

**Help the Helpless**

**Financial Statements**

**December 31, 2023 and 2022**

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## Independent Auditor's Report

To the Board of Directors  
Help the Helpless  
Minneapolis, Minnesota

### ***Opinion***

We have audited the financial statements of Help the Helpless, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Help the Helpless as of December 31, 2023 and 2022, 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.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Help the Helpless and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Help the Helpless' ability to continue as a going concern for one year after the date that the financial statements were 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 GAAS 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 GAAS, 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 Help the Helpless' 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 Help the Helpless' 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.

*Bergan KOV, Ltd.*

St. Cloud, Minnesota  
June 28, 2024

**Help the Helpless**  
**Statements of Financial Position**  
**As of December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,382,315	\$ 1,551,046
Contributions receivable, net	3,631	11,190
Prepaid expenses	624	624
Investments	1,018,020	840,813
Fixed index annuity	100,000	100,000
Property and equipment, net	<u>2,397</u>	<u>3,177</u>
 Total assets	 <u><u>\$ 2,506,987</u></u>	 <u><u>\$ 2,506,850</u></u>
 <b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	<u>\$ 4,134</u>	<u>\$ 18,410</u>
 <b>Net assets</b>		
Without donor restrictions	2,496,402	2,407,951
With donor restrictions	<u>6,451</u>	<u>80,489</u>
Total net assets	<u><u>2,502,853</u></u>	<u><u>2,488,440</u></u>
 Total liabilities and net assets	 <u><u>\$ 2,506,987</u></u>	 <u><u>\$ 2,506,850</u></u>

**Help the Helpless**  
**Statement of Activities**  
**Year Ended December 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public Support and Revenue</b>			
Contributions	\$ 1,113,573	\$ 2,821	\$ 1,116,394
Investment return, net	160,871	-	160,871
Net assets released from restrictions	76,859	(76,859)	-
Total public support and revenue	<u>1,351,303</u>	<u>(74,038)</u>	<u>1,277,265</u>
<b>Expenses</b>			
Program	1,117,396	-	1,117,396
Management and general	119,340	-	119,340
Fundraising	26,116	-	26,116
Total expenses	<u>1,262,852</u>	<u>-</u>	<u>1,262,852</u>
Change in net assets	88,451	(74,038)	14,413
<b>Net Assets</b>			
Beginning of year	<u>2,407,951</u>	<u>80,489</u>	<u>2,488,440</u>
End of year	<u><u>\$ 2,496,402</u></u>	<u><u>\$ 6,451</u></u>	<u><u>\$ 2,502,853</u></u>

**Help the Helpless**  
**Statement of Activities**  
**Year Ended December 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public Support and Revenue</b>			
Contributions	\$ 1,113,827	\$ 26,306	\$ 1,140,133
Investment return, net	(349,008)	-	(349,008)
Net assets released from restrictions	4,235	(4,235)	-
Total public support and revenue	<u>769,054</u>	<u>22,071</u>	<u>791,125</u>
<b>Expenses</b>			
Program	823,646	-	823,646
Management and general	108,366	-	108,366
Fundraising	21,934	-	21,934
Total expenses	<u>953,946</u>	<u>-</u>	<u>953,946</u>
Change in net assets	<u>(184,892)</u>	<u>22,071</u>	<u>(162,821)</u>
<b>Net Assets</b>			
Beginning of year, as previously stated	2,587,843	63,418	2,651,261
Prior period adjustment	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>
Beginning of year, as restated	<u>2,592,843</u>	<u>58,418</u>	<u>2,651,261</u>
End of year	<u><u>\$ 2,407,951</u></u>	<u><u>\$ 80,489</u></u>	<u><u>\$ 2,488,440</u></u>

**Help the Helpless**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2023**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Bank fees	\$ -	\$ 15,668	\$ -	\$ 15,668
Contributions and aid	1,117,396	-	-	1,117,396
Contract labor	-	32,265	-	32,265
Depreciation	-	780	-	780
Miscellaneous	-	16,245	-	16,245
Postage and delivery	-	270	6,781	7,051
Printing and publications	-	-	19,335	19,335
Professional fees	-	39,015	-	39,015
Pledge write off	-	8,091	-	8,091
Travel	-	368	-	368
Supplies	-	3,547	-	3,547
Utilities	-	3,091	-	3,091
	<u>-</u>	<u>3,091</u>	<u>-</u>	<u>3,091</u>
Total expenses	<u>\$ 1,117,396</u>	<u>\$ 119,340</u>	<u>\$ 26,116</u>	<u>\$ 1,262,852</u>



**Help the Helpless**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2022**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Bank fees	\$ -	\$ 19,848	\$ -	\$ 19,848
Contributions and aid	823,646	-	-	823,646
Contract labor	-	46,089	-	46,089
Depreciation	-	695	-	695
Miscellaneous	-	19,253	-	19,253
Postage and delivery	-	245	8,554	8,799
Printing and publications	-	-	13,380	13,380
Professional fees	-	13,107	-	13,107
Pledge write off	-	2,952	-	2,952
Supplies	-	2,997	-	2,997
Utilities	-	3,180	-	3,180
	<u>-</u>	<u>3,180</u>	<u>-</u>	<u>3,180</u>
Total expenses	<u>\$ 823,646</u>	<u>\$ 108,366</u>	<u>\$ 21,934</u>	<u>\$ 953,946</u>

**Help the Helpless**  
**Statements of Cash Flows**  
**Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Cash Flows - Operating Activities</b>		
Change in net assets	\$ 14,413	\$ (162,821)
Adjustments to reconcile change in net assets to net cash flows - operating activities		
Depreciation	780	695
Realized and unrealized (gain) loss on investments	(147,620)	84,673
Donated securities	(19,721)	(64,979)
Change in operating assets and liabilities		
Contributions receivable	7,559	4,235
Prepaid expenses	-	(303)
Accounts payable	(14,276)	15,485
Total adjustments	<u>(173,278)</u>	<u>39,806</u>
Net cash flows - operating activities	<u>(158,865)</u>	<u>(123,015)</u>
<b>Cash Flows - Investing Activities</b>		
Proceeds from sale of investments	2,340,648	7,280,219
Purchase of investments	(2,350,514)	(7,115,019)
Purchases of property and equipment	-	(1,578)
Net cash flows - investing activities	<u>(9,866)</u>	<u>163,622</u>
Net change in cash and cash equivalents	(168,731)	40,607
<b>Cash and Cash Equivalents</b>		
Beginning of year	<u>1,551,046</u>	<u>1,510,439</u>
End of year	<u>\$ 1,382,315</u>	<u>\$ 1,551,046</u>

## **Help the Helpless**

### **Notes to Financial Statements**

#### **NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

##### **Nature of Organization**

Help the Helpless (the Organization) is a Minnesota non-profit organization formed for the purpose of aiding St. Mary's School (St. Mary's) and Missionary Groups of the Home of the Mother (MGHM). The Organization solicits contributions from the general public to support the needs of St. Mary's and MGHM.

St Mary's is a Catholic educational and orphanage facility located in India for the handicapped, deaf and poor. St. Mary's uses this aid to support its operations which includes 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.

MGHM is a Catholic missionary group of Sisters and Priests that channels financial and humanitarian aid for the needy people in Latin America, Asia, and the Pacific. The focus of MGHM is 3 locations within Ecuador. MGHM operates schools, feeds the poor, and supports poor families and elderly with spiritual and temporal needs. The Missionary Sisters provide food, clothing, education, and medical help to those in most need.

##### **Accounting 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### **Cash Equivalents**

Cash equivalents include highly liquid investments with original maturities of three months or less, that are recorded at cost plus accrued interest, which approximates fair value.

##### **Contributions Receivable**

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. The discount on these amounts is computed using a risk-free interest rate applicable to the year in which the contribution is made. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The allowance for uncollectable promises to give is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. The allowance was \$5,000 as of both December 31, 2023 and 2022.

##### **Investments**

The Organization carries its investments at fair value. Net investment return consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expense, and is reported in the statement of activities an increase or decrease in net assets with donor restrictions or without donor restrictions based on the intention stipulated by the donor. Investments are exposed to various risk such as interest rate, market and credit risks.

## **Help the Helpless**

### **Notes to Financial Statements**

#### **NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **Investments (Continued)**

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the investment balance.

##### **Concentrations**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization places its cash and cash equivalents with a limited number of a limited number of financial institutions. At times, the Organization's cash and cash equivalents are in excess of the FDIC insurance limit.

##### **Property and Equipment**

Property and equipment are carried at cost, or fair value if donated, with depreciation computed under the straight-line method over the economic useful lives of the assets. The Organization follows the policy of capitalizing all property and equipment expenditures over \$1,000 and an estimated useful life greater than one year.

##### **Net Assets**

Net assets and public support and revenue are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

##### *Net Assets Without Donor Restrictions*

Net assets available for use in general operations and not subject to donor or grantor restrictions.

##### *Net Assets With Donor Restrictions*

Net assets subject to donor or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

##### **Revenue Recognition**

Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of an irrevocable 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 conditions on which they depend have been substantially met.

**Help the Helpless**  
**Notes to Financial Statements**

**NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**In-Kind Contributions**

In-kind contributions are recorded at fair value on the date of the donation. The Organization recognizes the fair value of contributed services received if such services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

A substantial number of unpaid volunteers have made significant contributions of their time in the furtherance of the Organization's activities. Such services do not meet the criteria for recognition as contributions; therefore, their value is not reflected in the accompanying financial statements.

**Functional Allocation of Expenses**

The costs of providing the program and supporting services 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. Accordingly, certain costs have been allocated among the program and supporting services benefited. Operation expenses that are not specific to the program or management and general are allocated based on estimates of time and effort.

**Tax Status**

The Organization is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes pursuant to Section 501(a) of the Code.

**Subsequent Events**

The Organization has evaluated subsequent events through June 28, 2024, the date which the financial statements were available to be issued.

**NOTE 2 - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,382,315	\$ 1,551,046
Contributions receivable	3,631	11,190
Less net assets with donor restrictions	<u>6,451</u>	<u>80,489</u>
Total financial assets available for general expenditure	<u>\$ 1,379,495</u>	<u>\$ 1,481,747</u>

The Organization does not have a formal policy however it structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments, including certificates of deposit and short-term treasury instruments. The funds included with investments are intended for long-term purposes but remain available and may be spent at the discretion of the board.

## Help the Helpless Notes to Financial Statements

### NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

The fair value measurement accounting literature establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.

Level 3: Inputs are unobservable inputs based on the Organization's own assumptions used to measure assets and liabilities at fair value.

A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. There have been no changes in the methodologies used as of December 31, 2023 and 2022.

Exchange traded funds, mutual funds, and stocks are valued using quoted market prices in active markets.

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Exchange traded funds	\$ 36,057	\$ -	\$ -	\$ 36,057
Mutual funds	770,260	-	-	770,260
Stocks	211,703	-	-	211,703
Total	<u>\$ 1,018,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,018,020</u>
December 31, 2022				
Exchange traded funds	\$ 29,061	\$ -	\$ -	\$ 29,061
Mutual funds	708,391	-	-	708,391
Stocks	103,361	-	-	103,361
Total	<u>\$ 840,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 840,813</u>

### NOTE 4 - FIXED INDEX ANNUITY

The Organization purchased and is the sole beneficiary of a fixed index annuity. The fixed index annuity is not a registered security or stock market investment and does not directly participate in any stock or equity investments or index and is being held at cost. As of December 31, 2023 and 2022, the cash surrender value totaled \$89,637 and \$88,375, respectively. The death benefit is \$100,000 as of December 31, 2023 and 2022.

## Help the Helpless Notes to Financial Statements

### NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consists of the following as of December 31, 2023 and 2022:

	2023	2022
Subject to expenditure for specific purpose		
Aid to MGHM	\$ -	\$ 43,714
Aid to St. Mary's School	-	23,630
Aid to Father/Massess to Celebrate at St. Mary's	2,820	1,955
Subject to passage of time	3,631	11,190
Total net assets with donor restrictions	<u>\$ 6,451</u>	<u>\$ 80,489</u>

Net assets released from restrictions consist of the following for the years ended December 31, 2023 and 2022:

	2023	2022
Satisfaction of purpose restrictions		
Aid to MGHM	\$ 43,715	\$ -
Aid to St. Mary's School	23,630	-
Aid to Father/Massess to Celebrate at St. Mary's	1,955	-
Subject to passage of time	7,559	4,235
Total releases of net assets with donor restrictions	<u>\$ 76,859</u>	<u>\$ 4,235</u>

### NOTE 6 - CONTRIBUTION AND AID EXPENSE

The Organization contributed aid totaling \$359,050 and \$300,938 for 2023 and 2022, respectively 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.

The Organization also contributed aid totaling \$758,346 and \$522,708 for 2023 and 2022, respectively to MGHM. These funds were used to support the needs of the poor people of the impoverished country of Ecuador.

### NOTE 7 - PRIOR PERIOD ADJUSTMENT

During 2023, the Organization determined \$5,000 of donor restricted beginning net assets was recorded as without donor restrictions in error. The adjustment did not impact total beginning net assets.