

---

**HELARGENTINA**

**Financial Statements**

For the year ended December 31, 2008

**HELARGENTINA**

**Contents**

December 31, 2008

	Page
Independent Auditors' Report .....	1
Statement of Financial Position .....	2
Statement of Activities.....	3
Statement of Functional Expenses .....	4
Statement of Cash Flows .....	5
Notes to Financial Statements.....	6-8

**N. CHENG & CO. P.C.**  
*Certified Public Accountants*

40 Exchange Place  
Suite 1206  
New York, New York 10005  
Voice (212) 785.0100  
Fax (212) 785.9168  
www.ncheng.com



## **Independent Auditors' Report**

To the Board of Directors  
HelpArgentina  
New York, New York

We have audited the accompanying statement of financial position of HelpArgentina as of December 31, 2008 and the related statement of activities, statement of functional expenses and cash flows for the year then ended. These financial statements are the responsibility of HelpArgentina'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 HelpArgentina as of December 31, 2008 and the statement of activities, statement of functional expenses and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

New York, New York  
May 5, 2010

**HELARGENTINA**  
**Statement of Financial Position**  
December 31, 2008

**Assets**

Cash	\$ 120,027
Investments	13,064
Grants receivables	63,880
Computers & peripherals, net of accumulated depreciation of \$2,022	1,696
Rental deposit	<u>4,808</u>
Total assets	<u>\$ 203,475</u>

**Liabilities and net assets**

**Liabilities**

Accounts and accrued expenses payable	\$ 19,519
Accrued vacation payable	<u>5,886</u>
Total liabilities	<u>25,405</u>

Commitments and contingencies – Note 4

**Net assets**

Unrestricted	31,585
Temporarily restricted	<u>146,485</u>
Total net assets	<u>178,070</u>
Total liabilities and net assets	<u>\$ 203,475</u>

See notes to financial statements.

**HELPARGENTINA**  
**Statement of Activities**

For the year ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
<b><u>Revenue and other support</u></b>			
Grants and contributions	\$ 179,078	\$ 697,184	\$ 876,262
Unrealized losses	( 7,407 )		( 7,407 )
Interest income	2,083		2,083
Other income	2,037		2,037
Released from restrictions	<u>767,551</u>	<u>( 767,551 )</u>	<u>-</u>
 Total revenue and other support	 <u>943,342</u>	 <u>( 70,367 )</u>	 <u>872,975</u>
<b><u>Expenses</u></b>			
<b><u>Program services</u></b>			
Community without Borders	23,890		23,890
Strengthening of Member Organizations	752,179		752,179
Insight Argentina	50,890		50,890
Social Marketplaces Integration	3,263		3,263
Communities Foundation Research	<u>3,903</u>		<u>3,903</u>
 Total program services	 <u>834,125</u>		 <u>834,125</u>
<b><u>Supporting services</u></b>			
Management and general	107,396		107,396
Fund raising	<u>22,850</u>		<u>22,850</u>
 Total supporting services	 <u>130,246</u>		 <u>130,246</u>
 Total expenses	 <u>964,371</u>		 <u>964,371</u>
 Change in net assets	 ( 21,029 )	 ( 70,367 )	 ( 91,396 )
Net assets at beginning of year	<u>52,614</u>	<u>216,852</u>	<u>269,466</u>
 Net assets at end of the year	 <u>\$ 31,585</u>	 <u>\$ 146,485</u>	 <u>\$ 178,070</u>

See notes to financial statements.

# HELARGENTINA

## Statement of Functional Expenses

For the year ended December 31, 2008

	Program services					Supporting services			Total program and supporting services	
	Community without Borders	Strengthening of Member Organizations	Insight Argentina	Social Marketplaces Integration	Communities Foundation Research	Total	Management	Fund raising		Total
Grants to other organizations		\$ 693,084	\$ 6,707			\$ 699,791				\$ 699,791
Salaries and fringe benefits	\$ 20,872	38,468	26,669			86,009	\$ 63,793	\$ 8,658	\$ 72,451	158,460
Professional fees			4,867		\$ 3,750	8,617	13,419	5,269	18,688	27,305
Supplies	559	814	530			1,903	1,319	529	1,848	3,751
Telephone and telecommunication	662	554	364			1,580	2,704	214	2,918	4,498
Occupancy	1,339	3,312	2,170			6,821	5,739	1,281	7,020	13,841
Equipment maintenance							1,547		1,547	1,547
Printing and publications							1,281	77	1,358	1,358
Travel	148	236	639	\$ 3,263	109	4,395	871		871	5,266
Meetings	55	34	258		44	391	480	413	893	1,284
Bank and credit card expenses		9,010				9,010	3,996		3,996	13,006
Taxes		2,796				2,796	1,240		1,240	4,036
Volunteer expenses			5,652			5,652				5,652
Web design		3,671				3,671		6,409	6,409	10,080
Insurance			3,026			3,026	365		365	3,391
Moving costs							8,005		8,005	8,005
Depreciation							1,239		1,239	1,239
Miscellaneous	255	200	8			463	1,398		1,398	1,861
<b>Total Expenses</b>	<b>\$ 23,890</b>	<b>\$ 752,179</b>	<b>\$ 50,890</b>	<b>\$ 3,263</b>	<b>\$ 3,903</b>	<b>\$ 834,125</b>	<b>\$ 107,396</b>	<b>\$ 22,850</b>	<b>\$ 130,246</b>	<b>\$ 964,371</b>

See notes to financial statements.

**HELPARGENTINA****Statement of Cash Flows**

For the year ended December 31, 2008

**Cash flows from operating activities**

Change in net assets (\$ 91,396)

Adjustments to reconcile change in net assets to  
net cash used in operating activities:

Depreciation and amortization	1,239
Change in grants receivable	( 58,167)
Change in deposits	( 3,593)
Change in accounts payable	5,515
Change in accrued vacation payable	<u>1,612</u>

Net cash used in operating activities (144,790)**Cash flows from investing activities**

Fixed assets acquisition ( 2,544)

Sales of investment 137,706Net cash provided by investing activities 135,162

Net decrease in cash ( 9,628)

Cash at beginning of the year 129,655Cash at end of the year \$ 120,027**Cash paid for**Interest \$ -Taxes \$ -

See notes to financial statements.

**HELPARGENTINA**  
**Notes to Financial Statements**  
December 31, 2008

**Note 1 Organization**

HelpArgentina (“HA”) was incorporated on July 22, 2002 under the laws of the State of New York. It was formed to promote Argentina development creating a competitive, reliable and globally financed social sector. HelpArgentina seeks to build and maintain an international community of investors and social ambassadors that share its mission. These activities are funded primarily through contributions from foundations and individuals.

HA is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

**Note 2 Summary of significant accounting policies**

**Accounting method.** The financial statements of HA are prepared on the accrual basis of accounting.

**Basis of presentation.** Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards SFAS No. 117, “Financial Statements of Not-for-Profit Organizations”. Under SFAS No. 117, HA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. HA has no permanently restricted net asset.

**Support.** Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

Gifts of goods and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. In the absence of explicit donor stipulations about how long those long-lived assets must be maintained, HA reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**HELPARGENTINA**  
**Notes to Financial Statements**  
December 31, 2008

**Note 2 Summary of significant accounting policies - (continued)**

HA receives contracts from foundations in exchange for services. Revenue from these contracts is recognized as direct costs are incurred on the basis of direct costs plus allowable indirect costs and based on the percentage of the task completed. Amounts earned but not received are reported as contract receivable on the accompanying statement of financial position and are based on the percentage of the task completed.

**Fixed assets depreciation and amortization.** Amortization of capitalized improvements is provided over the life of the lease. Furniture and equipment are capitalized at cost and depreciated on the straight line method over their estimated useful lives as follows:

	<u>Estimated useful lives (years)</u>
Leasehold improvements	10
Equipment	3
Furniture and fixtures	5

**Net assets.** Net assets are classified as follows:

Unrestricted - this class includes net assets from unrestricted contributions and from other resources not subject to donor-imposed restrictions.

Temporarily restricted - this class includes net assets from restricted contributions (temporary restrictions) whose donor imposed restrictions have not been met due to actions of HA and/or passage of time.

**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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Functional expenses.** The costs of providing the various services have been summarized on a functional basis in the schedule of functional expenses. Accordingly, certain costs have been allocated among the programs benefited.

**Transactions in foreign currencies.** HelpArgentina conducts its programs through a field office in Argentina and accordingly transacts in the local currency. These foreign currency transactions are translated in U.S. dollars at the appropriate exchange rates when each transaction is executed. The U.S. dollar is considered to be the functional currency of HA.

**HELPARGENTINA**  
**Notes to Financial Statements**  
December 31, 2008

**Note 2 Summary of significant accounting policies - (continued)**

**Concentrations of credit risk.** HA maintains its cash in several bank accounts, which at times may exceed federally insured limits. As of December 31, 2008, there was no excess of the Federal Deposit Insurance Corporation (“FDIC”) insured limit.

**New accounting pronouncement.** In July 2006, the FASB issued Interpretation No. 48, Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109 (FIN 48). FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 was effective for fiscal years beginning after December 15, 2006. The implementation date was deferred for non-public companies and not-for-profits for an additional year until fiscal years beginning after December 15, 2008. For BDC, FIN48 will be effective for the fiscal year ending December 31, 2009, however early implementation is permitted. Due to HA general tax exempt status, the FIN 48 is not expected to have a material impact on its financial statements.

**Note 3 Temporarily restricted net assets**

Temporarily restricted net assets as of December 31, 2008 totaling \$146,485 were available for programs as follows:

Purpose	Opening balance	Additions	Releases	Ending balance
“Strengthening of member organizations”				
Art and culture	\$ 75	\$ 2,404	\$ 2,419	\$ 60
Childhood	1,588	72,205	73,793	
Community development	44,990	78,520	108,823	14,687
Democracy and human rights	7,862	40,248	35,210	12,900
Disabilities	54	12,292	12,245	101
Education	57,412	139,960	182,083	15,289
Environment	16	24,334	24,325	25
Genre	3	657	410	250
Health and scientific research	44,089	160,678	187,342	17,425
Housing development	733	5,250	5,973	10
Micro credit	31,055	18,922	45,694	4,283
Native communities	71	5,100	3,155	2,016
Nutrition	1,657	10,032	10,179	1,510
Principles of good practices	2,298		2,298	-
Public politics	24,949	39,565	60,974	3,540
Others		100		100
Sub-total	216,852	610,267	754,923	72,196
Social market places integration		8,500	3,263	5,237
Communities foundation research		12,175	3,903	8,272
Insight Argentina		6,242	5,462	780
Time restriction		60,000		60,000
Total	\$ 216,852	\$ 697,184	\$ 767,551	\$ 146,485

**HELARGENTINA**  
**Notes to Financial Statements**  
December 31, 2008

**Note 4 Commitments and contingencies**

On December 22, 2006, HA signed a lease for space under a non-cancelable agreement that expires on December 31, 2008. This agreement was terminated at the end of May 31, 2008. On March 04, 2008, HA signed a new lease for space under a non-cancelable agreement that expires on February 28, 2011. Future minimum lease payments required under this operating lease are as follows:

For the year ending December 31

2009	\$ 10,863
2010	12,491
2011	<u>2,128</u>
	<u>\$ 25,842</u>