

**HELP PERU, INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

HELP PERU, INC.

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of  
Help Peru, Inc.

We have reviewed the accompanying financial statements of Help Peru, Inc. (a nonprofit organization), which comprise the statement of financial position - modified cash basis as of December 31, 2023, and the related statements of activities - modified cash basis, functional expenses - modified cash basis, and cash flows - modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Help Peru, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Change of Basis in Accounting**

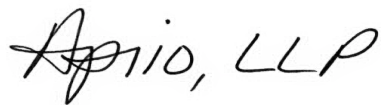
As discussed in Note E to the financial statements, the Company has elected to change from generally accepted accounting principles to modified cash basis of accounting. An adjustment has been made to beginning net assets as of January 1, 2023 to reflect beginning balances applying the modified cash basis of accounting. Our opinion is not modified with respect to that matter.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

**Basis of Accounting**

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principle generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, flowing style.

New York, New York  
November 12, 2024

HELP PERU, INC.  
STATEMENT OF FINANCIAL POSITION - MODIFIED CASH BASIS  
DECEMBER 31, 2023

ASSETS

Current assets

Cash and cash equivalents	\$ 536,494
Investment in U.S. treasury bills	<u>204,239</u>

Total assets	<u>\$ 740,733</u>
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LIABILITIES AND NET ASSETS

Liabilities

Total liabilities	\$ <u>-</u>
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Net assets

Without donor restrictions	736,515
With donor restrictions	<u>4,218</u>

Net assets	<u>740,733</u>
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Total liabilities and net assets	<u>\$ 740,733</u>
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See independent accountants' review report and accompanying notes

HELP PERU, INC.  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
<u>Revenues and support</u>			
Corporate donations	\$ 55,700	\$ 55,700	\$ -
Individual direct donations	41,582	41,582	-
Fundraising from events, net of costs	329,511	329,511	-
Investment return	<u>14,610</u>	<u>14,610</u>	<u>-</u>
Total revenues and support	<u>441,403</u>	<u>441,403</u>	<u>-</u>
 <u>Expenses</u>			
<u>Program services</u>			
Education charities	212,764	212,764	-
Healthcare charities	76,784	76,784	-
Other charities	<u>77,710</u>	<u>77,710</u>	<u>-</u>
Total program services	<u>367,258</u>	<u>367,258</u>	<u>-</u>
<u>Supporting activities</u>			
Fundraising	6,403	6,403	-
Management and general	<u>93,053</u>	<u>93,053</u>	<u>-</u>
Total supporting activities	<u>99,456</u>	<u>99,456</u>	<u>-</u>
Total expenses	<u>466,714</u>	<u>466,714</u>	<u>-</u>
Decrease in net assets	(25,311)	(25,311)	-
Net assets, beginning of year, as restated (See Note E)	<u>766,044</u>	<u>761,826</u>	<u>4,218</u>
Net assets, end of year	<u>\$ 740,733</u>	<u>\$ 736,515</u>	<u>\$ 4,218</u>

See independent accountants' review report and accompanying notes

HELP PERU, INC.  
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services				Supporting Activities		
	Total	Education	Healthcare	Other	Total	Management	Fundraising
Total	Program	Charities	Charities	Charities	Supporting	and General	Fundraising
	Services				Services		
Grants and charitable donations							
General scholarships and grants	\$ 273,605	\$ 273,605	\$ 154,250	\$ 69,860	\$ 49,495	\$ -	\$ -
Other expenses							
Fundraising event venue, meals, and other costs	181,528	-	-	-	-	-	181,528
Payroll and related expenses	128,055	83,236	51,222	6,403	25,611	44,819	38,416
Help Peru website	3,017	-	-	-	-	3,017	-
Professional fees	44,050	-	-	-	-	44,050	-
Travel and other related expenses	10,417	10,417	7,292	521	2,604	-	-
Insurance	3,195	-	-	-	-	3,195	3,195
Miscellaneous	2,944	-	-	-	-	2,944	2,944
Bank charges	1,431	-	-	-	-	1,431	-
Total expenses	<u>648,242</u>	<u>367,258</u>	<u>212,764</u>	<u>76,784</u>	<u>77,710</u>	<u>280,984</u>	<u>93,053</u>
Less costs of direct benefits to donors	<u>(363,056)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(181,528)</u>	<u>-</u>
Total expenses reported on the statement of activiteis	<u>\$ 285,186</u>	<u>\$ 367,258</u>	<u>\$ 212,764</u>	<u>\$ 76,784</u>	<u>\$ 77,710</u>	<u>\$ 99,456</u>	<u>\$ 93,053</u>
						<u>\$ 6,403</u>	

See independent accountants' review report and accompanying notes

HELP PERU, INC.  
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Cash flows from operating activities</u>	
Decrease in net assets	\$ <u>(25,311)</u>
Adjustments to reconcile net decrease in net assets to net cash used in operating activities:	
Gain on marketable securities	(3,853)
Unrealized gain on marketable securities	(5,705)
Change in operating assets and liabilities:	
Total adjustments	<u>(9,558)</u>
Cash used operating activities	<u>(34,869)</u>
<u>Cash flows from investing activities</u>	
Sale of investment in U.S. treasury bills	400,000
Purchase of investment in U.S. treasury bills	<u>(396,147)</u>
Cash provided by investing activities	<u>3,853</u>
<u>Cash flows from financing activities</u>	
Net decrease in cash without donor restrictions	(31,016)
Cash and cash equivalents, beginning of the year without donor restrictions	<u>567,510</u>
Cash and cash equivalents, end of year without donor restrictions	<u>\$ 536,494</u>

See independent accountants' review report and accompanying notes



HELP PERU, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**Note A**  
**Summary of Significant Accounting Policies**

**Nature of Operations:**

Help Peru, Inc., (the “Organization”) was incorporated in 2013 as a not-for-profit organization tax-exempt from federal, state and local income taxes under Section 501(c)(3) of the Internal Revenue Code and provisions of the Not-For-Profit Corporation Law of the State of New York. The Organization’s mission is to build a better future for Peru's most vulnerable populations by providing opportunities in the areas of education, health, and the environment.

**Basis of Presentation:**

The accompanying financial statements are prepared in accordance with the modified cash basis of accounting and are not intended to be presented in conformity with accounting principles generally accepted in the United States of America. Accordingly, revenues and the related assets are recognized when received rather than when earned, and expenditures and the related liabilities are recognized when paid rather than when incurred. Modifications include capitalizing payments to acquire equity and debt securities and subsequently measuring these securities at fair value. The change in value is included in investment return on the statement of activities – modified cash basis.

**Financial Statement Presentation:**

The Organization’s net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions in accordance with Financial Accounting Standards Board’s Accounting Standards Codification (“FASB ASC”) No. 958-205-05, “Presentation of Financial Statements for Not-For-Profit Entities”. It requires that the amounts for each of the classes of net assets be displayed in the statement of financial position - modified cash basis and that the amounts of change in each of those classes of net assets be displayed in the statement of activities - modified cash basis.

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

*Net assets without donor restrictions* - net assets available for general use to support operations. The only limits on the use of net assets without donor restrictions are broad limits resulting from the nature of the organization, the environment in which it operates, and the purposes specified in its corporate documents.

*Net assets with donor restrictions* - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or programmatic purposes specified by the donor. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

HELP PERU, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**Note A**  
**Summary of Significant Accounting Policies (Continued)**

Use of Estimates:

The preparation of financial statements in conformity with modified cash basis 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and cash equivalents:

The Organization considers all highly liquid debt instruments purchased with maturities of three months or less, and money market mutual funds to be cash equivalents. Cash includes cash in checking, savings, and money market accounts.

Revenue Recognition:

*Contribution Revenue*

Contributions are recognized as revenues in the period received. Contributions are considered to be without donor restrictions unless specifically restricted by the donor for time or purpose.

The Organization reports contributions in the donor restricted net asset class if they are received with donor stipulations as to their use and/or time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are released and reclassified to net assets without donor restriction in the statement of activities - modified cash basis.

Donor-restricted contributions are initially reported in the with donor restriction net asset class, even if it is anticipated such restrictions will be met in the current reporting period.

Expenses and Functional Allocation of Expenses:

The statement of functional expenses - modified cash basis report expenses by both natural and functional classification. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs are directly applied to the related program services or supporting activities category when identifiable and possible. General operating costs across nearly all-natural categories are allocated on the basis of estimates of time and efforts.

HELP PERU, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**Note A**  
**Summary of Significant Accounting Policies (Continued)**

Fair Value of Financial Instruments:

The Organization adopted FASB ASC 958-320 “Not-For-Profit Entities - Investments”, which establishes a framework for measuring fair value. This framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (“Level 1” measurements), gives the next priority to quoted values based on observable inputs (“Level 2” measurements), and the lowest priority to values based on unobservable inputs (“Level 3” measurements).

The three levels of the fair value hierarchy under FASB ASC 958-320 are briefly described below:

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access. For example, stocks listed on a recognized exchange or listed mutual funds.

Level 2:

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset’s or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023.

*U.S. Treasury Bills:*

U.S. government securities are valued based on quoted prices for similar assets in active market. U.S. government securities are categorized in Level 2 of the fair value hierarchy.

HELP PERU, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2023

**Note A**  
**Summary of Significant Accounting Policies (Continued)**

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Note B**  
**Fair Value of Financial Instruments**

The following table sets forth by level, within the fair value hierarchy, the Organizations fair value measurements at December 31, 2023:

	2023		
	Level 1	Level 2	Level 3
Investment in U.S. treasury bills	\$ -	\$ 204,239	\$ -

**Note C**  
**Net Assets**

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

Net assets with donor restrictions are available for the following purposes as of December 31, 2023:

	2023
Program services for education, healthcare and other charities	\$ 4,218

**Note D**  
**Liquidity**

As of December 31, 2023, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses were as follows:

	2023
Financial assets:	
Cash	\$ 536,494
Investment in U.S. treasury bills	204,239
Total financial assets available within one year	\$ 740,733

HELP PERU, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**Note E**  
**Prior Period Adjustment**

During the year ended December 31, 2023, the Organization change from U.S. GAAP to the modified cash basis of accounting.

The following were affected:

	<u>As previously stated</u>	<u>As restated</u>	<u>Effect of restatement</u>
Increase in net assets	\$ 149,330	\$ 326,530	\$ 177,220
Net Assets			
Without donor restriction	\$ 554,626	\$ 761,826	\$ 207,200
With donor restriction	<u>34,219</u>	<u>4,219</u>	<u>(30,000)</u>
	<u>\$ 588,845</u>	<u>\$ 766,045</u>	<u>\$ 177,200</u>

**Note F**  
**Tax Status**

The Organization is formed as a not-for-profit organization and is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. It is also exempt from state and local income taxes. Therefore, no provision for income taxes has been made in the accompanying financial statements. However, any unrelated business income may be subject to taxation. Currently, the Organization has no obligation for any unrelated business income tax.

**Note G**  
**Concentrations**

Concentrations in Revenues:

During the year ended December 31, 2023, the Organization held a Gala event, at which it fundraised approximately 84% of its total contributions for the year ended December 31, 2023.

Concentration of Credit Risk Arising From Cash Deposits in Excess of Insured Limits:

The Organization maintains cash balances at two financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. From time to time, the Organization's cash balance exceeds such limits. The Organization has not experienced any losses in such accounts. At December 31, 2023, the Organization had approximately \$174,000, respectively, in excess of the insured limit at one financial institution. In addition, the Organization maintains an account with a stock brokerage firm. The account contains cash and securities. Balances are insured up to \$500,000 of the customer's net equity balance, including up to \$250,000 in cash by the Securities Investor Protection Corporation.

HELP PERU, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**Note H**  
**Subsequent Events**

The Organization evaluated subsequent events through November 12, 2024, when these financial statements were available to be issued. Management is not aware of any significant events that occurred subsequent to the statement of financial position - modified cash basis date, but prior to the issuance of this report, that would have a material impact on the financial statements.