

**HELPS INTERNATIONAL, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**



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**HELPS INTERNATIONAL, INC.  
TABLE OF CONTENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>4</b>
<b>STATEMENTS OF ACTIVITIES</b>	<b>5</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>7</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>9</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>10</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Helps International, Inc.  
Addison, Texas

### Report on the Financial Statements

#### ***Opinion***

We have audited the accompanying financial statements of Helps International, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2022 and 2021, 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, based on our audits and the report of 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, 2022 and 2021, 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.

We did not audit the financial statements of the Guatemala division, which statements reflect total assets of \$804,387 and \$524,186 as of December 31, 2022 and 2021, respectively, and total revenues of \$3,744,869 and \$2,267,851, 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 on the 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 these conversion adjustments, is based solely on the report of the other auditors

#### ***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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Organization 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 the Organization's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' 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 auditors' 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 the Organization's 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 the Organization's ability to continue as a going concern for a reasonable period of time.

Board of Directors  
Helps International, Inc.

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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Dallas, Texas  
September 8, 2023

**HELPS INTERNATIONAL, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 6,386,307	\$ 5,187,196
Accounts Receivable, Net of Allowance of \$20,721 and \$21,746, Respectively	659,838	87,303
Inventory	45,548	58,441
Prepaid Expenses and Other Current Assets	140,204	72,015
Total Current Assets	7,231,897	5,404,955
<b>NONCURRENT ASSETS</b>		
Property and Equipment, Net	156,959	138,772
Right of Use Asset	162,850	-
Total Noncurrent Assets	319,809	138,772
Total Assets	\$ 7,551,706	\$ 5,543,727
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 210,318	\$ 92,422
Accrued Expenses	637,286	595,760
Lease Liability - Operating	80,267	-
Deferred Revenue	285,939	150,000
Total Current Liabilities		
<b>LONG-TERM LEASE LIABILITY - OPERATING</b>		
	82,583	-
Total Liabilities	1,296,393	838,182
<b>NET ASSETS</b>		
Without Donor Restrictions	5,635,971	4,075,164
With Donor Restrictions	619,342	630,381
Total Net Assets	6,255,313	4,705,545
Total Liabilities and Net Assets	\$ 7,551,706	\$ 5,543,727

See accompanying Notes to Financial Statements.

**HELPS INTERNATIONAL, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND OTHER REVENUE</b>			
Contributions	\$ 2,324,236	\$ 619,342	\$ 2,943,578
Contributed Medical and Other Services	8,690,459	-	8,690,459
Contributed Goods and Supplies	470,002	-	470,002
Equipment Sales	915,672	-	915,672
Sale of Carbon Credits	1,819,662	-	1,819,662
Other Income, Net	8,449	-	8,449
Total Public Support and Other Revenue	<u>14,228,480</u>	<u>619,342</u>	<u>14,847,822</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>630,381</u>	<u>(630,381)</u>	<u>-</u>
Total Revenue	14,858,861	(11,039)	14,847,822
<b>EXPENSES</b>			
Program	12,544,646	-	12,544,646
General and Administrative	674,065	-	674,065
Fundraising	79,343	-	79,343
Total Expenses	<u>13,298,054</u>	<u>-</u>	<u>13,298,054</u>
<b>CHANGE IN NET ASSETS</b>	1,560,807	(11,039)	1,549,768
Net Assets - Beginning of Year	<u>4,075,164</u>	<u>630,381</u>	<u>4,705,545</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 5,635,971</u>	<u>\$ 619,342</u>	<u>\$ 6,255,313</u>

See accompanying Notes to Financial Statements.

**HELPS INTERNATIONAL, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND OTHER REVENUE</b>			
Contributions	\$ 1,959,318	\$ 223,201	\$ 2,182,519
Contributed Goods and Supplies	169,986	-	169,986
Equipment Sales	762,522	-	762,522
Sale of Carbon Credits	2,176,817	-	2,176,817
Other Income, Net	<u>3,722</u>	-	<u>3,722</u>
Total Public Support and Other Revenue	<u>5,072,365</u>	<u>223,201</u>	<u>5,295,566</u>
<b>EXPENSES</b>			
Program	2,092,671	-	2,092,671
General and Administrative	642,031	-	642,031
Fundraising	<u>75,433</u>	-	<u>75,433</u>
Total Expenses	<u>2,810,135</u>	<u>-</u>	<u>2,810,135</u>
<b>CHANGE IN NET ASSETS</b>	2,262,230	223,201	2,485,431
Net Assets - Beginning of Year	<u>1,812,934</u>	<u>407,180</u>	<u>2,220,114</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 4,075,164</u>	<u>\$ 630,381</u>	<u>\$ 4,705,545</u>

See accompanying Notes to Financial Statements.



**HELPS INTERNATIONAL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2022**

	Program	General and Administrative	Fundraising	Total
Agricultural Expense	\$ 325,867	\$ -	\$ -	\$ 325,867
Bank Fees	1,254	26,143	-	27,397
Cost of Goods Sold	498,005	64	1,350	499,419
Depreciation Expense	49,531	2,690	150	52,371
Donation Expense	584,587	3,782	11,597	599,966
Educational	15,981	-	-	15,981
In-Kind Donations	9,117,564	-	-	9,117,564
Internet Expense	29,139	6,376	984	36,499
Medical Team Supplies	169,185	-	267	169,452
Other Expenses	42,097	62,417	1,352	105,866
Payroll Expense	829,768	459,165	49,798	1,338,731
Postage and Shipping	114,329	1,238	138	115,705
Professional Fees	11,177	43,050	9,111	63,338
Rent	86,979	17,236	-	104,215
Sales Tax	18,303	14,853	-	33,156
Supplies	11,620	4,043	115	15,778
Travel	499,824	21,307	4,140	525,271
Bad Debt	363	-	-	363
Vehicle Expense	139,073	11,701	341	151,115
<b>Total Functional Expenses</b>	<b>\$ 12,544,646</b>	<b>\$ 674,065</b>	<b>\$ 79,343</b>	<b>\$ 13,298,054</b>

See accompanying Notes to Financial Statements.

**HELPS INTERNATIONAL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2021**

	Program	General and Administrative	Fundraising	Total
Agricultural Expense	\$ 227,147	\$ -	\$ -	\$ 227,147
Bank Fees	855	7,311	137	8,303
Cost of Goods Sold	365,564	69	1,079	366,712
Depreciation Expense	33,467	1,685	259	35,411
Donation Expense	289,438	-	9,727	299,165
Educational	4,045	-	-	4,045
In-Kind Donations	153,180	-	-	153,180
Internet Expense	25,681	10,230	732	36,643
Other Expenses	32,175	62,543	1,697	96,415
Payroll Expense	651,332	422,791	28,626	1,102,749
Postage and Shipping	44,211	935	352	45,498
Professional Fees	42,501	68,957	26,540	137,998
Rent	73,715	26,408	-	100,123
Sales Tax	17,816	9,485	80	27,381
Supplies	6,842	7,937	552	15,331
Travel	48,033	12,706	4,536	65,275
Bad Debt	296	-	-	296
Vehicle Expense	76,373	10,974	1,116	88,463
	<u>\$ 2,092,671</u>	<u>\$ 642,031</u>	<u>\$ 75,433</u>	<u>\$ 2,810,135</u>
Total Functional Expenses	<u>\$ 2,092,671</u>	<u>\$ 642,031</u>	<u>\$ 75,433</u>	<u>\$ 2,810,135</u>

See accompanying Notes to Financial Statements.

**HELPS INTERNATIONAL, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,549,768	\$ 2,485,431
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	52,371	35,411
Provision for Uncollectable Accounts	363	296
Changes in Assets:		
Accounts Receivable	(572,898)	(16,702)
Inventory	12,893	(6,870)
Prepaid Expenses and Other Current Assets	(68,189)	(31,060)
Changes in Liabilities:		
Accounts Payable	117,896	(1,821)
Accrued Expenses	41,526	30,094
Deferred Revenue	135,939	150,000
Net Cash Provided by Operating Activities	1,269,669	2,644,779
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(70,558)	(95,027)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,199,111	2,549,752
Cash and Cash Equivalents - Beginning of Year	5,187,196	2,637,444
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 6,386,307	\$ 5,187,196
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Right of Use Asset Received Under Operating Agreements Upon Adoption of ASC 842 on January 1, 2022	\$ 162,850	\$ -

See accompanying Notes to Financial Statements.

**HELPS INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**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 (GAAP).

**Estimates**

The preparation of financial statements in conformity with 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, 2022 and 2021. Translation gain (loss) in the amount of \$717 and (\$4,281) as of December 31, 2022 and 2021, 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, 2022 AND 2021**

**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, 2022 and 2021.

**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 5 to 7 years; vehicles have a useful life of five years; leasehold improvements have a useful life of 5 to 7 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.

**Deferred Revenue**

Grant payments for conditional grants received in advance are deferred to the appropriate period. Contributions received totaling \$285,939 and \$150,000 at December 31, 2022 and 2021, respectively, have been recognized in the accompanying statement of financial position as deferred revenue.

**Leases**

The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the statement of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on the Statement of Financial Position.

ROU assets represent Organization's right to use an underlying asset for the lease term and lease liabilities represent Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

**HELPS INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

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

**Leases (Continued)**

The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense is incurred and these leases are not included as lease liabilities or right of use assets on the Statement of Financial Position. The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In determining the discount rate used to measure the right-of-use asset and lease liability, the Organization uses rates implicit in the lease, or if not readily available, a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

**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, 2022 AND 2021**

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

**Carbon Credits**

The Organization recognizes sales revenue for carbon credits when control of the credit is transferred to the purchasing party. Revenue is recognized at a point in time when the control of the credit is transferred to the purchasing party.

**Contributions and Grants**

The Organization reports contributions and grants 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.

Unconditional grants and contributions are recognized as revenue in the period the commitment is received. Unconditional grants and contributions to be received over a period of time in excess of one year are recorded at fair value at the date of the grant based upon the present value of payments to be received. Conditional grants and contributions are those with a measurable performance or other barrier and a right of return and are not recognized until the conditions have been met.

**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 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.

**HELPS INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

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

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions subsequent to December 31, 2022 for potential recognition or disclosure through September 8, 2023, the date the financial statements were available to be issued.

**Adoption of Accounting Pronouncements**

**Contributed Nonfinancial Assets**

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard requires that contributed nonfinancial assets are reported on a separate line item in the statements of activities, apart from contributions of cash and other financial assets. It also requires disclosure of disaggregated amounts of contributed nonfinancial assets by category that depicts the type of contributed nonfinancial assets along with additional qualitative information about the monetization of such assets, donor restrictions and valuation techniques. The adoption of this standard did not have any significant impact on the accompanying financial statements or disclosures.

**Leases**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases* (ASC 842). The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective January 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption, with certain practical expedients available.

The Organization has elected to adopt the package of practical expedients available in the year of adoption. The Organization has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organizations' ROU assets.



**HELPS INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**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:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 6,386,307	\$ 5,187,196
Accounts Receivable, Net	659,838	87,303
Less: Net Assets With Donor Restrictions	<u>(619,342)</u>	<u>(630,381)</u>
Total Financial Assets Available for General Expenditures in the Next 12 Months	<u>\$ 6,426,803</u>	<u>\$ 4,644,118</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.

**NOTE 3 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Furniture and Equipment	\$ 360,981	\$ 355,046
Vehicles	118,009	92,038
Total	<u>478,990</u>	<u>447,084</u>
Less: Accumulated Depreciation	<u>(322,031)</u>	<u>(308,312)</u>
Net Property and Equipment	<u>\$ 156,959</u>	<u>\$ 138,772</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 2022 and 2021, 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 \$5,680,037 and \$4,707,682 at December 31, 2022 and 2021, 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.

**HELPS INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2022</u>	<u>2021</u>
Subject to Purpose Restrictions:		
Medical Teams	\$ 619,342	\$ 629,543
Medical Equipment	-	838
Total	<u>\$ 619,342</u>	<u>\$ 630,381</u>

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

	<u>2022</u>	<u>2021</u>
Purpose Restrictions Satisfied:		
Medical Teams	\$ 629,543	\$ -
Medical Equipment	838	-
Total	<u>\$ 630,381</u>	<u>\$ -</u>

**NOTE 6 IN-KIND CONTRIBUTIONS**

The Organization received the following contribution of goods and services for the year ended December 31:

	<u>2022</u>	<u>2021</u>
Medical Services	\$ 8,657,564	\$ -
Construction Services	32,895	-
Stoves and Water Filters	460,000	153,180
Cement	10,002	16,806
Total	<u>\$ 9,160,461</u>	<u>\$ 169,986</u>

These amounts are included in revenue as contributions without donor restrictions which are reflected in the statements of activities.

The Organization determines the fair value of donated assets and services on the basis of estimates of the current market rates for similar assets and services.

Donated goods and services were utilized by the Organization's program during years ended December 31, 2022 and 2021.

**HELPS INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**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 \$259,969 and \$209,602 for the years ended December 31, 2022 and 2021, respectively, and had amounts due to DGID of \$52,740 and \$23,124 as of December 31, 2022 and 2021, respectively, included in accrued expenses.

The Organization received amounts from board members and organization affiliated with board members totaling \$291,398 and \$200,000 for the years ended December 31, 2022 and 2021, respectively.

The Organization paid amounts for programmatic expenses to two vendors for which board members are the president or CEO. Such amounts totaled \$345,557 and \$227,147 for the years ended December 31, 2022 and 2021, 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 \$10,002 and \$16,806 for the years ended December 31, 2022 and 2021, 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.

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

**Operating Lease Agreements – ASC 842**

The Organization leased office space in Dallas, TX under noncancellable lease agreement through August 2022. This lease was not renewed, and no future minimum lease payments will be made.

In July 2021, the Organization subleased office space in Dallas, TX to a sublessor through August 2022. Total revenue under this sublease agreement for the years ended December 31, 2022 was \$10,750. This sublease was not renewed, and no future revenue related to this sublease will be received.

Additionally, the Organization leased warehouse and office space, and production plant in Guatemala under lease agreements through March 2025 and December 2023, respectively. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases.

**HELPS INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 9 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Operating Lease Agreements – ASC 842 (Continued)**

The following tables provide quantitative information concerning the Organization's lease for the year ended December 31, 2022:

Operating Lease Costs	\$	77,120
<u>Other Information:</u>		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	\$	77,120
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities:		
	\$	236,573
Weighted Average Remaining Lease Term:		
Operating Leases		2.1 years
Weighted Average Discount Rate:		
Operating Leases		2.72%

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of December 31, 2022:

<u>Year Ending December 31,</u>	Operating Leases
2023	\$ 83,600
2024	67,200
2025	16,800
Total Lease Payments	167,600
Less: Imputed Interest	(4,750)
Present Value of Lease Liabilities	\$ 162,850

**Operating Lease Agreements – ASC 840**

The Organization elected to apply the provisions of FASB ASC 842 to the beginning of the period of adoption, with certain practical expedients available. Lease disclosures for the year ended December 31, 2021 are made under prior lease guidance in FASB ASC 840.

In 2017, the Organization leased office space in Dallas, TX through August 2022. Total expense for this operating lease for the year ended December 31, 2021 was \$26,408. Future minimum lease payments of \$17,336 will be made in the year ended December 31, 2022.

In July 2021, the Organization subleased office space in Dallas, TX to a sublessor through August 2022. Total revenue under this sublease agreement for the year ended December 31, 2021 6,719. Future minimum lease revenue of \$10,750 will be received in the year ended December 31, 2022.