

OBAT Helpers, Inc.

FINANCIAL STATEMENTS

Year Ended December 31, 2020



L. M. HENDERSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS / ADVISORS

OBAT Helpers, Inc.

Table of Contents

December 31, 2020

	<u>Page Number</u>
FINANCIAL STATEMENTS	
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to Financial Statements	6 - 12



"Serving Our Clients Since 1948"

L. M. HENDERSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS / ADVISORS

James J. Cline, Jr.
Jason L. Confer
Jude A. Thompson
Michelle L. Zimmerman

450 E. 96th Street, Suite 200
Indianapolis, IN 46240
Telephone: 317.566.1000
Fax: 317.566.1700

Independent Auditor's Report

To the Board of Directors of
OBAT Helpers, Inc.
Indianapolis, Indiana

We have audited the accompanying financial statements of OBAT Helpers, Inc. (an Indiana nonprofit Organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year 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.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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, the financial statements referred to above present fairly, in all material respects, the financial position of OBAT Helpers, Inc. as of December 31, 2020, and the changes in its net assets, cash flows, and functional expenses for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Effect of New Accounting Standards

As discussed in Note 1, the Organization adopted the Financial Accounting Standard's Update (ASU) No. 2014-09 - Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, "Topic 606") for recognition of revenue. Topic 606 creates a single framework for recognizing revenue from contracts with customers and grantors that fall within the scope of the standard. The Organization also adopted ASU No. 2018-18 Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605). The requirements of the ASUs have been applied retrospectively. Our opinion is not modified with respect to this matter.

Prior Period Financial Statements

The financial statements of OBAT Helpers, Inc. as of December 31, 2019 were audited by other auditors whose report dated November 4, 2021 expressed an unmodified opinion on those statements. As discussed in Note 3, the December 31, 2019 financial statements were restated to correct a material misstatement. Our opinion is not modified with respect to this matter. The beginning of the year net assets presented herein as of and for the year ended December 31, 2019, is derived from the restated financial statements.



Certified Public Accountants
Indianapolis, Indiana

March 20, 2023

OBAT Helpers, Inc.

Statement of Financial Position

at December 31, 2020

	December 31, 2020
<u>ASSETS</u>	
<u>CURRENT ASSETS:</u>	
Cash and cash equivalents	\$ 602,219
Prepaid expense	917
Total current assets	603,136
<u>FIXED ASSETS:</u>	
Furniture and fixtures	1,540
Less: Accumulated depreciation	616
Total fixed assets	924
Total assets	<u>\$ 604,060</u>
<u>LIABILITIES AND NET ASSETS</u>	
<u>CURRENT LIABILITIES:</u>	
Accounts payable	\$ 9,028
EIDL - Note 9	94,300
Accrued interest - Note 9	1,355
Total current liabilities	104,683
<u>NET ASSETS:</u>	
Net assets without restrictions	499,377
Net assets with restrictions - Note 3	-
Total net assets	499,377
Total liabilities and net assets	<u>\$ 604,060</u>

See Notes to Financial Statements.

OBAT Helpers, Inc.

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2020

	Year Ended December 31, 2020		Totals for the
	Without	With	Year Ended December 31,
	Restrictions	Restrictions	2020
<u>SUPPORT AND REVENUE:</u>			
Contributions:			
Direct public support	\$ 1,456,049	\$ -	\$ 1,456,049
Religious contributions	451,292	-	451,292
Indirect public support	4,855	-	4,855
	<u>1,912,196</u>	<u>-</u>	<u>1,912,196</u>
Other revenue			
SBA EIDL loan forgiveness - Note 9	2,000	-	2,000
PPP loan forgiveness - SBA Grant - Note 9	7,500	-	7,500
Interest income	20	-	20
	<u>9,520</u>	<u>-</u>	<u>9,520</u>
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>1,921,716</u>	<u>-</u>	<u>1,921,716</u>
<u>EXPENSE:</u>			
Program service expense	1,248,237	-	1,248,237
General and administrative expense	144,015	-	144,015
Fundraising expense	96,152	-	96,152
Total expense	<u>1,488,404</u>	<u>-</u>	<u>1,488,404</u>
<u>CHANGES IN NET ASSETS</u>	<u>433,312</u>	<u>-</u>	<u>433,312</u>
Net assets, beginning of year, as previously reported	72,253	105,355	177,608
Prior period adjustment - Note 3	(6,188)	(105,355)	(111,543)
Net assets, beginning of year, as restated	66,065	-	66,065
Change in net assets, after restatement	433,312	-	433,312
Net assets, end of year	<u>\$ 499,377</u>	<u>\$ -</u>	<u>\$ 499,377</u>

See Notes to Financial Statements.

OBAT Helpers, Inc.

Statement of Cash Flows

Year Ended December 31, 2020

	Year Ended December 31, 2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Changes in net assets	\$ 433,312
Adjustments to reconcile net assets to net cash provided by operating activities:	
Depreciation	308
EIDL loan forgiveness income - SBA grant	(2,000)
Changes in other assets and liabilities:	
Decrease in prepaid expense	1,547
Decrease in accounts payable	(12,168)
Increase in accrued interest	1,355
	(10,958)
Net cash provided by operating activities	422,354
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>	
Proceeds from EIDL grant from SBA	96,300
Net cash provided by financing activities	96,300
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	518,654
<u>CASH AND CASH EQUIVALENTS:</u>	
Beginning of year	83,565
End of year	\$ 602,219
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</u>	
Cash paid during the year for interest	\$ 3,795

See Notes to Financial Statements.

OBAT Helpers, Inc.

Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services	Support Activities		Totals For the Year Ended
	Bangladesh	General and Administrative	Fundraising	December 31, 2020
Grants and awards	\$ 1,105,588	\$ -	\$ -	\$ 1,105,588
Payroll	888	87,719	-	88,607
Payroll taxes	-	2,317	-	2,317
Bank fees	528	2,195	-	2,723
Consulting expense	-	-	74,387	74,387
Depreciation	-	308	-	308
Events, seminars, and programs	109,378	750	500	110,628
Insurance	-	728	-	728
Interest expense	-	3,795	-	3,795
Marketing & advertising	3,161	1,862	5,966	10,989
Meals & entertainment	-	-	1,343	1,343
Miscellaneous	-	902	-	902
Office supplies	-	3,532	72	3,604
PayPal, stripe, and credit card fees	23,875	662	-	24,537
Postage & mailing services	1,589	228	3,299	5,116
Books & subscriptions	-	1,879	-	1,879
Printing, stationery & photo copy	112	775	-	887
Professional fees	-	18,450	-	18,450
Rent	-	8,148	-	8,148
Staff development	196	1,999	-	2,195
Software & online services	327	6,880	9,391	16,598
Telephone & telecommunications	-	886	-	886
Travel	2,595	-	1,194	3,789
	<u>\$ 1,248,237</u>	<u>\$ 144,015</u>	<u>\$ 96,152</u>	<u>\$ 1,488,404</u>

OBAT Helpers, Inc.

Notes to Financial Statements

December 31, 2020

Note 1: SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies followed by OBAT Helpers, Inc. (Organization or OBAT) are listed below:

(a) **Adoption of New Accounting Pronouncement**

For the year ended December 31, 2020, the Organization adopted Accounting Standards Update (ASU) No. 2014-09 - *Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, "Topic 606")* for recognition of revenue. Topic 606 creates a single framework for recognizing revenue from contracts with customers and grantors that fall within the scope of the standard. The adoption of this standard did not have a material impact on the financial statements.

For the year ended December 31, 2020, the Organization adopted Accounting Standards Updates (ASU) No. 2018-08 *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*. This new standard clarifies and improves current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. Adoption of this standard had no effect on the change in net assets or net assets in total.

- (b) OBAT Helpers, Inc. was organized as a non-profit organization in the State of Indiana on September 27, 2004 and received their exemption status as a Private Charity under section 501(c)(3) of the Internal Revenue Code, effective as of the same date.

The Organization is committed to providing aid, support, education and economic empowerment to the displaced, unfortunate and forgotten population residing in camps in Bangladesh through grants and cash assistance. The Organization has established schools, health clinics, tutoring, computer training and vocational centers along with a self-empowerment program. Provision of basic amenities for the camp residents such as clean water and sanitation through infrastructure development, is a priority. Education and economic empowerment are the areas of focus as together, they have the potential to lift the camp dwellers out of dire poverty and hopelessness.

The OBAT partners with the Integrated Service for Development of Children and Mothers, a non-governmental organization headquartered in Bangladesh. OBAT provides funds to facilitate projects in the areas of education, training, family assistance, health and sanitation, infrastructure, and self-empowerment. OBAT Helpers, Inc. operates more than 50 educational and training projects, including schools, tutoring, sewing and computer training centers for children and adults. OBAT also provides assistance and services to the sick, widows and orphans residing in the camps. Three health clinics of OBAT provide treatment of basic ailments to camp residents while clean water is provided through the installation of tube wells throughout the camps. Other construction work includes construction of bathrooms as well as drains. OBAT partners with Prantic Unnayan Society to implement its programs.

OBAT Helpers, Inc.

Notes to Financial Statements

December 31, 2020

Note 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

- (c) The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without restrictions - Net assets that are not subject to permanent nor donor-imposed stipulations. The Organization may designate portions of its net assets without donor restrictions as Board designates for various purposes. At December 31, 2020, the Organization had \$499,377 in net assets without restrictions.

Net assets with restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions and reported in the statements of activities as net assets released from restrictions. At December 31, 2020, the Organization had \$-0- in net assets with restrictions.

- (d) Contributions are recognized when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the condition on which they depend have been met. Contributions that are with donor restrictions are reported as increases in net assets without donor restrictions restricted by the donor are reported as an increase in net assets without restriction if the restrictions expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increase in net assets with restrictions. When a restriction expires, net assets with restrictions are classified to net assets without restriction and reported in the Statement of Activities as net assets released from restrictions. Grant revenues are recorded as they are earned according to the provisions of the grant. Grant expenses are recognized when incurred for a grant-related obligation.
- (e) All assets are shown at cost, with the exception of donated assets (as applicable), which are recorded at fair market value.
- (f) The Organization capitalizes purchases at cost that have an estimated useful life of greater than one year. Donated property and equipment are stated at fair market value at the time of the gift. Maintenance, repairs, and minor renewals are expensed as incurred. The Organization follows the practice of depreciating the cost of property and equipment using the straight-line method of depreciation over their estimated useful lives.

OBAT Helpers, Inc.

Notes to Financial Statements

December 31, 2020

Note 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

- (g) Contributions of goods and services are recognized if the goods or services received (a) create or enhance nonfinancial assets or (b) require specialized skill, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Such donations are recorded as revenue as their estimated fair value at the date of donation. In-kind contributions of goods of \$-0- were recorded during the year ended December 31, 2020.

No amounts have been reflected in the financial statements for donated labor by unskilled volunteers, as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time to the Organization's program services.

- (h) Marketing and advertising costs are expensed as incurred. Marketing and advertising expense was \$10,989 for the year ended December 31, 2020.
- (i) The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the financial statements and notes to the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made in the preparation of the financial statements include the allocation of costs among the Organization's various programs in the statements of functional expenses.
- (j) The Organization considers deposits that can be redeemed on demand and investments that have maturities of less than three months, when purchased, to be cash equivalents. The Organization maintains cash and cash equivalents in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts.
- (k) Management has evaluated subsequent events through March 20, 2023, the date that the financial statements were available to be issued.

OBAT Helpers, Inc.

Notes to Financial Statements

December 31, 2020

Note 2: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets available for general expenditures within one year of the Statement of Financial Position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the Statement of Financial Position date:

	December 31, 2020
Financial assets, at year end*	\$ 602,219
Less financial assets unavailable for general expenditures within one year:	
Contractual or donor-imposed restrictions:	
None	<u>-</u>
	<u>\$ 602,219</u>

*Total assets, less nonfinancial assets (e.g. PP&E and prepaids)

The Organization is substantially supported by contributions. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 3: PRIOR PERIOD ADJUSTMENT

The prior period adjustment was recorded related to the correction of errors from the recording of duplicate transactions. The effect of the restatement on the beginning of the year net assets for the year ended December 31, 2019, was a decrease in the amount of \$38,324, with a decrease in cash at December 31, 2019 in the amount of \$111,543 and a decrease in revenue in the amount of \$71,932, and an increase in expenses in the amount of \$1,287 for the year then ended. The cumulative restatement to net asset at December 31, 2019 was a decrease in the amount of \$111,543, representative of a \$105,355 decrease in net assets with restrictions and a decrease of \$6,188 in net assets without restriction.

OBAT Helpers, Inc.

Notes to Financial Statements

December 31, 2020

Note 4: CREDIT RISK

In accordance with the Financial Accounting Standards Board's Accounting Standards Codification (ASC) 825-10-50-20, credit risk is the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Bank deposits are federally insured up to \$250,000 for accounts owned at federally insured banks. The following are deposits in excess of federally insured limits for the year ended December 31, 2020:

	December 31, 2020
Deposits	\$ 573,895
Federally insured	<u>251,459</u>
Deposits in excess of federally insured limits	<u>\$ 322,436</u>

Note 5: TAX STATUS

The Organization was created on September 27, 2004. The Organization has been determined by the Internal Revenue Service to be tax exempt under Section 501(c)(3) of the Internal Revenue Code (the Code). As a result, contributions made to the Organization qualify as charitable deductions as described in Section 170(c) of the Code. The Organization has been classified as an organization that is a public charity under Section 170(b)(1)(A)(vi) of the Code.

Management evaluates all tax positions taken or expected to be taken on its annual information returns, including the position that the Organization continues to qualify to be treated as a Section 501(c)(3) organization for both federal and state purposes. For the year ended December 31, 2020, management does not feel it has taken any tax positions that would be sustained under examination. Therefore, no interest or penalties have been accrued or charged to expense as of December 31, 2020, or for the year then ended. The annual information return for the Organization is subject to examination by taxing authorities for a period of three years from the date they are filed.

OBAT Helpers, Inc.

Notes to Financial Statements

December 31, 2020

Note 6: LEASE COMMITMENTS

The Organization has a one-year lease for office space. Total rent expense incurred for the year ended December 31, 2020 was \$8,148. A rent reduction amendment was provided for August - December 2020 due to the COVID-19 pandemic of \$533.

Note 7: FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to a specific program and/or supporting service function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The Organization's methodology was to allocate functional expenses to program services and support services based on management's best estimate.

Total fundraising expense for the year ended December 31, 2020 was \$96,152.

Note 8: RELATED PARTY TRANSACTIONS

Total donations from the Board of Directors were \$18,859 for the year ended December 31, 2020.

Note 9: PAYCHECK PROTECTION PROGRAM AND ECONOMIC INJURY DISASTER LOAN

In May 2020, the Organization applied for and was approved for a \$7,500 loan under the Paycheck Protection Program (SBA) created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements.

The Organization met the loan forgiveness requirements and concluded the loan represented in substance, a government grant that was fully forgiven. As such, the Organization accounted for the loan in a manner consistent with IAS 20. The Organization applied for forgiveness of the loan in January 2021 and was awarded full forgiveness of the loan by the SBA. The Organization recognized the revenue relating to the loan proceeds as it incurred the qualifying expenses. Such revenue is included in Other Income - PPP loan forgiveness income - SBA Grant in the Organization's Statement of Activities.

In June 2020, the Organization applied for and was awarded an Economic Injury Disaster Loan (EIDL) by the SBA for \$94,300, due to the COVID-19 Pandemic. The note bears interest was payable in monthly installments starting in June 2022. The Note was set to mature during May 2050. The Organization incurred and accrued interest expense of \$1,355 for the year ended December 31, 2020. During July 2021, the EIDL principal of \$94,300 was paid off in full, along with interest of \$2,710.

OBAT Helpers, Inc.

Notes to Financial Statements

December 31, 2020

Note 10: SUBSEQUENT EVENTS

During 2021, the Organization received two contributions totaling \$500,000 for the establishment of an endowment. The endowment was established by the end of 2021 through Fidelity. Compak Asset Management is the advisory firm for the endowment.

During September 2021, the Organization set-up a brokerage account with Fidelity to start accepting donations of stock.

