

**Helping Hands Ministry
of Belton, Inc.**

December 31, 2021 and 2020

Financial Statements



HELPING HANDS MINISTRY OF BELTON, INC.

FINANCIAL STATEMENTS

For the Years Ended December 31, 2021 and 2020

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT THEREON

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Helping Hands Ministry of Belton, Inc.
Belton, Texas

Opinion

We have audited the accompanying financial statements of Helping Hands Ministry of Belton, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Helping Hands Ministry of Belton, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Helping Hands Ministry of Belton, Inc. 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.

Prior Period Financial Statements

The financial statements of Helping Hands Ministry of Belton, Inc. as of December 31, 2020 were audited by other auditors whose report dated April 21, 2022 expressed an unmodified opinion on those statements.

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 Helping Hands Ministry of Belton, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**INDEPENDENT AUDITOR'S REPORT
(CONTINUED)**

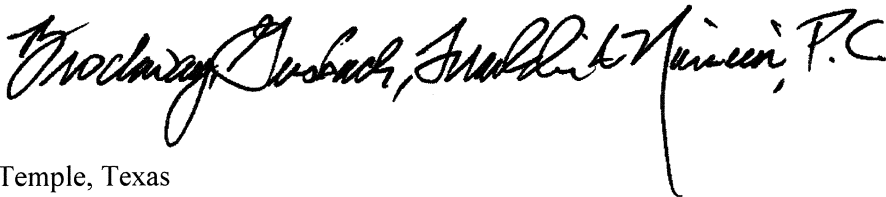
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards, 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 Helping Hands Ministry of Belton, Inc.'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 Helping Hands Ministry of Belton, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Temple, Texas
September 19, 2022

FINANCIAL STATEMENTS

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HELPING HANDS MINISTRY OF BELTON, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

ASSETS

	2021	2020
Current Assets		
Cash and cash equivalents - unrestricted	\$ 550,149	\$ 509,216
Cash and cash equivalents - restricted	197,035	95,396
Accounts receivable	13,750	-
Gift cards	2,046	2,046
Total Current Assets	762,980	606,658
 Fixed Assets		
Property and equipment, net of accumulated depreciation	441,824	394,397
Total Assets	\$ 1,204,804	\$ 1,001,055

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 41,015	\$ 11,569
Accrued liabilities	6,417	3,747
Total Liabilities	47,432	15,316
 Net Assets		
Without donor restrictions	960,337	890,343
With donor restrictions	197,035	95,396
Total Net Assets	1,157,372	985,739
Total Liabilities and Net Assets	\$ 1,204,804	\$ 1,001,055

The accompanying notes are an integral part of the financial statements.

HELPING HANDS MINISTRY OF BELTON, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2021 and 2020

	2021		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenues			
In-kind donations	\$ 488,661	\$ -	\$ 488,661
Contributions	363,746	195,906	559,652
Grants	50,000	232,000	282,000
Fundraising and special event income	232	30,050	30,282
Laura Mae income	16,421	-	16,421
Other income	14,012	-	14,012
Net assets released from restrictions	356,317	(356,317)	-
Total Revenues	1,289,389	101,639	1,391,028
Expenses			
Program expenses	1,067,691	-	1,067,691
Management and general	120,046	-	120,046
Fundraising	31,658	-	31,658
Total Expenses	1,219,395	-	1,219,395
Change in Net Assets	69,994	101,639	171,633
Net Assets as of Beginning of Year	890,343	95,396	985,739
Net Assets as of End of Year	<u>\$ 960,337</u>	<u>\$ 197,035</u>	<u>\$ 1,157,372</u>

The accompanying notes are an integral part of the financial statements.

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Donated goods	\$ 402,657	\$ -	\$ 402,657
Contributions	361,604	52,243	413,847
Grants	90,000	152,575	242,575
Other income	80,167	-	80,167
Fundraising and special event income	55,081	-	55,081
Net assets released from restrictions	198,897	(198,897)	-
Total Revenues	1,188,406	5,921	1,194,327
Expenses			
Program expenses	912,151	-	912,151
Management and general	34,172	-	34,172
Fundraising	16,242	-	16,242
Total Expenses	962,565	-	962,565
Change in Net Assets	225,841	5,921	231,762
Net Assets as of Beginning of Year	664,502	89,475	753,977
Net Assets as of End of Year	<u>\$ 890,343</u>	<u>\$ 95,396</u>	<u>\$ 985,739</u>

HELPING HANDS MINISTRY OF BELTON, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2021 and 2020

	2021			
	Program Expenses	Management and General	Fundraising Expenses	Total
In-kind services	\$ 488,661	\$ -	\$ -	\$ 488,661
Payroll and taxes	260,770	-	-	260,770
Pledge payments	229,127	-	-	229,127
Maintenance and utilities	-	42,246	-	42,246
Apple Tree	40,706	-	-	40,706
Hunger Action Month	-	-	26,955	26,955
Depreciation	-	25,445	-	25,445
Financial assistance	19,848	-	-	19,848
Laura Mae	15,800	-	-	15,800
Supplies and equipment	-	13,463	-	13,463
Miscellaneous	-	11,866	-	11,866
Insurance	-	10,434	-	10,434
Food	7,843	-	-	7,843
Dues and fees	-	7,332	-	7,332
Administrative	-	4,895	-	4,895
Fundraising	-	-	4,703	4,703
Vehicle expenses	-	4,365	-	4,365
Volunteer expenses	2,591	-	-	2,591
Crisis needs	1,062	-	-	1,062
General store	836	-	-	836
Chapel	447	-	-	447
Total Expenses	\$ 1,067,691	\$ 120,046	\$ 31,658	\$ 1,219,395

The accompanying notes are an integral part of the financial statements.

2020

	Program Expenses	Management and General	Fundraising Expenses	Total
Donated goods	\$ 402,657	\$ -	\$ -	\$ 402,657
Personnel	185,810	21,358	6,407	213,575
Rent, utility and other benevolent expenses paid for clients	133,400	-	-	133,400
Food and school supplies purchased	87,537	-	-	87,537
Repair and maintenance	22,619	2,513	-	25,132
Depreciation	19,976	2,220	-	22,196
Utilities	19,631	2,181	-	21,812
Miscellaneous	9,180	1,055	317	10,552
Insurance	9,064	1,007	-	10,071
Office, postage and printing	8,232	946	284	9,462
Fundraising	-	-	8,749	8,749
Professional services	6,090	700	210	7,000
Mileage and automobile expense	4,456	512	154	5,122
Supplies	3,499	402	121	4,022
Volunteer support and supplies	-	1,278	-	1,278
Total Expenses	<u>\$ 912,151</u>	<u>\$ 34,172</u>	<u>\$ 16,242</u>	<u>\$ 962,565</u>

HELPING HANDS MINISTRY OF BELTON, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 171,633	\$ 231,762
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	25,445	22,196
(Increase) decrease in accounts receivable	(13,750)	6,250
Increase (decrease) in accounts payable	29,446	(3,270)
Increase (decrease) in accrued liabilities	2,670	(4,678)
Decrease in deferred revenue	-	(540)
	43,811	19,958
Net cash provided by operating activities	215,444	251,720
Cash Flows from Investing Activities		
Purchase of equipment	(72,872)	-
Net increase in cash and cash equivalents	142,572	251,720
Cash and Cash Equivalents - Beginning of year	606,658	354,938
Cash and Cash Equivalents - End of year	\$ 749,230	\$ 606,658
At December 31, 2021 and 2020, cash and cash equivalents and restricted cash consisted of the following:		
Cash and Cash Equivalents		
Unrestricted	\$ 552,195	\$ 511,262
Restricted	197,035	95,396
Total Cash and Cash Equivalents	\$ 749,230	\$ 606,658

The accompanying notes are an integral part of the financial statements.

**HELPING HANDS MINISTRY OF BELTON, INC.
NOTES TO FINANCIAL STATEMENTS**

1. Summary of Significant Accounting Policies

Nature of Activities

Helping Hands Ministry of Belton, Inc. (the "Organization") was created as a nonprofit voluntary health and welfare service corporation to enable member churches to fulfill their compassionate ministry of providing basic human needs to include food, clothing, benevolence, counseling, education and compassionate ministries. The Organization serves qualified individuals and families within the Belton Independent School District.

Classification

Certain accounts relating to the prior year have been reclassified to conform to the current year presentation, with no effect on previously reported net income.

Basis of Accounting

The Organization maintains its accounting records on the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when the obligation is incurred.

Net Assets

The Organization has adopted FASB section 958-205-05, as amended by ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. This standard establishes standards for external financial reporting by Not-for-Profit Organizations and requires that resources are classified for accounting and reporting purposes into two net asset categories according to the existence or absence of donor or grantor-imposed restrictions, as follows:

Net Assets without Donor Restrictions - These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, less expenses incurred in providing program-related services, raising contributions and performing administrative functions.

Net Assets with Donor Restrictions - These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires. That is, until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

The Organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

HELPING HANDS MINISTRY OF BELTON, INC.
NOTES TO FINANCIAL STATEMENTS

Contributions

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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.

Building, Land Improvements, Furniture, Fixtures and Equipment

The Organization's building, land improvements, furniture and equipment is recorded at cost or at estimated fair value at the date of the gift. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The entity capitalizes any item costing \$ 2,500 or more, including donations of that value. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	39 years
Land Improvements	15 years
Furniture, Fixtures and Equipment	5 to 7 years

Donated Services

A substantial number of volunteers have donated significant amounts of their time to the Organization's programs. However, these services have not been recognized as support in the statements of activities because they do not meet the criteria for recognition under the Financial Accounting Standards Board (FASB) Accounting Standards Codification 958-605. That is, the services do not create or enhance nonfinancial assets and/or do not require specialized skills.

Donated Goods

The Organization reports donated food and grocery products over which it has control as revenue, and shortly thereafter, as an expense when granted to qualified families and individuals. The Organization uses an approximate average wholesale value of \$ 1.79 and \$ 1.74 per pound of donated food for 2021 and 2020, respectively, as determined by a national study by Feeding America – "The Nation's Food Bank Network."

The Organization reported gifts of donated new clothing and school supplies through the "Apple Tree" program as revenue, and shortly thereafter, as expense when granted to qualified families and individuals. The Organization used an approximate average value of \$ 90 of donated goods distributed per child for 2020. The Organization is no longer recognizing or receiving donated goods for the Apple Tree Program in 2021.

The Organization receives contributions of used clothing from the general public over which it has control as revenue, and shortly thereafter, as an expense when granted to qualified families and individuals. The Organization used an approximate value of \$ 0.25 and \$ 0.25 per pound for 2021 and 2020, respectively.

**HELPING HANDS MINISTRY OF BELTON, INC.
NOTES TO FINANCIAL STATEMENTS**

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities.

Costs are allocated between fundraising, management and general or the appropriate program based on evaluations of the related benefits. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Tax Exempt Status

Helping Hands Ministry of Belton, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. As a tax-exempt public charity, the Organization is not subject to federal income taxes.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising Costs

Advertising costs are expensed as incurred. For the years ended December 31, 2021 and 2020 the Organization incurred advertising costs of \$ 1,359 and \$ 2,038, respectively.

Compensated Absences

During the 2018 fiscal year, the Organization adopted a compensated absences policy. This policy states that employees may carry up to forty hours of unused paid time off over to the following year, not to exceed eighty hours total, given certain exceptions. Paid time off is earned on the following schedule:

1-3 years: 120 hours per year
4-15 years: 160 hours per year
16+ years: 200 hours per year

The Organization has accrued \$ 844 and \$ 844 for the fiscal years ended December 31, 2021 and 2020, respectively.

2. Contributions Receivable

At December 31, 2021 and 2020 the United Way grant receivable totaled \$ 13,751 and \$ -0-, respectively and was restricted for food expenditures. The grant receivable was collected in the first quarter of 2022.

**HELPING HANDS MINISTRY OF BELTON, INC.
NOTES TO FINANCIAL STATEMENTS**

3. Property and Equipment

The following is a summary of fixed assets as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Buildings and building improvements	\$ 527,193	\$ 527,193
Land improvements	38,139	21,935
Furniture and fixtures	53,479	6,303
Equipment	<u>82,732</u>	<u>73,240</u>
Total Fixed Assets	701,543	628,671
Less: Accumulated depreciation	<u>(259,719)</u>	<u>(234,274)</u>
Total Net Fixed Assets	<u><u>\$ 441,824</u></u>	<u><u>\$ 394,397</u></u>

Depreciation expense was \$ 25,445 and \$ 22,196 for the years ended December 31, 2021 and 2020, respectively.

4. Net Assets with Donor Restrictions

As of December 31, 2021 and 2020, net assets with donor restrictions consisted of the following:

	<u>2021</u>	<u>2020</u>
Food Pantry	\$ 71,976	\$ -
Apple Tree	47,413	-
TXU Advances	30,005	5,351
Alternative Lending	23,333	23,333
Hunger Action Month - Holiday Food	14,585	-
Ambit Advances	6,838	-
Crisis Needs	1,739	-
General Store	669	-
Tri-Eagle Advances	245	-
Reliant Advances	232	29,096
Other Restricted	<u>-</u>	<u>37,616</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 197,035</u></u>	<u><u>\$ 95,396</u></u>

**HELPING HANDS MINISTRY OF BELTON, INC.
NOTES TO FINANCIAL STATEMENTS**

5. In-Kind Support

The value of donated goods and services and the corresponding expenditures in the Statements of Activities and Functional Expenses for the year ended December 31, 2021 and 2020 are as follows:

	2021	2020
Support:		
Donated Food and Housewares	\$ 485,699	\$ 356,733
Donated School Supplies and Clothing (Apple Tree Program)	-	42,654
Donated Clothing	2,962	3,270
Total	\$ 488,661	\$ 402,657
Expenses:		
Donated Food and Housewares	\$ 485,699	\$ 356,733
Donated School Supplies and Clothing (Apple Tree Program)	-	42,654
Donated Clothing	2,962	3,270
Total	\$ 488,661	\$ 402,657

6. Concentration and Credit Risk

Public support and revenues are affected by the economy in the Temple-Belton area of Central Texas.

The Organization maintains its cash and cash equivalents at three financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$ 250,000 per financial institution. At December 31, 2021 and 2020, the amount of cash in excess of federal insurance totaled \$ 497,706 and \$ 297,793, respectively.

**HELPING HANDS MINISTRY OF BELTON, INC.
NOTES TO FINANCIAL STATEMENTS**

7. Liquidity and Reserves

The following table reflects the Organization’s financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general use within one year of the balance sheet date because of donor-imposed restrictions.

	2021	2020
Financial assets:		
Cash and cash equivalents - unrestricted	\$ 550,149	\$ 509,216
Cash and cash equivalents - restricted	197,035	95,396
Contributions receivable	13,750	-
Gift cards	2,046	2,046
Total financial assets, at year-end	762,980	606,658
Less those unavailable for general expenditure within one year due to:		
Donor-imposed purpose restrictions	(197,035)	(95,396)
Financial assets available to meet cash needs for general expenditures within one year:	\$ 565,945	\$ 511,262

8. Paycheck Protection Program Loan

In 2020, the Organization received a Paycheck Protection Program loan in the amount of \$ 31,524. The loan was recorded in accordance with ASC 958-605 as a conditional contribution, which states that contributions aren’t recognized until the conditions are substantially met or explicitly waived. In April 2021, the Organization was granted full forgiveness for the paycheck protection program loan of \$ 31,524 that was received in 2020.

9. Subsequent Events

The Organization has evaluated subsequent events through September 19, 2022, the date the financial statements were available to be issued.

In May 2022, the Organization received donations totaling \$ 39,750 from the Waco Foundation Salado Funds for residents impacted by the Salado tornado.

In June 2022, the Organization was awarded a grant for \$ 150,000 from the City of Belton as part of the American Rescue Plan Act of 2021 Nutrition and Food Assistance Grants. This grant is to be used for assistance to Belton residents.

In June 2022, the Organization purchased a stacker totaling \$ 11,500 and an electric truck totaling about \$ 6,000, both of which to be capitalized in the next reporting period.