

FINANCIAL STATEMENTS
OF

HELP THEM GROW, INC.

**1030 East El Camino Real # 424
Sunnyvale, CA 94087**

For the year ended December 31, 2009



ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS & MANAGEMENT CONSULTANTS

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HELP THEM GROW, INC.

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Independent Auditors' Report

To the Board of Directors
Help Them Grow, Inc.
Santa Clara, California

We have audited the accompanying statement of financial position of Help Them Grow, Inc., a New Jersey Nonprofit Corporation, as of December 31, 2009 and 2008, and the related statements of activities and changes in net assets 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 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 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 audit provides 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 Them Grow, Inc. at December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles generally accepted in the United States of America.

Neeka Corp, CPAs

Neeka Accountancy Corporation
Certified Public Accountants and Management Consultants
Milpitas, California
May 8, 2010

HELP THEM GROW, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2009 AND 2008

<u>ASSETS</u>		<u>DECEMBER 31, 2009</u>	<u>DECEMBER 31, 2008</u>
<u>Current Assets</u>			
Cash and cash equivalents	Note 2	\$ 279,331	\$ 233,318
Investments	Note 3	561,495	497,872
Receivables		4,133	4,417
Total current assets		844,959	735,607
Property and equipment, net		390	684
Total Assets		\$ 845,349	\$ 736,291
<u>LIABILITIES AND NET ASSETS</u>			
<u>Current Liabilities</u>			
Accounts payable and other current liabilities		\$ 9,795	\$ 22,467
Total Current Liabilities		9,795	22,467
<u>Net Assets</u>			
Unrestricted general funds		835,554	713,824
Total Net Assets		835,554	713,824
Total Liabilities and Net Assets		\$ 845,349	\$ 736,291

See independent auditors' report and accompanying notes to the financial statements

HELP THEM GROW, INC.
 STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008

	2009		2008	
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL FUNDS</u>	<u>TOTAL FUNDS</u>
<u>REVENUES</u>				
Program income	\$ 733,214	\$ -	\$ 733,214	\$ 732,635
Dividend and interest income	372	-	372	182
Unrealized gain (loss) on investments	63,772	-	63,772	(110,761)
Product sale	-	-	-	-
TOTAL REVENUES	<u>\$ 797,358</u>	<u>\$ -</u>	<u>\$ 797,358</u>	<u>\$ 622,056</u>
<u>EXPENSES</u>				
Program services	\$ 607,166	\$ -	\$ 607,166	\$ 628,925
Management and general	41,344	-	41,344	43,527
Fundraising	27,155	-	27,155	29,175
TOTAL EXPENSES	<u>675,665</u>	<u>-</u>	<u>675,665</u>	<u>701,627</u>
Excess (deficit) of revenue over expenses	121,693	-	121,693	(79,571)
Net Assets, beginning of the year	713,824	-	713,824	792,916
Prior year adjustment	37	-	37	479
Net Assets, end of the year	<u>\$ 835,554</u>	<u>\$ -</u>	<u>\$ 835,554</u>	<u>\$ 713,824</u>

See independent auditors' report and accompanying notes to the financial statements

HELP THEM GROW, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008

	2009			2008	
	Program Services	Support Services		Total	Total
		Management & General	Fundraising		
Advertising	\$ -	\$ -	\$ 14,591	\$ 14,591	\$ 19,690
Annual general meeting	-	2,102	-	2,102	1,865
Bank charges	1,460	521	-	1,981	2,288
Booth Expenses	-	-	649	649	-
Fundraising Software	-	-	1,952	1,952	-
Internet and Echo service Fee	-	872	2,975	3,847	1,567
Capacity Building	5,533	-	-	5,533	-
Child relief program	431,454	-	-	431,454	413,779
Event expenses	120,561	-	-	120,561	161,330
Depreciation	-	294	-	294	294
Funds to local projects	11,771	-	-	11,771	15,002
Insurance	-	1,538	-	1,538	2,025
Accounting and auditing	-	-	-	-	4,500
Administrative services	25,578	25,578	-	51,156	47,160
Legal and Professional fees	-	2,131	-	2,131	4,785
Website fee	-	-	-	-	-
Project and program support	10,809	-	-	10,809	13,813
Stationery & printing	-	778	-	778	571
Rent	-	2,008	-	2,008	1,571
Mailing	-	2,230	1,254	3,484	3,845
Telephone	-	709	-	709	644
Program software	-	-	376	376	562
Service charges	-	-	4,121	4,121	3,820
State registration fee	-	2,325	-	2,325	2,091
Miscellaneous	-	258	1,237	1,495	425
TOTAL EXPENSES	\$ 607,166	\$ 41,344	\$ 27,155	\$ 675,665	\$ 701,627

See independent auditors' report and accompanying notes to the financial statements

HELP THEM GROW, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	December 31, 2009 <u>TOTAL FUNDS</u>	December 31, 2008 <u>TOTAL FUNDS</u>
<u>Cash Flow from Operating activities</u>				
Excess (deficit) of revenue over expenses	\$ 121,693	\$ -	\$ 121,693	\$ (79,571)
Adjustments to reconcile change in Net Assets to net cash provided by operating activities:				
Depreciation expense	294	-	294	294
Increase (Decrease) in payables	(12,672)	-	(12,672)	(699)
(Increase) Decrease in receivables	284	-	284	(4,417)
Prior Period Adjustment	37	-	37	479
Net Cash used by operating activities	<u>\$ 109,636</u>	<u>\$ -</u>	<u>\$ 109,636</u>	<u>\$ (83,914)</u>
<u>Cash Flow from Investing activities</u>				
Purchase of property and equipment	-	-	-	-
Net change in investments	<u>(63,623)</u>	<u>-</u>	<u>(63,623)</u>	<u>84,035</u>
Net Cash used by Investing activities	<u>\$ (63,623)</u>	<u>\$ -</u>	<u>\$ (63,623)</u>	<u>\$ 84,035</u>
Net increase (decrease) in cash and cash equivalents	46,013	-	46,013	121
Cash and cash equivalents at beginning of year	<u>233,318</u>	<u>-</u>	<u>233,318</u>	<u>233,197</u>
Cash and cash equivalents at end of year	<u>\$ 279,331</u>	<u>\$ -</u>	<u>\$ 279,331</u>	<u>\$ 233,318</u>

See independent auditors' report and accompanying notes to the financial statements

HELP THEM GROW, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

Note 1. Organization and Summary of Significant Accounting Policies

This summary of significant accounting policies of Help Them Grow, Inc. (a New Jersey non-profit corporation) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting principles conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

A. The Organization

Help Them Grow, Inc. ("the Organization"), was incorporated in 1991 under the laws of the State of New Jersey to help propagate its vision to ensure that every underprivileged child attains his or her right to education, health, and opportunity.

In 2002, the Organization changed its name to Help Them Grow, Inc., and formally ended its affiliation with the India based charitable organization, Cry India. Help Them Grow Inc. also ceased to use the Cry brand name.

B. Basis of Presentation

The organization prepares its financial statements using the accrual basis method of accounting in accordance with Financial Accounting Standards Board (FASB) Statement 116, Accounting for Contributions Received and Made, and Statement 117, Financial Statements of Not-For-Profit Organizations.

C. Classes of Net Assets

In accordance with FASB Statement 117, where applicable, the financial statements report amounts separated by class of net assets:

- Unrestricted amounts are those currently available at the discretion of the Board for use in the Organization's programs.
- Board-designated amounts are unrestricted net assets that are presently designated by the Board to a specific purpose. These amounts can be returned to an unrestricted status by action of the same Board.
- Temporarily restricted amounts are those, which are restricted by donors for specific operating purposes or for the acquisition of land, buildings and equipment.
- Permanently restricted net assets are those amounts in which the donor has stipulated that the principal remains intact in perpetuity. Income from the principal is considered unrestricted unless further restricted by the donor.
- As of December 31, 2009 all of the net assets of the Organization were unrestricted.

HELP THEM GROW, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

Note 1. Organization and Summary of Significant Accounting Policies – continued

D. Revenue and Expenses

Support is recognized when cash is received or ownership of donated assets is transferred to the Organization. Revenue is recognized when earned.

Temporarily restricted contributions are recognized as contribution income in the Statement of Activities when cash or ownership of donated assets is transferred to the Organization. These contributions are subsequently transferred to the unrestricted fund to cover expenses that have been incurred in satisfaction of those restrictions.

As of December 31, 2009 all of the Organization's contributions were unrestricted.

E. Fund Income Allocations- Unrestricted and Temporarily Restricted

All gains and losses arising from the sale, collection or other disposition of investments and fixed assets are accounted for in the fund that owned such assets, according to restrictions placed on the original gift. Ordinary income derived from investments, receivables, and the like, is accounted for in the unrestricted fund.

F. Functional Allocation of Expenses

FASB Statement 117 requires all not-for-profit organizations to classify expenses so that the functional use of resources is shown in the financial statements. Functional classification allocates expenses according to the purpose for which the costs are incurred. Examples of functional classifications are program services (expenses directly related to the purpose for which the organization exists) and supporting activities (those indirectly related to the purposes for which the organization exists but necessary for its operations, i.e., general administrative and fund raising).

In order to comply with FASB requirements, the Organization estimates the costs of providing the various programs and supporting activities of the organization on a functional basis.

G. Cash and cash equivalents

Cash and cash equivalents includes all monies in banks and highly liquid investments with original maturity dates of less than three months.

H. Investments

Investments consist of donated securities and are carried on the books at market value. Donated securities are recorded at the fair market value at the date of gift. All unrealized gains and losses are recorded as income for the year as required by FASB Statement 124.

HELP THEM GROW, INC.
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2009 AND 2008

Note 1. Organization and Summary of Significant Accounting Policies – continued

I. Property and Equipment

The Organization has not received any donation of land, buildings or equipment during 2009 and in any prior year. Property and Equipment totaling \$1,313 acquired in 2007 is recorded at cost and depreciated of the useful life of the asset. Property and Equipment at December 31, 2009 are as follows:

	<u>Beginning Balance</u>	<u>Addition</u>	<u>Depreciation</u>	<u>Ending Balance</u>
Property and equipment	\$ 684	\$ -	\$294	\$390

Depreciation is computed using the straight-line method over a 5 – 7 year period.

J. Non-Cash Contributions and Use of Volunteers

Volunteers have contributed significant amounts of time to the activities of the Organization. The financial statements do not reflect the value of these contributed services because they do not meet the recognition criteria of FASB Statement 116.

Donated goods and services for capital projects are recorded at their fair market value at the date of gift or service.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

L. Tax Exempt Status

Help Them Grow Inc. is exempt from Federal income taxes under Internal Revenue Code §501(c) (3). Furthermore, the Organization is not classified as a private foundation. The Organization moved its corporate domicile from New Jersey to California in October 2003.

Note 2. Cash

As of December 31, 2009, cash funds were held on deposit at several financial institutions. None of these cash balances was restricted. The Federal Deposit Insurance Corporation (FDIC) insures cash balances up to \$250,000 in the event of financial institution's failure. FDIC insurance does not however, cover other financial products that the financial institutions may offer such as stocks, bonds, mutual fund shares, life insurance policies, annuities and (or) municipal securities. No balance in any single financial institution as of December 31, 2009 was above the insured limit.

HELP THEM GROW, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

Note 3. Investments

Investments consist of cash equivalents and stocks at national financial institutions.

	<u>2009</u>
Cash equivalents	\$ 22,685
Investments	<u>531,742</u>
	<u>\$ 554,427</u>

Cash equivalents are insured by FDIC limit up to \$250,000. None of the cash equivalents exceeded the FDIC limit.

The Securities Investor Protection Corporation (SIPC) insures investment balances up to \$500,000 per customer in the event of financial institution failure. The organization's investments exceeded the SIPC limit by \$31,742.

Note 4. Fair Value of Financial Instruments

Cash equivalents and accounts receivable are carried at cost as this approximates fair value due to their short term nature. The fair value of liabilities and debt are carried at cost as this approximates fair value due to their short term nature.

Note 5. Net Assets

Cash set aside by the Board of Directors for a specific purpose are considered designated funds. Designated funds are expended prior to the use of general operating funds. The Organization had not designated any funds for specific uses as of December 31, 2009.

Note 6. Concentrations

The Organization operates primarily in California after the New Jersey office was closed in late 2003. The Organization's donor base is maintained through various fundraising activities held at 15 autonomously operated action centers staffed by volunteers throughout the United States.

Note 7. Related Party Transactions

During 2009, there were no related party transactions.