



FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020



Independent Auditors' Report

Board of Directors
Helvetas USA
Washington, DC

Report on the Financial Statements

We have audited the accompanying financial statements of Helvetas USA (the Organization), which comprise the statement of financial position as of December 31, 2020 and the related statements of activities, functional expenses and cash flows 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 auditors' 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 auditors consider internal control relevant to the Organization'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 Organization'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.

Board of Directors
Helvetas USA

Report on the Financial Statements (Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Helvetas USA, as of December 31, 2020, 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.

Report on Summarized Comparative Information

We have previously audited the 2019 financial statements of Helvetas USA, and our report dated February 12, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the 2019 audited financial statements from which it has been derived.



Bethesda, Maryland
February 10, 2021

Certified Public Accountants

Helvetas USA
Statement of Financial Position
December 31, 2020
With Comparative Totals as of December 31, 2019

	2020	2019
Assets		
Current Assets		
Cash	\$ 299,845	\$ 242,878
Contributions Receivable	-	15,000
Prepaid Expenses	945	1,992
Total Assets	\$ 300,790	\$ 259,870
Liabilities and Net Assets		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 9,037	\$ 26,010
Credit Card Payable	1,469	141
Payroll Taxes Payable	2,613	7,029
Total Liabilities	13,119	33,180
Net Assets		
Without Donor Restrictions	287,671	226,690
Total Net Assets	287,671	226,690
Total Liabilities and Net Assets	\$ 300,790	\$ 259,870

See accompanying Notes to Financial Statements

Helvetas USA

Statement of Activities For the Year Ended December 31, 2020 With Comparative Totals for the Year Ended December 31, 2019

	<u>2020</u>	<u>2019</u>
Support and Revenues		
Corporate Contributions from Switzerland	\$ 588,508	\$ 676,349
Individual and Board Member Contributions	43,520	45,891
Forgivable Loan - PPP	54,260	-
Foundation Contributions and Grants	5,357,746	2,839,992
Interest and Dividends	1,345	30
Total Support and Revenues	<u>6,045,379</u>	<u>3,562,262</u>
Expenses		
Program Services	5,644,804	3,119,757
Supporting Services		
General and Administrative	182,666	131,699
Fundraising	156,928	169,796
Total Supporting Services	<u>339,594</u>	<u>301,495</u>
Total Expense	<u>5,984,398</u>	<u>3,421,252</u>
Change in Net Assets	<u>60,981</u>	<u>141,010</u>
Net Assets, Beginning of Year	<u>226,690</u>	<u>85,680</u>
Net Assets, End of Year	<u>\$ 287,671</u>	<u>226,690</u>

See accompanying Notes to Financial Statements

Helvetas USA

**Statement of Functional Expenses
For The Year Ended December 31, 2020
With Comparative Totals For the Year Ended December 31, 2019**

	2020			Total	2019
Program Services	General and Administrative	Fundraising	Total	Total	
Grants	\$ 5,372,746	\$ -	\$ -	\$ 5,372,746	\$ 2,840,492
Personnel Costs	199,950	142,274	122,228	464,452	355,473
Professional Services	13,720	9,763	8,387	31,870	124,012
Travel and Meetings	1,766	1,256	1,079	4,101	34,375
Dues and Subscriptions	14,645	10,421	8,953	34,019	29,787
Conferences and Meetings	12,189	8,673	7,451	28,313	14,619
Office Expense	9,812	6,982	5,998	22,792	10,596
Advertising	15,342	-	-	15,342	6,339
Occupancy	3,965	2,821	2,423	9,209	3,897
Insurance	669	476	409	1,554	1,662
Total	\$ 5,644,804	\$ 182,666	\$ 156,928	\$ 5,984,398	\$ 3,421,252

See Accompanying Notes to Financial Statements

Helvetas USA

Statement of Cash Flows For the Year Ended December 31, 2020 With Comparative Totals for the Year Ended December 31, 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	\$ 60,981	\$ 141,010
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities		
<u>(Increase) Decrease in Assets</u>		
Contributions Receivable	15,000	(2,952)
Prepaid Expenses	1,047	(359)
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable and Accrued Expenses	(16,973)	19,172
Credit Card Payable	1,328	(11,982)
Payroll Taxes Payable	(4,416)	513
Net Cash Provided by (Used in) Operating Activities	56,967	145,402
Increase (Decrease) in Cash	56,967	145,402
Cash, Beginning of Year	242,878	97,476
Cash, End of Year	\$ 299,845	\$ 242,878

See accompanying Notes to Financial Statements

Helvetas USA
Notes to Financial Statement

December 31, 2020

1. ORGANIZATION

Helvetas USA (the Organization) was incorporated in the State of Minnesota on December 17, 2014. The Organization was established to support poor and disadvantaged women, men and communities in developing countries in their efforts to improve living conditions, primarily by raising public awareness in the United States of HELVETAS Swiss Intercooperation and its global programs aimed at such purposes, and to raise funds and make grants in furtherance of such purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

There were no net assets with donor restrictions as of December 31, 2020.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Use of Estimates

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

Helvetas USA
Notes to Financial Statement

December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions Receivable

Unconditional contributions receivable are recorded at net realizable value. Contributions receivable are expected to be collected within one year. The Organization provides an allowance for bad debts using the allowance method, which is based on management's judgment considering historical information. Contributions receivable are individually analyzed for collectability and will be reserved based on individual evaluation and specific circumstances. As of December 31, 2020, there were no contributions receivable.

Property and Equipment

Property and equipment are capitalized at cost if unit costs exceed \$2,000. Otherwise the items are expensed when paid, including repairs and maintenance. Depreciation and amortization is computed on the straight-line method over the estimated useful lives ranging from three to twenty years. There was no property and equipment as of December 31, 2020.

Revenue Recognition

Grants, which are generally considered nonreciprocal transactions restricted by sponsors for certain purposes, are recognized as revenue when conditions under the agreements are met. The Organization has elected the simultaneous release policy available under ASU 2018-08 for donor-restricted contributions that were initially conditional contributions, which allows a not-for-profit organization to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized.

Contributions, including unconditional promises to give, are recognized as revenues in the period received or pledged. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets, other than cash, are recorded at their estimated fair value at the date of gift. Contributed services and materials are recorded at their estimated fair value if they would otherwise be purchased if not provided by donation and provided by professionals in their field. Management considers all outstanding contributions receivable amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

During the year ended December 31, 2020, the Organization received a \$54,260 forgivable loan from the Small Business Administration's (SBA) Paycheck Protection Program (PPP). The forgivable loan is a conditional contribution that can be recognized as revenue when the underlying conditions are met. The Organization has elected to treat the legal forgiveness as the condition. During the year ended December 31, 2020, the Organization recognized \$54,260 of the forgivable loan as revenue because the lender forgave the loan.

For grants treated as contributions, the Organization had approximately \$2,000,000 in unrecognized conditional contributions as of December 31, 2020. The revenue related to these awards is conditioned on constructing a specific number of water point outputs as outlined in the grant agreements and is expected to be recognized as revenue in the following fiscal year.

Helvetas USA
Notes to Financial Statement

December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Direct costs, where identifiable, are allocated in whole to the appropriate functional category. Occupancy and office expenses, depreciation, information technology costs, and insurance have been allocated among the programs and supporting services based on employee time and effort.

Program Services are the activities that result in goods and services being distributed to beneficiaries pursuant to the Organization's mission.

Management and General includes all management and administrative functions, such as oversight, business management, general recordkeeping, budgeting and financing, but excludes direct conduct of program services and fundraising services.

Fundraising includes solicitation of contributions from individuals, organizations, and others.

Income Taxes

The Organization was formed as a not-for-profit corporation under the provisions of Minnesota State law. The Organization is exempt from federal, state, and local income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. The Organization is also recognized as a foreign non-profit corporation in the District of Columbia and the State of New York and registered with the New York State Charities Bureau. On February 19, 2020, the Organization is also registered in Texas as a foreign non-profit.

The Organization requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its financial statements include, or reflect, and uncertain tax positions.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for at December 31, 2020.

The Organization's policy would be to recognize interest and penalties, if any, on tax positions related to its unrecognized tax benefits in income tax expense in the financial statements. No interest and penalties were assessed or recorded during 2020.

Helvetas USA
Notes to Financial Statement

December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in 2022.

As of December 31, 2020, there was no lease obligation.

Subsequent Events

Management has evaluated subsequent events through February 10, 2021 the date which the financial statements were available to be issued. The accompanying financial statements recognize the effects of subsequent events that provided evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. The accompanying financial statements do not recognize the effect of subsequent events with conditions that did not exist at the statement of financial position date, but disclosures of such events, if any, are included in the accompanying notes.

3. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances in banks insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. As of December 31, 2020, the Organization's balances exceeded the FDIC insured limit by approximately \$50,000.

4. NET ASSETS

There were no net assets with purpose donor restrictions as of December 31, 2020 because the Organization has elected the simultaneous release policy, which allows a not-for-profit organization to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized.

Net assets without donor restrictions as of December 31, 2020 were undesignated.

5. RELATED PARTY TRANSACTIONS

The Organization is affiliated with Helvetas Swiss Intercooperation (HSI), an international network of independent affiliate member organizations working in development cooperation and emergency response.

During the year ended December 31, 2020, the Organization granted \$5,372,746 to HSI to support international programs. During the year ended December 31, 2020, HSI contributed \$588,508 to support the Organization's general operations. As of December 31, 2020, there were no receivables or payables.

Helvetas USA
Notes to Financial Statement

December 31, 2020

6. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2020:

Financial Assets at Year End:

Cash	\$ 299,845
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Total Financial Assets	299,845
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Less Amounts Not Available To Be Used Within One Year:

Net Assets With Donor Restrictions	-
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Less: Net Assets With Purpose Restrictions To Be Met in Less Than a Year	-
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Board-Designated Funds	-
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Financial Assets Available to Meet General Expenditures	
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Over the Next Twelve Months	\$ 299,845
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As part of the Organization's liquidity management plan, cash in excess of daily requirements is transferred to income-generating accounts, when practical.