

**ORPHAN HELPERS INC.  
DBA COUNTERACT INTERNATIONAL**

**FINANCIAL STATEMENTS  
AS OF JUNE 30, 2025 AND 2024**

**TOGETHER WITH AUDITOR'S REPORT**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Orphan Helpers Inc. dba Counteract International:

### ***Opinion***

We have audited the accompanying financial statements of Orphan Helpers Inc. dba Counteract International which comprise the statement of financial position as of June 30, 2025 and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Orphan Helpers Inc. dba Counteract International as of June 30, 2025, 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.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Orphan Helpers Inc. dba Counteract International and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Prior Period Financial Statements***

The financial statements of Orphan Helpers Inc. dba Counteract International as of June 30, 2024 were audited by other auditors whose report dated January 27, 2025 expressed an unmodified opinion on those statements.

### ***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, which raise substantial doubt about Orphan Helpers Inc. dba Counteract International's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditor's Report  
To the Board of Directors of  
Orphan Helpers Inc. dba Counteract International

***Auditor's 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 auditor's 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 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, 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 Orphan Helpers Inc. dba Counteract International'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, which raise substantial doubt about the Orphan Helpers Inc. dba Counteract International'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.

  
DUGAN & LOPATKA

Warrenville, Illinois  
April 24, 2026

ORPHAN HELPERS, INC. DBA COUNTERACT INTERNATIONAL  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2025 AND 2024

	2025	2024
<u>ASSETS</u>		
Cash and cash equivalents	\$ 342,989	\$ 245,756
Grant receivables	304,923	273,912
Unconditional promise to give - net of discount	896,152	883,954
Other receivables	9,496	-
Prepaid expenses and other assets	48,842	1,619
Operating lease right-of-use asset	-	10,634
Property and equipment - net	25,628	22,196
Total assets	\$ 1,628,030	\$ 1,438,071
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 12,239	\$ 16,318
Operating lease right-of-use liability	-	10,634
Total liabilities	12,239	26,952
NET ASSETS:		
Without donor restrictions -		
Undesignated	1,325,108	1,171,275
With donor restrictions	290,683	239,844
Total net assets	1,615,791	1,411,119
Total liabilities and net assets	\$ 1,628,030	\$ 1,438,071

ORPHAN HELPERS, INC. DBA COUNTERACT INTERNATIONAL  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT, REVENUE, AND GAINS</b>						
Donations	\$ 948,851	\$ 256,085	\$ 1,204,936	\$ 727,311	\$ 245,438	\$ 972,749
Grant revenue	402,201	-	402,201	625,495	-	625,495
Interest income	861	-	861	1,471	-	1,471
Total support, revenue, and gains	1,351,913	256,085	1,607,998	1,354,277	245,438	1,599,715
Net assets released from restrictions	205,246	(205,246)	-	188,213	(188,213)	-
Net support, revenue, and gains	1,557,159	50,839	1,607,998	1,542,490	57,225	1,599,715
<b>FUNCTIONAL EXPENSES:</b>						
Program services	1,120,117	-	1,120,117	1,322,577	-	1,322,577
Management and general	232,105	-	232,105	142,155	-	142,155
Fundraising development	51,104	-	51,104	80,178	-	80,178
Total functional expenses	1,403,326	-	1,403,326	1,544,910	-	1,544,910
CHANGE IN NET ASSETS	153,833	50,839	204,672	(2,420)	57,225	54,805
NET ASSETS, Beginning of year	1,171,275	239,844	1,411,119	1,173,695	182,619	1,356,314
NET ASSETS, End of year	\$ 1,325,108	\$ 290,683	\$ 1,615,791	\$ 1,171,275	\$ 239,844	\$ 1,411,119

The accompanying notes are an integral part of this statement.

ORPHAN HELPERS, INC. DBA COUNTERACT INTERNATIONAL  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
RECONCILIATION OF CHANGE IN TOTAL NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Change in total net assets	\$ 204,672	\$ 54,805
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	11,023	14,829
Non-cash portion of lease expense for operating lease	10,634	10,424
(Increase) in grant receivables	(31,011)	(199,910)
(Increase) in unconditional promise to give	(12,198)	(12,033)
(Increase) in other receivables	(9,496)	-
(Increase) in prepaids and other assets	(47,223)	-
(Decrease) in operating lease liabilities	(10,634)	(10,424)
Increase (decrease) in accounts payable and accrued expenses	(4,079)	(5,463)
Net cash provided by (used in) operating activities	<u>111,688</u>	<u>(147,772)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of furniture, fixtures, & equipment	<u>(14,455)</u>	<u>(2,728)</u>
Net cash (used in) investing activities	<u>(14,455)</u>	<u>(2,728)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	97,233	(150,500)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>245,756</u>	<u>396,256</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 342,989</u>	<u>\$ 245,756</u>

ORPHAN HELPERS, INC. DBA COUNTERACT INTERNATIONAL  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2025  
(with comparative totals for 2024)

	Program Services	Management and General	Fundraising and Development	2025	2024
Advertising	\$ 6,660	\$ 1,190	\$ -	\$ 7,850	\$ 31,896
Depreciation & amortization	1,754	9,263	6	11,023	14,829
Donations	540,308	-	-	540,308	552,811
Events and development	13,924	-	542	14,466	1,000
Facility rent	12,932	35,251	-	48,183	12,719
Professional fees and operations	41,443	86,978	-	128,421	296,145
Salaries and related benefits	439,019	56,405	45,200	540,624	534,522
Travel and conferences	37,908	-	-	37,908	45,610
Other expenses	26,169	43,018	5,356	74,543	55,379
Total functional expenses	<u>\$ 1,120,117</u>	<u>\$ 232,105</u>	<u>\$ 51,104</u>	<u>\$ 1,403,326</u>	<u>\$ 1,544,911</u>

The accompanying notes are an integral part of this statement.

ORPHAN HELPERS INC.  
DBA COUNTERACT INTERNATIONAL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Orphan Helpers, Inc. dba Counteract International (Organization) was organized and incorporated in the State of Virginia on June 29, 2000. The purpose of the Organization is to assist orphaned, abused, and incarcerated children living in El Salvador, Guatemala, and Honduras. The Organization defines, develops, implements, and operates need-specific programs that address the spiritual, educational, emotional, and physical deficiencies of the target population. The Organization employs a highly leveraged partnership between central and North American churches, organizations, governments, individuals, and businesses to maximize the impact of each donor's contribution.

The Organization has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and have been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively.

The financial statements were available to be issued on April 24, 2026, with subsequent events being evaluated through this date.

The following is a summary of the significant accounting policies and practices reflected in the accompanying financial statements.

Basis of Accounting -

The Organization maintains its financial statements on the accrual basis of accounting which recognizes the support and revenue as it is earned and expenses as they are incurred.

Financial Statement Presentation -

The financial statements of the Organization have been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). Under GAAP, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

*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.

*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 that the funds be maintained in perpetuity.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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. Accordingly, actual results may vary from those estimates.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization's cash deposits may exceed the FDIC limit at various times throughout each year. On June 30, 2025 and 2024, there were no balances in excess of FDIC limits.

Grant Receivables

Grant receivables consist primarily of noninterest-bearing amounts due from grantors who have already awarded grants to the Organization but have not processed payment. Management believes that grant receivables will be collected in full when due. Accordingly, no provision for uncollectible grant receivables is recognized in the accompanying financial statements.

Unconditional promise to give

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 future years 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 the risk-adjusted interest rate applicable to the years in which the contributions are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as contribution until the conditions are substantially met. All unconditional promise to give are considered fully collectible based on past experience and management's judgement therefore, no allowance for doubtful promise to give is needed.

Property and equipment -

Property and equipment are carried at cost or their fair market value at the date of donation. Depreciation and amortization of property and equipment are provided on the straight-line method over estimated useful lives ranging from three to fifteen years. Any property and equipment that has a useful life in excess of a year and is over \$500 is capitalized.

Maintenance, repairs and renewals, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Gains and losses on dispositions of property and equipment are included in income.

Depreciation expense totaled \$11,023 and \$14,829 for the years ended June 30, 2025 and 2024, respectively.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Contributions -

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restriction, depending on the nature of the restrictions. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Functional Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, professional services, rent and other expenses, which are allocated on the basis of estimates of time and effort.

Donated Services

Volunteers contribute significant amounts of time to the Organization's program services, administration and fundraising activities, however the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of the donation. No significant contributions of such goods or services were received during the years ended June 30, 2025 and 2024, respectively.

Tax Status -

The Organization has been determined by the Internal Revenue Service to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal income taxes, except for taxes on unrelated business income generated from unrelated trade or business activities. The Organization did not have unrelated business income for the years ended June 30, 2025 and 2024. Accordingly, no provision for income tax has been established.

The Organization files income tax returns in the U.S. federal jurisdiction. With few exceptions, the Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2022. The Organization does not expect a material net change in unrecognized tax benefits in the next twelve months.

Advertising Costs -

The Organization expenses advertising costs as incurred. Advertising expense was \$7,850 and \$31,896 for the years ended June 30, 2025 and 2024, respectively.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by functional expenses. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Organization's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Reclassifications

Prior year amounts have been reclassified to be consist with current year presentation.

(2) UNCONDITIONAL PROMISE TO GIVE:

On November 4, 2021, the Organization was notified in writing by receiving a Gift Agreement from a donor who unconditionally pledged a \$1,000,000 gift that is payable during the life or death of the donor, or partly during life and the balance paid upon death. For presentation purposes, the \$1,000,000 pledge was discounted at a rate of 1.380% for 11 years based upon actuarial data which resulted in an unconditional pledge amounts of \$896,152 and \$883,954 as of June 30, 2025 and 2024, respectively. No payments have been received towards this pledge during the years ending June 30, 2025 and 2024.

Unconditional promises to give consists of the following on June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Less than one year	\$ -	\$ -
One to ten years	<u>1,000,000</u>	<u>1,000,000</u>
	1,000,000	1,000,000
Less - Discount to present value (at a rate of 1.380%)	<u>103,848</u>	<u>116,046</u>
	<u>\$ 896,152</u>	<u>\$ 883,954</u>

(3) PROPERTY AND EQUIPMENT:

Property and equipment owned by the Organization at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Furniture & equipment	\$ 29,612	\$ 26,159
Vehicles	148,466	134,143
Less: Accumulated depreciation	<u>(152,450)</u>	<u>(138,106)</u>
Total Property & Equipment	<u>\$ 25,628</u>	<u>\$ 22,196</u>

(4) LEASES:

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

The Organization office leases are under a long-term noncancelable operating lease(s) that expired on June 30, 2025. Our operating lease provides for increases in future minimum annual rental payments, if applicable.

Cash paid for amounts included in the measurements of the Organization's leases for the years ended June 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Operating cash flows from operating leases	<u>\$ 11,069</u>	<u>\$ 10,750</u>

In July 2025, the Organization signed a new multi-year lease agreement for office space. The lease agreement requires monthly payments of \$922 from July 2025 through June 2027 and then an automatic renewal of the lease through June 2029 with a monthly payment of \$950. The right of use asset and lease liability as of July 2025 is \$41,778.

(5) NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are as follows:

	<u>2025</u>	<u>2024</u>
El Salvador	\$ 26,973	\$ -
Youth & Medical	-	9,484
Success Coach	146,450	64,510
Success Coach - Honduras	14,570	-
Guatemala Expansion	45,435	64,372
Work 4 Success	-	81,940
Mission/Vision Trips	19,538	19,538
Youth Aftercare	1,369	-
Youth Mentoring	<u>36,348</u>	<u>-</u>
Total	<u>\$ 290,683</u>	<u>\$ 239,844</u>

(6) LIQUIDITY AND AVAILABILITY:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year, comprise the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 342,989	\$ 245,755
Other receivable	9,496	-
Grant receivable	<u>304,923</u>	<u>273,912</u>
 Total financial assets	 639,121	 519,667
 Donor-imposed restrictions	 <u>(290,683)</u>	 <u>(239,844)</u>
 Financial assets available to meet cash needs for general expenditures that are without donor or other restrictions limiting their use within one year	 <u>\$ 348,438</u>	 <u>\$ 279,823</u>

The Organization manages its liquidity and reserves following three guiding principles:

- operating within a prudent range of financial soundness and stability.
- maintaining adequate liquid assets to fund near-term operating needs.
- maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

(7) CONCENTRATIONS:

During the year ended June 30, 2025, there was one grantor that contributed 21% of total support, revenue, and gain.