

FINANCIAL STATEMENTS
OF

HELP THEM GROW, INC.

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

For the year ended December 31, 2012



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 statements of financial position of Help Them Grow, Inc. (a New Jersey Nonprofit Corporation) as of December 31, 2012 and 2011, and the related statements of activities 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Help Them Grow, Inc. as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Neeka Corp, CPAs

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

May 2, 2013

HELP THEM GROW, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2012 AND 2011

<u>ASSETS</u>		<u>DECEMBER 31,</u> <u>2012</u>	<u>DECEMBER 31,</u> <u>2011</u>
<u>Current Assets</u>			
Cash and cash equivalents	Note 2	\$ 570,537	\$ 277,387
Investments	Note 3	569,258	583,693
Receivables		-	14,194
Event advances		137	-
Total current assets		<u>1,139,932</u>	<u>875,274</u>
Property and equipment, net		1,106	1,048
Total Assets		<u>\$ 1,141,038</u>	<u>\$ 876,322</u>
 <u>LIABILITIES AND NET ASSETS</u> 			
<u>Current Liabilities</u>			
Accounts payable and other current liabilities		\$ 14,191	\$ 7,818
Grant payable to CRY India	Note 4	315,067	-
Total Current Liabilities		<u>329,258</u>	<u>7,818</u>
Net Assets			
Unrestricted general funds		731,780	858,208
Temporarily restricted funds		80,000	10,296
Total Net Assets		<u>811,780</u>	<u>868,504</u>
Total Liabilities and Net Assets		<u>\$ 1,141,038</u>	<u>\$ 876,322</u>

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, 2012 AND 2011

	<u>2012</u>			<u>2011</u>
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL FUNDS</u>	<u>TOTAL FUNDS</u>
<u>REVENUES</u>				
Program income	\$ 707,236	\$ 271,572	\$ 978,808	\$ 776,693
Dividend and interest income	9,577	-	9,577	374
Realized gain (loss) on investments	8,084	-	8,084	-
Unrealized gain (loss) on trading securities	4,128	-	4,128	(16,875)
TOTAL REVENUES	<u>729,025</u>	<u>\$ 271,572</u>	<u>\$ 1,000,597</u>	<u>\$ 760,192</u>
<u>EXPENSES</u>				
Program services	788,227	\$ 201,868	\$ 990,095	\$ 756,380
Management and general	53,879	-	53,879	54,421
Fundraising	13,347	-	13,347	20,766
TOTAL EXPENSES	<u>855,453</u>	<u>201,868</u>	<u>1,057,321</u>	<u>831,567</u>
Excess (deficit) of revenue over expenses	(126,428)	69,704	(56,724)	(71,375)
Net Assets, beginning of the year	<u>858,208</u>	<u>10,296</u>	<u>868,504</u>	<u>939,879</u>
Net Assets, end of the year	<u>\$ 731,780</u>	<u>\$ 80,000</u>	<u>\$ 811,780</u>	<u>\$ 868,504</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, 2012 AND 2011

	2012				2011
	Program Services	Support Services			Total
		Management & General	Fundraising	Total	
Administrative services	\$ 29,100	\$ 29,100	\$ -	\$ 58,200	\$ 57,001
Bank charges	2,743	83	-	\$ 2,826	1,753
Booth expenses	-	-	828	\$ 828	143
Capacity building	6,419	-	-	\$ 6,419	11,019
Child relief program	730,122	-	-	\$ 730,122	497,487
Depreciation	-	362	-	\$ 362	299
Event expenses	180,494	-	-	\$ 180,494	175,302
Funds to local projects	8,679	-	-	\$ 8,679	24,801
Insurance	-	1,556	-	\$ 1,556	1,509
Internet and echo service Fee	-	1,736	1,337	\$ 3,073	2,890
Legal and professional fees	-	11,994	-	\$ 11,994	11,843
Mailing	-	174	297	\$ 471	3,097
Marketing & promotional	-	-	2,182	\$ 2,182	11,058
Meeting expenses	-	-	3,459	\$ 3,459	2,409
Miscellaneous	-	1,250	90	\$ 1,340	831
Office expenses	-	188	-	\$ 188	300
Program software	-	-	368	\$ 368	433
Project and program support	32,538	-	-	\$ 32,538	17,589
Rent	-	3,682	-	\$ 3,682	2,096
Service charges	-	-	3,638	\$ 3,638	5,287
State registration fee	-	2,251	-	\$ 2,251	2,240
Stationery & printing	-	376	-	\$ 376	227
Telephone	-	1,127	-	\$ 1,127	778
Travel expenses	-	-	898	\$ 898	675
Volunteers appreciation	-	-	250	\$ 250	500
TOTAL EXPENSES	\$ 990,095	\$ 53,879	\$ 13,347	\$ 1,057,321	\$ 831,567

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, 2012 AND 2011

	<u>December 31,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
<u>Cash Flow from operating activities</u>		
Excess (deficit) of revenue over expenses	\$ (56,724)	\$ (71,375)
Adjustments to reconcile change in Net Assets to net cash provided by operating activities:		
Depreciation expense	362	299
Increase (decrease) in Event advances	(137)	-
Increase (decrease) in payables	321,440	(4,763)
(Increase) decrease in receivables	14,194	(1,334)
Net cash provided by (used in) operating activities	<u>\$ 279,135</u>	<u>(77,173)</u>
<u>Cash Flow from investing activities</u>		
Purchase of property and equipment	(420)	-
Net change in investments	14,435	23,797
Net cash provided by (used in) investing activities	<u>\$ 14,015</u>	<u>23,797</u>
Net increase (decrease) in cash and cash equivalents	293,150	(53,376)
Cash and cash equivalents at beginning of year	<u>277,387</u>	<u>330,763</u>
Cash and cash equivalents at end of year	<u>\$ 570,537</u>	<u>\$ 277,387</u>

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

HELP THEM GROW, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

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 from thereon.

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 ASC 958, Accounting for Contributions Received and Made, Financial Statements of Not-For-Profit Organizations.

C. Classes of Net Assets

In accordance with FASB ASC 958, 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.

HELP THEM GROW, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

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.

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 ASC 958 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

In accordance with FASB ASC 958-320 *Accounting for Certain Investments Held by Not-for-profit Organizations*, the Organization records certain investment securities at estimated fair value. The unrealized gain or loss on investments is reflected in the statement of activities. Investment income and gains are reported as increases in unrestricted net assets if the restrictions expire in the year the investment return is received. The Organization's investment accounts consist of certain actively managed assets allocation growth and income portfolios that invest in style-specific mutual funds which include domestic equities, fixed income securities, cash and money market securities.

HELP THEM GROW, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

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

I. Property and Equipment

All acquisitions of property and equipment, and all expenditures or improvements that significantly prolong the useful lives of the assets are capitalized. Purchases of property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of gift.

The net book values of Property and Equipment at December 31, 2012 are as follows:

	Beginning <u>Balance</u>	<u>Addition</u>	<u>Depreciation</u>	Ending <u>Balance</u>
Property and equipment	\$ 1,048	\$ 420	\$ 362	\$ 1,106

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 classified as a publicly supported organization than a private foundation. The Organization moved its corporate domicile from New Jersey to California in October 2003.

M. Pledges and Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met and the promises become unconditional.

HELP THEM GROW, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 2. Cash and Cash Equivalents

As of December 31, 2012, cash funds were held on deposit at several financial institutions. Approximately \$80,000 of cash was temporarily restricted. Beginning December 31, 2010, through December 31, 2012, all noninterest-bearing transaction accounts are fully insured, regardless of the balance of the account, at all FDIC-insured institutions. The Federal Deposit Insurance Corporation (FDIC) insures interest-bearing 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. Of the cash and cash equivalents as of December 31, 2012, approximately \$315,067 is designated to be payable to Cry India.

	2012	2011
Cash available for operations	\$ 175,470	\$ 267,091
Temporarily restricted cash	80,000	10,296
Cash designated to Cry, India	315,067	-
	\$ 570,537	\$ 277,387

Note 3. Investments

Investments consist of cash equivalents and marketable securities at national financial institutions.

	2012	2011
Cash equivalents	\$ 18,645	\$ 4,516
Marketable securities	77,654	462,462
Mutual Funds	274,109	-
Unit Investment Trusts	58,102	57,266
Precious metals	140,748	59,449
	\$ 569,258	\$ 583,693

Cash equivalents are insured by FDIC limit up to \$250,000. The Securities Investor Protection Corporation (SIPC) insures investment balances up to \$500,000 per customer in the event of financial institution failure of current or in some cases, former SIPC members. In general, SIPC covers notes, stocks, bonds, mutual fund and other investment company shares, and other registered securities. It does not cover instruments such as unregistered investment contracts,

HELP THEM GROW, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 3. Investments - continued

unregistered limited partnerships, fixed annuity contracts, currency, and interests in gold, silver, or other commodity futures contracts or commodity options. Approximately \$50,613 of the investments exceeds SIPC coverage limits as of December 31, 2012.

Note 4. Grant Payable

Grant payable to Cry India consists of an amount determined pursuant to an escrow agreement of April 2004 entered into between Help Them Grow, Inc., and CRY India. Under the said agreement, an amount of \$400,167 was held in escrow for the purpose of using the specified funds for certain mutually agreed upon projects between the parties. The remaining funds totaling \$315,067 were released to Help Them Grow, Inc., in 2012 in order to be sent back to Cry India.

Note 5. 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 6. 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, 2012.

Note 7. Concentrations

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 8. Related Party Transactions

During 2012, there were no related party transactions.