended December 31, 2010 and 2009, to St. Mary's. These funds were used to support the day to day operations of the school and orphanage, as well as provide for the needs of the children.

(6) Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at December 31:

	2010	2009
Pledges designated for the years 2010 and 2009	$ 2,982	$ 813
Donor designated contributions restricted for housing and wells at St. Mary's	-	23,300
	$ 2,982	$ 24,113

(7) Fair Value Measurements

Fair Value measures are classified into a three-tier fair value hierarchy based on the nature of the inputs used in determining fair value. The following is a description of each classification:

Level 1 – Observable inputs such as quoted prices in active markets.

Level 2 – Inputs, other than quoted prices in active markets, that are observable either directly of indirectly.

Level 3 – Unobservable inputs in which there is little or no market data, which require management to develop its own assumptions for valuation and pricing

The fair value of all investments, referred to in Note 2, were level 1 under the fair value hierarchy as of December 31, 2010 and 2009.

(8) Subsequent Events

In accordance with FASB Accounting Standards Codification 855, Subsequent Events, the Organization has evaluated those events and transactions that occurred from January 1, 2011 through August 8, 2011, the date the financial statements were available to be issued, for possible adjustment to or disclosure in the consolidated financial statements. No material events or transactions occurred during this period which would render these financial statements misleading.