



HELPMATE, INC.

Asheville, North Carolina

Financial Statements and
Supplementary Information

Years Ended June 30, 2023 and 2022

HELPMATE, INC.

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Rick Manske
Beverly Brignolo
Graham Reynolds
Bonnie Spradling

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HELPMATE, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Helpmate, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Helpmate, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Helpmate, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Helpmate, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Helpmate, Inc.'s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditors' 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 auditors' 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 and *Government 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 and *Government 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 Helpmate, 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 Helpmate, 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.

To the Board of Directors
Helpmate, Inc.
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Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2023, on our consideration of Helpmate, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Helpmate, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Helpmate, Inc.'s internal control over financial reporting and compliance.

CARTER, P.C.

Asheville, North Carolina
October 27, 2023

HELPMATE, INC.

Statements of Financial Position June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current assets:		
Cash and equivalents	\$ 1,464,729	\$ 1,001,514
Promises to give, current portion	467,308	18,919
Grants receivable, current portion	539,038	495,957
Sales tax receivable	8,369	13,088
Prepaid expenses	<u>15,473</u>	<u>22,831</u>
Total current assets	2,494,917	1,552,309
Restricted cash	50,000	50,000
Investments restricted for long lived assets	4,572,299	
Promises to give, net of current portion	549,507	
Grants receivable, net of current portion	20,000	37,320
Beneficial interest in endowment fund	49,645	46,383
Property and equipment	<u>1,195,904</u>	<u>1,087,380</u>
Total assets	<u>\$ 8,932,272</u>	<u>\$ 2,773,392</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 15,730	\$ 15,204
Accrued salaries and payroll taxes	103,266	88,898
Accrued compensated absences	87,058	82,242
Unearned revenue	<u>5,015,963</u>	<u>66,090</u>
Total current liabilities	<u>5,222,017</u>	<u>252,434</u>
Net assets:		
Without donor restrictions	2,313,511	2,261,147
With donor restrictions	<u>1,396,744</u>	<u>259,811</u>
Total net assets	<u>3,710,255</u>	<u>2,520,958</u>
Total liabilities and net assets	<u>\$ 8,932,272</u>	<u>\$ 2,773,392</u>

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

HELPMATE, INC.

Statement of Activities Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support			
Government grants	\$ 1,976,624	\$ 82,067	\$ 2,058,691
Foundation grants	79,925	157,050	236,975
United Way	3,452		3,452
Contributions	568,665	971,152	1,539,817
In-kind contributions	55,938	81,392	137,330
Fundraising events, net	227,686		227,686
Investment income, net	2,735	76,102	78,837
Other income	975		975
Net assets released from restrictions	<u>227,127</u>	<u>(227,127)</u>	
Total revenues and other support	<u>3,143,127</u>	<u>1,140,636</u>	<u>4,283,763</u>
Expenses			
Program services	2,630,061		2,630,061
Supporting services	<u>463,671</u>		<u>463,671</u>
Total expenses	<u>3,093,732</u>		<u>3,093,732</u>
Increase in net assets before other gains (losses)	<u>49,395</u>	<u>1,140,636</u>	<u>1,190,031</u>
Other gains (losses)			
Losses on investments		(3,703)	(3,703)
Gains on beneficial interest in endowment fund	<u>2,969</u>		<u>2,969</u>
Total other gains (losses)	<u>2,969</u>	<u>(3,703)</u>	<u>(734)</u>
Increase in net assets	52,364	1,136,933	1,189,297
Net assets, beginning of year	<u>2,261,147</u>	<u>259,811</u>	<u>2,520,958</u>
Net assets, end of year	<u>\$ 2,313,511</u>	<u>\$ 1,396,744</u>	<u>\$ 3,710,255</u>

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

HELPMATE, INC.

Statement of Activities Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and other support			
Government grants	\$ 2,203,767	\$	\$ 2,203,767
Foundation grants	295,792	189,778	488,250
United Way	1,575	22,196	23,771
Contributions	496,093	1,000	494,413
In-kind contributions	121,955		121,955
Fundraising events, net	174,971		174,971
Investment income, net	1,625		1,625
Other income	812		812
Net assets released from restrictions	<u>148,302</u>	<u>(148,302)</u>	
Total revenues and other support	<u>3,444,892</u>	<u>64,672</u>	<u>3,509,564</u>
Expenses			
Program services	2,773,855		2,773,855
Supporting services	<u>383,083</u>		<u>383,083</u>
Total expenses	<u>3,156,938</u>		<u>3,156,938</u>
Increase in net assets before other losses	<u>287,954</u>	<u>64,672</u>	<u>352,626</u>
Other losses			
Loss on beneficial interest in endowment fund	(8,437)		(8,437)
Loss on disposal of property and equipment	<u>(2,849)</u>		<u>(2,849)</u>
Total other losses	<u>(11,286)</u>		<u>(11,286)</u>
Increase in net assets	276,668	64,672	341,340
Net assets, beginning of year	<u>1,984,479</u>	<u>195,139</u>	<u>2,179,618</u>
Net assets, end of year	<u>\$ 2,261,147</u>	<u>\$ 259,811</u>	<u>\$ 2,520,958</u>

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

HELPMATE, INC.

Statement of Functional Expenses Year Ended June 30, 2023

	Program Services			Supporting Services			Total	
	Crisis Stabilization	Court Advocacy	Outreach & Prevention	Total Program Services	Management & General	Fundraising		Total Supporting Services
Salaries	\$ 1,327,664	\$ 146,393	\$ 152,910	\$ 1,626,967	\$ 212,447	\$ 76,406	\$ 288,853	\$ 1,915,820
Payroll taxes	96,449	11,101	18,328	125,878	14,849	5,644	20,493	146,371
Health insurance	162,350	21,260	7,160	190,770	18,547	9,738	28,285	219,055
Workers' compensation	7,674	1,020	1,169	9,863	480	362	842	10,705
Retirement benefits	23,124	2,711	3,485	29,320	8,631	3,294	11,925	41,245
Total payroll and related	1,617,261	182,485	183,052	1,982,798	254,954	95,444	350,398	2,333,196
Community services line	6,525			6,525				6,525
Client assistance	304,890	10,938		315,828				315,828
Hotel as non-congregate shelter	21,533			21,533				21,533
Fundraising expenses						12,825	12,825	12,825
Insurance	24,307	2,254	2,584	29,145	1,539	795	2,334	31,479
Internet and computers	30,596	2,642	3,002	36,240	1,831	2,675	4,506	40,746
Maintenance and repair	19,898			19,898				19,898
Meetings	3,047		732	3,779	1,598	181	1,779	5,558
Office cleaning	5,640			5,640				5,640
Other expenses	8,226	147	4,537	12,910	14,371	4,113	18,484	31,394
Parking and mileage	843		2	845	11	3	14	859
Professional fees	23,730	1,523	1,745	26,998	23,066	537	23,603	50,601
Capital Campaign consulting fees						34,051	34,051	34,051
Rental expense	26,561		7,249	33,810	2,611	3,611	6,222	40,032
Staff training and recruiting	4,772	1,267	5,639	11,678	1,674	112	1,786	13,464
Supplies, copying, and postage	20,030	771	1,807	22,608	1,775	3,034	4,809	27,417
Telephone and communication	16,313	4,681	1,221	22,215	2,624	236	2,860	25,075
Utilities	17,131			17,131				17,131
Total expenses before depreciation	2,151,303	206,708	211,570	2,569,581	306,054	157,617	463,671	3,033,252
Depreciation	60,480			60,480				60,480
Total expenses	<u>\$ 2,211,783</u>	<u>\$ 206,708</u>	<u>\$ 211,570</u>	<u>\$ 2,630,061</u>	<u>\$ 306,054</u>	<u>\$ 157,618</u>	<u>\$ 463,671</u>	<u>\$ 3,093,732</u>

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

HELPMATE, INC.

Statement of Functional Expenses Year Ended June 30, 2022

	Program Services				Supporting Services			Total
	Crisis Stabilization	Court Advocacy	Outreach & Prevention	Total Program Services	Management & General	Fundraising	Total Supporting Services	
Salaries	\$ 1,167,592	\$ 132,433	\$ 180,391	\$ 1,480,416	\$ 198,774	\$ 59,802	\$ 258,576	\$ 1,738,992
Payroll taxes	91,487	10,482	13,970	115,939	10,558	4,742	15,300	131,239
Health insurance	164,288	17,799	26,775	208,862	22,318	9,292	31,610	240,472
Workers' compensation	5,882	823	954	7,659	578	296	874	8,533
Retirement benefits	19,490	2,420	3,008	24,918	7,979	2,962	10,941	35,859
Total payroll and related	1,448,739	163,957	225,098	1,837,794	240,207	77,094	317,301	2,155,095
Community services line	6,203			6,203				6,203
Client assistance	301,821	22,577		324,398				324,398
Hotel as non-congregate shelter	233,944			233,944				233,944
Fundraising expenses						13,234	13,234	13,234
Insurance	23,153	2,094	2,400	27,647	1,362	740	2,102	29,749
Internet and computers	38,892	5,429	2,764	47,085	4,726	1,777	6,503	53,588
Maintenance and repair	52,341			52,341	315		315	52,656
Meetings	723	3	851	1,577	597	1	598	2,175
Office cleaning	6,021			6,021				6,021
Other expenses	62,225	132	16,972	79,329	15,808	247	16,055	95,384
Parking and mileage	918		376	1,294	164		164	1,458
Professional fees	3,435			3,435	15,245		15,245	18,680
Rental expense	26,561		7,249	33,810	2,599	3,611	6,210	40,020
Staff training and recruiting	12,297	885	11,927	25,109				25,109
Supplies, copying, and postage	38,754	1,849	2,353	42,956	2,131	2,537	4,668	47,624
Telephone and communication	10,757	3,229	891	14,877	501	187	688	15,565
Utilities	15,844			15,844				15,844
Bad debt recovery	(35,655)			(35,655)				(35,655)
Total expenses before depreciation	2,246,973	200,155	270,881	2,718,009	283,655	99,428	383,083	3,101,092
Depreciation	55,832		14	55,846				55,846
Total expenses	\$ 2,302,805	\$ 200,155	\$ 270,895	\$ 2,773,855	\$ 283,655	\$ 99,428	\$ 383,083	\$ 3,156,938

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

HELPMATE, INC.

Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Increase in net assets	\$ 1,189,297	\$ 341,340
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	60,480	55,846
Bad debt recovery		(35,655)
Present value adjustment	90,121	2,680
Loss on disposal of property and equipment		2,849
Net (gains) losses on beneficial interest in endowment fund	(2,969)	8,437
Net (gains) losses on investments	3,703	
Receipt of donated stock		(16,068)
Receipt of donated property and equipment	(6,031)	(16,375)
Changes in working capital - sources (uses):		
Promises to give	(1,088,017)	(18,919)
Grants receivable	(25,761)	61,039
Sales tax receivable	4,719	28,891
Prepaid expenses	7,358	(15,016)
Accounts payable	526	(11,561)
Accrued salaries and payroll taxes	14,368	(1,075)
Accrued compensated absences	4,816	2,084
Unearned revenue	4,949,873	44,621
Contributions restricted for long-term purposes	(25,000)	
Net cash provided by operating activities	5,177,483	433,118
Cash flows from investing activities		
Purchases of property and equipment	(162,973)	(44,821)
Purchases of investments	(4,576,002)	
Change in beneficial interest in endowment fund	(293)	(1,305)
Proceeds from sale of donated stock		16,068
Net cash used by investing activities	4,739,268	(30,058)
Cash flows from financing activities		
Contributions restricted for long-term purposes	25,000	
Net increase in cash and equivalents and restricted cash	463,215	403,060
Cash and equivalents and restricted cash at beginning of year	1,051,514	648,454
Cash and equivalents and restricted cash at end of year	\$ 1,514,729	\$ 1,051,514

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

HELPMATE, INC.

Notes to Financial Statements
June 30, 2023 and 2022

Note 1 - Nature of Organization and Summary of Significant Accounting Policies

Organization

Helpmate, Inc. (the Organization) was formed in 1981 as a North Carolina nonprofit entity. The purpose of the Organization is to work with the community to eliminate abuse and fear by providing safety shelter, and support for victims/survivors of intimate partner domestic violence. The Organization's three primary program areas are as follows:

- *Crisis Stabilization* - Includes operating a temporary emergency shelter, 24-hour crisis line, and providing case management and counseling for victims of domestic abuse.
- *Court Advocacy* - Helping clients navigate the civil and criminal court systems while advocating on their behalf.
- *Outreach and Prevention* - Carrying out public awareness and education programs about domestic violence.

Income Tax Status

The Organization is incorporated as a nonprofit corporation under the laws of the State of North Carolina and is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been classified as a publicly supported charitable organization under section 509(a)(1). Income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

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

Note 1 - Nature of Organization and Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

- *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 the Organization's management and Board of Directors.
- *Net assets with donor restrictions:* Net assets subject to donor-imposed time or purpose restrictions. These restrictions limit the spending options when using these resources because the Organization has a fiduciary responsibility to follow the donors' instructions. Net assets with donor restrictions generally result from donor-restricted contributions and grants received for a specific purpose. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Support is recorded as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets (that is, the donor-stipulated purpose has been fulfilled and/or time period has elapsed) are reported as net assets released from restrictions. The Organization has adopted a policy to classify donor restricted support as without donor restrictions to the extent that restrictions were met in the reporting period the support was recognized.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing program services. Non-operating activities are limited to resources that generate return from investments and beneficial interest in endowment fund, loss on disposal of property and equipment, and other activities considered to be more unusual or nonrecurring in nature.

Fair Value of Financial Instruments

The carrying value of substantially all reported assets and liabilities, except grants and pledges receivable, investments, and beneficial interest in endowment fund, approximates fair value due to the relatively short-term nature of the financial instruments.

Amounts recognized for grants and pledges receivable approximates fair value due to the allowance for uncollectible accounts and net present value adjustments applied to outstanding balances.

Fair value of investments and beneficial interest in endowment fund is discussed in Note 7.

Note 1 - Nature of Organization and Summary of Significant Accounting Policies (continued)

Cash and Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with initial maturities of three months or less to be cash equivalents, except those amounts designated and classified as investments. Restricted cash consists of board-designated amounts to be held for long-term purposes.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are expected to be received. Amortization of the discount is included in contributions. No provision for uncollectible promises to give has been recorded, as management believes that all amounts will be collected based on significant judgment and prior collection history.

Grants Receivable

Conditional grants receivable are not recognized in the financial statements until the conditions are substantially met. Unconditional grants receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional grants receivable that are expected to be collected in more than one year are recorded at fair value, which is measured at the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the grants are expected to be received. Amortization of the discount is included in foundation grants. The allowance for doubtful accounts is based on management's specific identification of amounts that may not be collected.

Sales Tax Receivable

Sales tax receivable is stated at the amount management expect to collect on outstanding balances.

Investments

Investments are recorded at fair market value. Both unrealized gains and losses from the fluctuation of market value and realized gains and losses from the sale of investments are reflected in the statements of activities. Restricted investments are funds received to be used for construction of a new shelter.

Investment Income and Gains

Investment income and gains are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Note 1 - Nature of Organization and Summary of Significant Accounting Policies (continued)

Fair Value Measurements and Disclosures

The Organization applies U.S. GAAP authoritative guidance for fair value measurements and disclosures, which defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements. The standard describes three levels of inputs that may be used to measure fair value:

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.

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 or liabilities 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.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Assets and liabilities within the hierarchy are based on the lowest (or least observable) input that is significant to the measurement. The Organization's assessment of the significance of an input requires judgment, which may affect the valuation and classification within the fair value hierarchy.

Property and Equipment

Additions to property and equipment, if purchased, are recorded at cost. Major renewals and replacements are capitalized. Expenditures for repairs, maintenance, and minor renewals that do not improve or extend the life of the asset are expensed. The Organization has adopted an accounting policy to capitalize all property and equipment with a cost greater than \$10,000 and an estimated useful life extending beyond one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally two to thirty-one years.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of gift. The Organization reports gifts of property and equipment as contributions without donor restrictions 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 and other assets that must be used to acquire long-lived assets are recorded as net assets with donor restrictions until such assets are acquired or placed in service.

Note 1 - Nature of Organization and Summary of Significant Accounting Policies (continued)

Donated Assets

Donated marketable securities are recorded as contributions at their estimated fair value at the date of donation. Donated materials and equipment are reflected as in-kind contributions at their estimated fair value at the date of donation. Noncash donated assets are described in Note 9.

Donated Services

Donated services are recognized as in-kind contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, and are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services are described in Note 9.

Revenue Recognition

Contributions are recognized when cash, securities, other assets, or an unconditional promise to give is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return of the asset or right of release of the obligation - are not recognized until the conditions on which they depend have been met. The Organization received conditional contributions in the amounts of \$15,963 and \$56,090, that have not been recognized as of June 30, 2023 and 2022, respectively. These amounts will be included in unearned revenue until qualifying expenditures have been incurred.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as unearned revenue in the statements of financial position. The Organization received \$5,000,000 and \$10,000, in advance payments on cost-reimbursable grants that have not been recognized as of June 30, 2023 and 2022, respectively. These amounts will be included in unearned revenue until qualifying expenditures have been incurred or refunded to the grantor as unexpended grant funding. Funding during the year ended June 30, 2023 is restricted for the construction of a new shelter.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Note 1 - Nature of Organization and Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The cost of providing program and supporting services activities have been summarized on a functional basis in the statements of activities and functional expenses. Certain categories of expenses are attributable to programs and support. Expenses for community services line, client assistance, hotel as non-congregate shelter, office cleaning, staff training and recruiting, utilities, bad debt recovery, and depreciation are directly related to program services. Expenses related to fundraising expenses are directly related to fundraising which is a supporting service. All other expense classifications are allocated on the basis of a combination of estimates of time and effort and square footage of building space in which the programs are operated.

New Accounting Pronouncements

During the year ended June 30, 2023, the Organization adopted the requirements of the following standards set by the Financial Accounting Standards Board (FASB).

Accounting Standards Update 2016-02, *Leases (Topic 842)* (ASU 2016-02), which supersedes existing guidance for accounting under *Topic 840, Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify ASU 2016-02, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2019-01, *Leases (Topic 842): Codification Improvements*; and ASU 2021-09, *Leases (Topic 842) Discount Rate for Lessees That Are Not Public Business Entities*. The most significant change in the new leasing guidance is the requirement to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

The Organization elected to adopt these ASU's effective July 1, 2022. The prior period statement of financial position was not adjusted.

An election has been made to apply the short-term lease exception to all leases with a term of 12 months or less. Short-term lease costs do not reflect ongoing short-term lease commitments.

The Organization applied the package of practical expedients allowed by the standard, to account for existing operating leases under the new guidance, without reassessing:

- Whether any expired or existing contracts are or contain leases under the new definition;
- The lease classification of any expired or existing leases; or
- Whether previously capitalized costs continue to qualify as initial direct costs.

Note 1 - Nature of Organization and Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncement

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 is intended to improve financial reporting about credit losses on certain receivable balances. The new standard will be effective beginning July 1, 2023. The Organization is in the process of evaluating the effect this guidance will have on its financial statements and related disclosures.

Note 2 - Net Assets

Net assets are described as follows:

<u>At June 30</u>	<u>2023</u>	<u>2022</u>
Net assets without donor restrictions:		
Undesignated	\$ 1,043,962	\$ 1,103,384
Board designated - endowment	23,645	20,383
Board designated - capital reserves	50,000	50,000
Investment in property and equipment	<u>1,195,904</u>	<u>1,087,380</u>
Net assets without donor restrictions	<u>2,313,511</u>	<u>2,261,147</u>
Net assets with donor restrictions:		
Subject to expenditure for a specified purpose or period:		
Case management and counseling	75,000	87,500
Restricted by passage of time	118,712	79,516
Youth prevention		25,000
Capital campaign	1,128,616	11,045
Shelter		9,167
Crisis services	11,875	9,167
Security upgrades	7,541	7,541
Client loans	3,000	3,000
Outreach	8,333	1,875
Strategic planning	8,500	
Court advocacy	<u>9,167</u>	
Total subject to expenditure for a specified purpose or period	1,370,744	233,811
Not subject to spending policy or appropriation:		
Investment in perpetuity - endowment fund	<u>26,000</u>	<u>26,000</u>
Net assets with donor restrictions	<u>1,396,744</u>	<u>259,811</u>
<u>Total net assets</u>	<u>\$ 3,710,255</u>	<u>\$ 2,520,958</u>

Note 3 - Liquidity and Availability of Financial Assets

The Organization received significant contributions and grants restricted by donors and consider those program revenues, which are ongoing, major, and central to its operations, to be available to meet cash needs for general expenditures.

In addition, the Organization received significant contributions and grants restricted for long lived assets in connection with a capital campaign to build a new shelter.

The Organization manages liquidity and reserves utilizing three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets to fund near-term operating needs, and
- Dedicated reserves to provide reasonable assurance that obligations are met.

The Organization targets fiscal year-end working capital reserves of three to six months of budgeted operating expenses. To achieve this target, the Organization forecasts future cash flows and monitors liquidity on a monthly basis.

The following reflects the liquidity and availability of the Organization's financial assets:

<u>At June 30</u>	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents and restricted cash	\$ 1,514,729	\$ 1,051,514
Investments	4,572,299	
Promises to give	1,016,815	18,919
Grants receivable	559,038	533,277
Sales tax receivable	8,369	13,088
Beneficial interest in endowment fund	<u>49,645</u>	<u>46,383</u>
Total financial assets	<u>7,720,895</u>	<u>1,663,181</u>
Amounts not available for general expenditure:		
Board designated endowment	(23,645)	(20,383)
Board designated capital reserves	(50,000)	(50,000)
Total net assets with donor restrictions	(1,396,744)	(259,811)
Add back: restricted grants and pledges receivable	1,193,116	79,516
Investments restricted for long lived assets	<u>(4,572,299)</u>	<u></u>
Total amounts not available for general expenditure	<u>(4,849,572)</u>	<u>(250,678)</u>
Net financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,871,323</u>	<u>\$ 1,412,503</u>

Note 3 - Liquidity and Availability of Financial Assets (continued)

Line of Credit

The Organization maintains a line of credit with maximum borrowings of \$500,000 to meet short-term working capital needs. The line is secured by essentially all assets and matures in March 2025. Monthly interest only payments are required at the highest prime rate published in the Wall Street Journal with a minimum rate of 3.25%. The interest rate at June 30, 2023, was 8.25%. The line of credit did not have an outstanding balance at June 30, 2023 and 2022.

Note 4 - Contract Assets and Liabilities

Grants receivable represent the Organization's contract assets with an unconditional right to receive consideration from donors and grantors. Grants receivable are recorded at net realizable value or present value of future cash flows.

The following table provides information about contract assets:

<u>At June 30</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Grants receivable:			
Due in less than one year:			
Buncombe County	\$ 114,494	\$ 103,253	\$ 134,886
CFWNC	8,500		
City of Asheville	31,785	3,625	
NC Dept of Public Safety		102,557	215,457
NC Council for Women	120,432	3,750	5,357
NC Dept of Health and Human Services	12,038	123,448	50,385
NC Governor's Crime Commission	81,075	191,357	224,374
United Way		22,196	44,391
University of NC at Greensboro		6,900	10,070
U.S. Dept of Justice	47,372	18,278	14,129
U.S. Dept of Housing and Urban Dev.	9,090	3,150	
U.S. Dept of Treasury	19,252		
Private foundation	95,000	20,000	
Other			504
Total due in less than one year	<u>539,038</u>	<u>598,514</u>	<u>699,553</u>
Due in one to five years:			
Private foundation	<u>20,000</u>	<u>40,000</u>	
Total grants receivable	<u>20,000</u>	<u>638,514</u>	<u>699,553</u>
Less, allowance for uncollectible grants		(102,557)	(138,212)
Less, discount at 8.25%		<u>(2,680)</u>	
Total contract assets	\$ 559,038	\$ 533,277	\$ 561,341

Note 4 - Contract Assets and Liabilities (continued)

Contract liabilities are recorded when a customer pays consideration, or the Organization has a right to an amount of consideration that is unconditional, before the transfer of a good or performance of a service to the customer. Thus, the Organization has an obligation to transfer the good or service to the customer at a future date. Contract liabilities are reported as unearned revenue in the accompanying statements of financial position and are comprised of the following:

- Unearned revenue, representing conditional contributions and advance payments received from donors and grantors prior to incurring expenditures in compliance with specific contract or grant provisions.
- Agency grant funds, representing amounts received from grantors and designated for use by other specified nonprofit organizations.

Significant changes in contract liabilities from contracts with customers are as follows:

<u>Years Ended June 30</u>	<u>2023</u>	<u>2022</u>
Unearned revenue, beginning of year	\$ 66,090	\$ 14,569
Revenue recognized that was included in unearned revenue at the beginning of the year	(66,090)	(14,569)
Increase in unearned revenue due to cash received during year	<u>5,015,963</u>	<u>66,090</u>
Unearned revenue, end of year	<u>5,015,963</u>	<u>66,090</u>
Agency grant funds, beginning of year		6,900
Agency grant funds paid		<u>(6,900)</u>
Agency grant funds, end of year		
<u>Total contract liabilities</u>	<u>\$ 5,015,963</u>	<u>\$ 66,090</u>

Note 5 - Promises to Give

In connection with fundraising efforts for a new shelter, Helpmate launched a capital campaign year ended June 30, 2023, accepting multi-year pledges. Promises to give are shown as restricted net assets in the statement of financial position.

As a result of the adoption of ASC 842 *Leases*, promises to give have has been recorded for the remaining lease terms as described in Note 9.

Note 5 - Promises to Give (continued)

Unconditional promises to give are as follows:

<u>At June 30</u>	<u>2023</u>	<u>2022</u>
Promises to give:		
Capital campaign		
Due in less than one year	\$ 425,000	\$ 18,919
One to five years	<u>600,000</u>	<u> </u>
Total capital campaign	<u>1,025,000</u>	<u>18,919</u>
In-kind rent:		
Due in less than one year	42,308	
One to five years	<u>42,308</u>	<u> </u>
Total in-kind rent	<u>84,616</u>	<u> </u>
Less, discount at 8.25%	<u>(92,801)</u>	<u> </u>
<u>Total promises to give</u>	<u>\$ 1,016,815</u>	<u>\$ 18,919</u>

Note 6 - Beneficial Interest in Endowment Fund

The beneficial interest in endowment fund is managed by the Community Foundation of Western North Carolina, Inc. (Foundation). The fund agreement grants variance power to the Foundation. This power allows the Board of Directors of the Foundation to modify or institute court action to modify any condition or restriction on the use and distribution of funds for any specified charitable purpose or to specified organizations if, in the sole judgment of the Board of Directors (without the approval of any trustee, custodian, or agent), such condition or restriction becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the region served by the Foundation. Under the terms of the agreement, the Organization can withdraw a portion of the original principal provided that the governing board of the Organization and the Foundation approve the withdrawal. The Organization's beneficial interest in endowment funds is invested in an allocated investment pool at the Foundation and is presented in the financial statements in the aggregate at fair value.

Note 7 - Fair Value Measurements

Investments and beneficial interest in endowment fund are reported in the accompanying financial statements at estimated fair value in accordance with the fair value hierarchy. The following is a description of the valuation methodologies used for assets measured at fair value:

Cash and Money Market Funds

Cash and money market funds are valued using observable market data and are categorized as Level 1 to the degree that they can be valued based on quoted market prices in active markets. Although these funds are readily available, it is the intent of the Organization to hold them for investment purposes and therefore has classified them as investments.

Note 7 - Fair Value Measurements (continued)

Certificates of Deposit

Certificates of deposit are short-term time deposits that are valued by a third-party brokerage company using prices from sources deemed reliable or using a matrix formula. Certificates of deposit are categorized as Level 2.

Beneficial Interest in Endowment Fund

The fair value of the beneficial interest in endowment fund is provided by the Foundation. Due to the inputs being unobservable, the instrument is categorized as Level 3.

The following tables set forth carrying amounts and estimated fair values for financial instruments:

<u>At June 30, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Cash and money market funds	\$ 2,549,363	\$	\$	\$ 2,549,363
Certificates of deposit		<u>2,022,936</u>		<u>2,022,936</u>
Total investments	<u>2,549,363</u>	<u>2,022,936</u>		<u>4,572,299</u>
Beneficial interest in endowment fund			<u>49,645</u>	<u>49,645</u>
<u>Total</u>	<u>\$ 2,549,363</u>	<u>\$ 2,022,936</u>	<u>\$ 49,645</u>	<u>\$ 4,621,944</u>

For the year ended June 30, 2022, the Organization held a beneficial interest in endowment fund in the amount of \$46,383, which was classified as a Level 3 instrument.

A reconciliation of Level 3 inputs is as follows:

<u>Years Ended June 30</u>	<u>2023</u>	<u>2022</u>
Level 3 inputs, beginning of the year	\$ 46,383	\$ 53,515
Interest and dividends	718	1,768
Investment fees	(425)	(463)
Net gains (losses)	<u>2,969</u>	<u>(8,437)</u>
<u>Level 3 inputs, end of year</u>	<u>\$ 49,645</u>	<u>\$ 46,383</u>

Note 8 - Property and Equipment

Property and equipment consist of the following:

<u>At June 30</u>	<u>2023</u>	<u>2022</u>
Land	\$ 384,468	\$ 384,468
Building	721,732	721,732
Building improvements	611,567	611,567
Furniture and equipment	115,596	128,399
Vehicles	32,000	32,000
Construction in progress	<u>172,820</u>	<u>18,375</u>
	2,038,183	1,896,541
Less, accumulated depreciation	<u>(842,279)</u>	<u>(809,161)</u>
Property and equipment	\$ 1,195,904	\$ 1,087,380

Depreciation expense for the years ended June 30, 2023 and 2022, was \$60,480 and \$55,846, respectively.

Note 9 - In-kind Contributions

In-kind gifts are acknowledged for the furtherance of the various programs and mission of the Organization. During the years ended June 30, 2023 and 2022, the Organization received \$6,031 and \$16,375, respectively, in donated architectural design work for the shelter expansion and is included in construction in progress.

Helpmate occupies office space at the Buncombe County Family Justice Center under a three year lease agreement for \$1 per month. During the year ended June 30, 2023, and in connection with the adoption of ASC 842, *Leases*, the Organization has recognized promises to give in the amount of \$84,616 and in-kind rent for the full lease term through June 30, 2025, as described in Note 5.

Volunteers also donated a significant amount of time to the Organization's operations and program services throughout the fiscal year that are not recognized as contributions in the financial statements since the recognition criteria were not met. The Organization received approximately 4,700 and 9,700 volunteer hours during the years ended June 30, 2023 and June 30, 2022, respectively.

Note 9 - In-kind Contributions (continued)

In-kind contributions are summarized as follows:

<hr/>			
<u>Year Ended June 30, 2023</u>			
	<u>Fair Value</u>	<u>Usage in Program</u>	<u>Donor Restriction</u>
Hotel lodging and food	\$ 3,900	Crisis Stabilization	None
Office space	124,636	Allocated to programs & support	Passage of time
Supplies	188	Crisis Stabilization	None
Gift cards	2,575	Allocated to programs	None
Future shelter development	<u>6,031</u>	Crisis Stabilization	None
Total contributions of nonfinancial assets	<u>\$ 137,330</u>		
<hr/>			
<u>Year Ended June 30, 2022</u>			
	<u>Fair Value</u>	<u>Usage in Program</u>	<u>Donor Restriction</u>
Hotel lodging and food	\$ 46,470	Crisis Stabilization	None
Office space	40,020	Allocated to programs & support	None
Supplies	1,722	Crisis Stabilization	None
Gift cards	5,992	Allocated to programs	None
Future shelter development	<u>27,751</u>	Crisis Stabilization	None
Total contributions of nonfinancial assets	<u>\$ 121,955</u>		

Fair valuation techniques - The fair value of the donated office space is provided by the landlord and is based on current market rates. Donated professional services are valued by the donor based on standard billing rates for the underlying services provided. All other in-kind contributions are valued at the donor provided amount, price that would be paid to purchase a comparable item, or current sales price of the item as sold by the donating vendor.

Note 10 - Fundraising Events

Fundraising events for the year are summarized as follows:

<u>Years Ended June 30</u>	<u>2023</u>	<u>2022</u>
Hope Rising	\$ 191,115	\$ 133,488
Miscellaneous special event revenue	<u>61,688</u>	<u>50,615</u>
	252,803	184,103
Less, direct event expenses	<u>(25,117)</u>	<u>(9,132)</u>
<u>Fundraising events, net</u>	<u>\$ 227,686</u>	<u>\$ 174,971</u>

Note 11 - Defined Contribution Plan

The Organization participates in a 403(b) defined contribution retirement plan (the Plan). All employees aged eighteen or older are eligible to participate in the Plan. The Organization matches employee contributions up to 5% of the employee's eligible compensation as defined by the Plan. Employer contributions become vested after two years of continuous service using a graded schedule. Retirement benefit expenses under the Plan for the years ended June 30, 2023 and 2022, were \$41,245 and \$35,859, respectively.

Note 12 - Commitments and Contingencies

Preconstruction Commitments

Helpmate has contracted with an architecture firm for the design of a new shelter with the contract value not to exceed \$875,000. As described in Note 16, subsequent to year end, the architecture firm was changed, and all design documents were available to the new firm.

Federal and State Assisted Programs

The Organization has received proceeds from several federal and state grants. Periodic audits of these grants and third-party reimbursements are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in a refund or reimbursement to the grantor or third-party agencies. Management believes that refunds or reimbursements, should any be determined, would be immaterial. No provisions have been made in the accompanying financial statements for the repayment of any grant monies or third-party reimbursements.

Risk Management

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and volunteers; and natural disasters. The Organization carries commercial insurance coverage for risks of loss. Claims have not exceeded coverage in any year since inception.

Note 13 - Concentration of Credit Risk

The Organization maintains its cash balances at financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Generally, the amounts will exceed coverage limits insured by the FDIC or be partially insured.

Note 14 - Income Taxes

Uncertain Tax Positions

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

Open Tax Years

The Organization's Return of Organization Exempt from Income Tax (Form 990) for the years ended June 30, 2022, 2021, and 2020, are subject to examination by the IRS, generally for three years after they were filed.

Note 15 - Related Party Transactions

Contributions from board members totaled \$55,900 and \$31,976, for the years ended June 30, 2023 and 2022, respectively.

Note 16 - Subsequent Events

Management has evaluated subsequent events through October 27, 2023, the date on which the financial statements were available to be issued.

The Organization received notification of a federal reimbursement conditional grant for the construction of a new shelter for \$2,000,000, through the American Rescue Plan Act.

Helpmate has contracted with an architecture firm for the design of a 22,000 square foot shelter with an approximate cost of \$14 million. The contract value is not to exceed \$32,000 for the schematic design and \$675,000 for architectural services.

The Organization has contracted with a consulting firm to help with a capital campaign to build the new shelter for an amount not to exceed \$32,400.

In July 2023, the Organization increased the maximum borrowings on the line of credit to \$700,000, and extended the maturity date to July 2028.

COMPLIANCE SECTION

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Helpmate, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Helpmate, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Helpmate, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Helpmate, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Helpmate, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

To the Board of Directors
Helpmate, Inc.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Helpmate, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CARTER, P.C.

Asheville, North Carolina
October 27, 2023

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Helpmate, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Helpmate, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Helpmate, Inc.'s major federal programs for the year ended June 30, 2023. Helpmate Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Helpmate, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Helpmate, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Helpmate, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Helpmate, Inc.'s federal programs.

To the Board of Directors
Helpmate, Inc.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Helpmate, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Helpmate, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Helpmate, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Helpmate, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Helpmate, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

To the Board of Directors
Helpmate, Inc.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CARTER, P.C.

Asheville, North Carolina
October 27, 2023

HELPMATE, INC.

Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2023

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>State/Pass-through Grantor's Number</u>	<u>Expenditures</u>
FEDERAL AWARDS			
<u>U.S. Department of Justice</u>			
Office for Victims of Crime:			
Passed through N.C. Department of Public Safety - Governor's Crime Commission:			
Crime Victim Assistance:			
Buncombe Basic Domestic Violence Services 2022	16.575	PROJ015291	\$ 115,915
Buncombe Enhanced Court Advocacy Services for Domestic Violence Survivors - 2019	16.575	PROJ013451	57,914
Buncombe Comprehensive Services to Underserved Victims 2022	16.575	PROJ015290	264,747
Passed through Buncombe County, North Carolina:			
Family Justice Center Project	16.575	1899	261,925
Passed through University of North Carolina at Greensboro:			
NC LGBTQ Domestic Violence Response Initiative - 2020	16.575	PROJ014256	<u>21,842</u>
Total Crime Victim Assistance			722,343
Office of Violence Against Women:			
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736	21-GG-02079	118,560
Consolidated and Technical Assistance Grant Program to Address Children and Youth Experiencing Domestic and Sexual Violence and Engage Men and Boys as Allies	16.888	21-GG-00643	122,563
Passed through Buncombe County, North Carolina:			
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	PO 1985	<u>107,074</u>
Total U.S. Department of Justice			<u>1,070,540</u>

HELPMATE, INC.

Schedule of Expenditures of Federal and State Awards (continued)
Year Ended June 30, 2023

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-through Grantor's Number	Expenditures
FEDERAL AWARDS (continued)			
<u>U.S. Department of Housing and Urban Development</u>			
Office of Community Planning and Development:			
Passed through N.C. Department of Health and Human Services - Division of Aging and Adult Services:			
Emergency Solutions Grant	14.231	00043571 & 00045324	\$ 52,935
COVID-19 - Emergency Solutions Grant	14.231	00042622	<u>67,018</u>
Total Emergency Solutions Grants			119,953
Passed through City of Asheville, North Carolina:			
CDBG - Entitlement Grants Cluster:			
Community Development Block Grants/Entitlement Grants	14.218	B-22-MC-37-0001	21,932
HOME Investment Partnerships Program	14.239	92300142	35,046
Continuum of Care Program	14.267	NC0406L4F012203	67,093
Continuum of Care Program	14.267	NC0406L4F0012102	<u>86,372</u>
 Total U.S. Department of Housing and Urban Development			 <u>330,396</u>
 <u>U.S. Department of Health and Human Services</u>			
Family and Youth Services Bureau:			
Passed through NC Council for Women and Youth Involvement:			
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	56-1276293	<u>172,915</u>

HELPMATE, INC.

Schedule of Expenditures of Federal and State Awards (continued)
Year Ended June 30, 2023

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-through Grantor's Number	Expenditures
FEDERAL AWARDS (continued)			
<u>U.S. Department of Homeland Security</u>			
Federal Emergency Management Agency:			
Passed through Buncombe County, North Carolina:			
Emergency Food and Shelter Program	97.024	634000-06	\$ <u>75,000</u>
<u>U.S. Department of Treasury</u>			
Passed through Buncombe County, North Carolina:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	FRF0017	<u>58,811</u>
Total expenditures of federal awards			\$ <u>1,707,662</u>
STATE AWARDS			
<u>North Carolina Administrative Office of the Courts</u>			
NC Human Trafficking Commission			\$ <u>82,068</u>
<u>North Carolina Department of Administration</u>			
N.C. Council for Women and Youth Involvement:			
Domestic Violence Program		56-1276293	51,856
Divorce Filing Fees Program		56-1276293	18,479
Marriage License Fee Program		56-1276293	<u>19,174</u>
Total North Carolina Department of Administration			<u>89,509</u>
Total expenditures of state awards			\$ <u>171,577</u>

HELPMATE, INC.

Schedule of Expenditures of Federal and State Awards (continued)
Year Ended June 30, 2023

Notes to the Schedule of Expenditures of Federal and State Awards

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (SEFSA) includes the federal and state award activity of Helpmate, Inc. under programs of the federal government and the State of North Carolina for the year ended June 30, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFSA presents only a selected portion of the operations of Helpmate, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Helpmate, Inc.

Note B - Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are presented on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C - Indirect Cost Rate

Helpmate, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

HELPMATE, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over compliance:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Type of auditors' report issued on compliance for major federal program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____ yes X no

Identification of major federal program:
AL# 16.575 - Crime Victim Assistance

The threshold for distinguishing Type A and Type B programs was \$750,000.

Helpmate, Inc. was determined to be a low risk auditee.

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

HELPMATE, INC.

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

No findings were reported for the year ended June 30, 2022.

No findings were reported for the year ended June 30, 2021.