

HELPS INTERNATIONAL, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

HELPS INTERNATIONAL, INC.
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YEARS ENDED DECEMBER 31, 2019 AND 2018

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Helps International, Inc.
Addison, Texas

We have audited the accompanying financial statements of Helps International, Inc., which comprise the statements of financial position as of December 31, 2019 and 2018, 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 audit. We did not audit the financial statements of the Guatemala division, which statements reflect total assets of \$782,774 and \$806,568 as of December 31, 2019 and 2018, respectively, and total revenues of \$3,447,093 and \$3,276,237, respectively, for the years then ended. Those statements which were prepared in accordance with the Income Tax Law of Guatemala were audited by other auditors in accordance with International Standards on Auditing, whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for the Guatemala division, is based solely on the report of, and additional audit procedures to meet the relevant requirements of auditing standards generally accepted in the United States of America performed by, the other auditors. We have applied audit procedures related to any conversion adjustments to the financial statements of the Guatemala division which conform those financial statements to accounting principles generally accepted in the United States of America. Our opinion, insofar as it relates to the amounts included for the Guatemala division, prior to any conversion adjustments, is based solely on the report of the other auditors. We conducted our audit 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.

Board of Directors
Helps International, Inc.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Helps International, Inc. as of December 31, 2019 and 2018, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Organization has adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The adoption of this standard did not have a significant impact on the Organization's reported historical revenue. Our opinion is not modified with respect to that matter.

As described in Note 1, the Organization adopted Accounting Standards Update (ASU) No. 2018-08, *Accounting Guidance for Contributions Received and Made*. The accounting change has not been retrospectively applied to prior periods presented but applied prospectively. Our opinion is not modified with respect to that matter.



CliftonLarsonAllen LLP

Dallas, Texas
August 26, 2020

HELPS INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,810,536	\$ 2,606,402
Accounts Receivable, Net of Allowance of \$24,163 and \$146,042	85,487	14,879
Inventory	49,096	65,503
Prepaid Expenses and Other Current Assets	132,726	80,653
Total Current Assets	3,077,845	2,767,437
NONCURRENT ASSETS		
Property and Equipment, Net	133,854	154,589
Total Assets	\$ 3,211,699	\$ 2,922,026
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 104,296	\$ 37,677
Accrued Expenses	461,599	483,689
Total Liabilities	565,895	521,366
NET ASSETS		
Without Donor Restrictions	1,802,057	1,600,003
With Donor Restrictions	843,747	800,657
Total Net Assets	2,645,804	2,400,660
Total Liabilities and Net Assets	\$ 3,211,699	\$ 2,922,026

See accompanying Notes to Financial Statements.

**HELPS INTERNATIONAL, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND OTHER REVENUE			
Contributions	\$ 2,647,868	\$ 842,909	\$ 3,490,777
Contributed Medical and Other Services	23,311,893	-	23,311,893
Equipment Sales	585,381	-	585,381
Other Income, Net	243,410	-	243,410
Total Public Support and Other Revenue	26,788,552	842,909	27,631,461
 NET ASSETS RELEASED FROM RESTRICTIONS	 799,819	 (799,819)	 -
Total Revenue	27,588,371	43,090	27,631,461
 EXPENSES			
Program	26,423,893	-	26,423,893
General and Administrative	852,833	-	852,833
Fundraising	109,591	-	109,591
Total Expenses	27,386,317	-	27,386,317
 CHANGE IN NET ASSETS	 202,054	 43,090	 245,144
Net Assets - Beginning of Year	1,600,003	800,657	2,400,660
 NET ASSETS - END OF YEAR	 \$ 1,802,057	 \$ 843,747	 \$ 2,645,804

See accompanying Notes to Financial Statements.

HELPS INTERNATIONAL, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND OTHER REVENUE			
Contributions	\$ 2,313,602	\$ 800,356	\$ 3,113,958
Contributed Medical and Other Services	17,533,070	-	17,533,070
Equipment Sales	849,723	-	849,723
Other Income, Net	376,815	-	376,815
Total Public Support and Other Revenue	21,073,210	800,356	21,873,566
 NET ASSETS RELEASED FROM RESTRICTIONS	 1,319,835	 (1,319,835)	 -
Total Revenue	22,393,045	(519,479)	21,873,566
 EXPENSES			
Program	20,860,038	-	20,860,038
General and Administrative	821,176	-	821,176
Fundraising	183,295	-	183,295
Total Expenses	21,864,509	-	21,864,509
 CHANGE IN NET ASSETS	 528,536	 (519,479)	 9,057
Net Assets - Beginning of Year	1,071,467	1,320,136	2,391,603
 NET ASSETS - END OF YEAR	 \$ 1,600,003	 \$ 800,657	 \$ 2,400,660

See accompanying Notes to Financial Statements.

HELPS INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program	General and Administrative	Fundraising	Total
Agricultural Expense	\$ 172,107	\$ -	\$ -	\$ 172,107
Bank Fees	17,728	11,847	213	29,788
Cost of Goods Sold	494,530	465	707	495,702
Depreciation Expense	48,898	771	108	49,777
Donation Expense	69,106	176	52,765	122,047
Educational	32,971	-	-	32,971
In-Kind Donations	23,311,893	-	-	23,311,893
Internet Expense	29,472	16,809	44	46,325
Medical Team Supplies	128,324	2,163	73	130,560
Other Expenses	52,178	60,042	2,141	114,361
Payroll Expense	805,249	543,962	82	1,349,293
Postage and Shipping	96,159	1,961	15,617	113,737
Professional Fees	24,579	74,145	32,163	130,887
Rent	92,611	25,370	255	118,236
Sales Tax	66,759	27,324	-	94,083
Supplies	11,885	5,017	331	17,233
Travel	984,921	60,855	4,096	1,049,872
Bad Debt Expense (Recoveries)	(144,346)	-	4	(144,342)
Vehicle Expense	128,869	21,926	992	151,787
Total Expenses	\$ 26,423,893	\$ 852,833	\$ 109,591	\$ 27,386,317

See accompanying Notes to Financial Statements.

HELPS INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018

	Program	General and Administrative	Fundraising	Total
Agricultural Expense	\$ 154,643	\$ -	\$ -	\$ 154,643
Bank Fees	2,037	37,004	41	39,082
Cost of Goods Sold	581,717	602	10,746	593,065
Depreciation Expense	37,414	608	-	38,022
Donation Expense	47,530	17,440	113,824	178,794
Educational	32,263	-	-	32,263
In-Kind Donations	17,533,070	-	-	17,533,070
Internet Expense	27,949	13,095	489	41,533
Medical Team Supplies	116,682	696	614	117,992
Other Expenses	53,281	4,747	1,026	59,054
Payroll Expense	882,686	370,767	22,408	1,275,861
Postage and Shipping	126,169	4,758	3,492	134,419
Professional Fees	23,269	208,923	7,059	239,251
Rent	87,346	24,655	181	112,182
Repairs and Maintenance	58,427	1,430	-	59,857
Sales Tax	46,017	24,629	331	70,977
Supplies	8,882	3,055	2,415	14,352
Travel	962,177	94,430	19,531	1,076,138
Bad Debt Expense (Recoveries)	2,222	-	1	2,223
Vehicle Expense	76,257	14,337	1,137	91,731
Total Expenses	\$ 20,860,038	\$ 821,176	\$ 183,295	\$ 21,864,509

See accompanying Notes to Financial Statements.

HELPS INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 245,144	\$ 9,057
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	49,777	38,022
Loss on Disposal of Fixed Assets	51,555	2,868
Provision for Uncollectable Accounts	(144,342)	2,223
Changes in Assets:		
Accounts Receivable	73,734	50,234
Inventory	16,407	(9,110)
Prepaid Expenses and Other Current Assets	(52,073)	(7,440)
Changes in Liabilities:		
Accounts Payable	66,619	(31,514)
Accrued Expenses	(22,090)	(2,242)
Net Cash Provided by Operating Activities	284,731	52,098
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(80,597)	(64,632)
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	204,134	(12,534)
Cash and Cash Equivalents - Beginning of Year	2,606,402	2,618,936
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,810,536	\$ 2,606,402

See accompanying Notes to Financial Statements.

HELPS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Helps International, Inc. (the Organization) is a Texas nonprofit organization. The Organization began operations and was incorporated in the state of Texas in December 1983. The Organization provides relief and development support to the indigenous populations of Guatemala. The relief and development support includes volunteer medical teams operating clinics and hospitals for one week at a time; year-round health promotion in some villages; volunteer construction teams improving homes, schools, and various infrastructures; and planning, support, and direction of an elementary education and scholarship program.

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The financial statements include amounts that are based on management's best estimates and judgments. Actual results could differ from those estimates.

Income Tax Status

The Organization is exempt from the payment of federal income taxes on its related activities under section 501(c)(3) of the Internal Revenue Code (IRC) and has been designated by the Internal Revenue Service (IRS) as a "publicly supported" organization under Section 509(a) of the IRC.

The Organization follows the guidance that clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. The Organization has no current obligation for unrelated business income tax. The Organization files as a tax-exempt organization.

Foreign Currency Translation

For the foreign locations whose functional currency is the local foreign currency, statements of financial position accounts are translated at exchange rates in effect at the end of the year and statements of activities accounts are translated at average exchange rates for the years ended December 31, 2019 and 2018. Translation loss in the amount of (\$15,785) and (\$25,047) as of December 31, 2019 and 2018, respectively, is included in Other Income, Net.

Cash and Cash Equivalents

For financial statement purposes, the Organization considers cash and cash equivalents to include cash in banks and liquid investments with an original maturity of three months or less.

HELPS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Accounts Receivable

The Organization uses the allowance method to account for uncollectible accounts receivable. The allowance is sufficient to cover both current and anticipated future losses. Uncollectible amounts are charged against the allowance account. Management estimated the allowance based upon prior experience with customers and analysis of individual trade accounts at December 31, 2019 and 2018.

Inventory

Inventory is carried at the lower of cost or net realizable value. Cost is determined by the weighted-average method. Inventory consists of raw materials related to stoves and is stored in Guatemala.

Property and Equipment

Acquisitions of property and equipment are capitalized and depreciated on a straight-line basis over the estimated useful lives of the related assets. Furniture and equipment have a useful life of five to seven years; vehicles have a useful life of five years; leasehold improvements have a useful life of five to seven years. Property and equipment is valued at cost if purchased, or fair value if contributed. The Organization's policy is to capitalize all property and equipment purchases in excess of \$500.

Net Assets

Net assets, revenues, gains, and losses 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 certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and reclassified as net assets released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Equipment Sales

The Organization recognizes sales revenue for products shipped to customers, which consist primarily of low cost high efficiency stoves that enhance safety and wellness to the indigenous populations that the Organization serves. Revenue is recognized at a point in time when the product is shipped.

HELPS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Contributions

The Organization reports contributions restricted by donors 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, depending on the nature of the 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.

In-Kind Contributions

The Organization recognizes contributions of 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 contributed. Management's estimate of the value of contributed medical services and the related expense is determined using key factors and assumptions. These factors and assumptions are reviewed by management to ensure the preparation of financial statements are in conformity with U.S. GAAP.

Contributions of noncash assets (materials and equipment) are recorded at their fair values in the period received. Contributions of services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and which would typically need to be purchased if not provided by donation, are recorded at their estimated fair values in the period received.

Taxes Payable

The Organization's taxes payable represent value-added taxes imposed by a foreign government in connection with the sales of stoves. Taxes are accrued and paid as imposed on related sales.

Change in Accounting Principle

In May 2014, FASB issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606). Subsequent to May 2014, the FASB has issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity and understandability of revenue recognition and provide sufficient information to enable financial statement users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

Our financial statements reflect the application of ASC 606 guidance beginning in 2019. No cumulative-effect adjustment in net assets was recorded as the adoption of ASU 2014-09 did not significantly impact the Organization's reported historical revenue.

HELPS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Change in Accounting Principle (Continued)

Additionally in June 2018, FASB issued Accounting Standards (ASU) No. 2018-08, *Accounting Guidance for Contributions Received and Made*. This ASU was issued to clarify accounting guidance for contributions received and contributions made. The amendments to this ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Our financial statements reflect the application of ASU 2018-08 beginning January 1, 2019. The implementation of this standard did not result in any changes to the opening balances of the financial statements.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions subsequent to December 31, 2019 for potential recognition or disclosure through August 26, 2020, the date the financial statements were available to be issued.

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its 2020 operations and financial results, including contributions, contributed medical and other services, and equipment sales. Management believes the organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

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 the following:

	2019	2018
Cash and Cash Equivalents	\$ 2,810,536	\$ 2,606,402
Accounts Receivable, Net	85,487	14,879
Less: Net Assets With Donor Restrictions	<u>(843,747)</u>	<u>(800,657)</u>
Total Financial Assets Available for General Expenditures in the next 12 Months	<u>\$ 2,052,276</u>	<u>\$ 1,820,624</u>

The Organization maintains a number of demand deposit accounts with various banks in the United States and Guatemala. These accounts are available to cover general expenditures, liabilities, and other obligations as they come due.

HELPS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Furniture and Equipment	\$ 403,411	\$ 379,168
Vehicles	57,949	57,804
Leasehold Improvements	22,193	22,083
Total	<u>483,553</u>	<u>459,055</u>
Less: Accumulated Depreciation	<u>(349,699)</u>	<u>(304,466)</u>
Net Property and Equipment	<u>\$ 133,854</u>	<u>\$ 154,589</u>

NOTE 4 CONCENTRATIONS

Financial instruments, which subject the Organization to a concentration of credit risk, consist of demand deposits placed with financial institutions. At certain times during 2019 and 2018, the Organization had funds deposited with financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits. The Organization's funds exceeded FDIC limits by approximately \$2,081,082 and \$1,940,000 at December 31, 2019 and 2018, respectively. Management believes the risk of loss in these situations is minimal.

The Organization maintains assets in Guatemala as a part of its organizational purpose. The Organization's operations are subjected to various political, economic, and other risks and uncertainties inherent in foreign operations. Among other risks, the Organization's operations are subject to the risks of restrictions on transfer of funds, domestic and international customs and tariffs, foreign exchange restrictions, and political conditions and governmental regulations.

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Subject to Purpose Restrictions:		
Medical Teams	\$ 842,909	\$ 799,356
Medical Equipment	838	1,301
Total	<u>\$ 843,747</u>	<u>\$ 800,657</u>

HELPS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Releases from net assets with donor restrictions consisted of the following at December 31:

	2019	2018
Purpose Restrictions Satisfied:		
Medical Teams	\$ 799,356	\$ 935,409
Corn Program	-	344,536
Medical Equipment	463	39,890
Total	\$ 799,819	\$ 1,319,835

NOTE 6 IN-KIND CONTRIBUTIONS

The Organization received donated medical and stove and filter installation services for the years ended December 31, 2019 and 2018. These in-kind contributions benefited program services. These services are measured at their estimated fair values as determined by management and an estimate of the value of volunteer time and expenses has been included as in-kind contributions. Total in-kind contributions consisted of donated services and goods in the amount of \$23,311,893 and \$17,533,070 for the years ended December 31, 2019 and 2018, respectively.

NOTE 7 RELATED PARTY TRANSACTIONS

The Organization paid amounts for certain general and administrative expenses to Dillon Gage Incorporated of Dallas (DGID). The Organization's president and Board chairman is also the president of DGID. Such amounts totaled \$402,994 and \$260,628 for the years ended December 31, 2019 and 2018, respectively, and had amounts due to DGID of \$55,103 and \$39,488 as of December 31, 2019 and 2018, respectively, included in accrued expenses.

The Organization paid amounts for programmatic expenses to two vendors for which Board members are the President or CEO. Such amounts totaled \$250,046 and \$-0- for the years ended December 31, 2019 and 2018, respectively.

The Organization received donated cement from a company for which a Board member is a member of executive management. Such amounts are valued at \$38,665 and \$-0- for the years ended December 31, 2019 and 2018, respectively.

NOTE 8 FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses, with the exception of agricultural and educational expenses, and in-kind expenses, are allocated on the basis of management's best estimates of time and effort.