

**HELPING HAND FOR RELIEF AND  
DEVELOPMENT, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Helping Hand for Relief  
and Development, Inc.  
Southfield, MI

We have audited the accompanying consolidated financial statements of Helping Hand for Relief and Development, Inc. (a nonprofit organization) and its affiliates (the Organization), which comprise the consolidated statement of financial position as of December 31, 2015 and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of Helping Hand for Relief & Development, Pakistan, Helping Hand for Relief & Development, Kenya, Helping Hand for Relief & Development, Jordan, Helping Hand for Relief & Development, Afghanistan and Helping Hand for Relief & Development, Philippines, affiliates, which statements reflect total assets of 60% as of December 31, 2015, and the total support and revenues of 61% for the year then ended as related to consolidated totals. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for affiliates operations, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Independent Auditor's Report  
(Continued)

**Auditor's Responsibility (Continued)**

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion based on our audit and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2015, 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.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidated statement of functional expenses as identified in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Alan C. Young, Assoc.*

Detroit, Michigan  
September 28, 2016

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Consolidated Statement of Financial Position  
December 31, 2015

## ASSETS

### Current Assets

Cash and Cash Equivalents (Note 2)	\$	9,893,593
Investments (Note 3)		358,546
Accounts Receivable		311,577
Notes Receivable, Net of Allowance (Note 5)		880,701
Inventory		9,524,313
Prepaid Expenses		439,627
Other Current Assets		102,289
<b>Total Current Assets</b>		<u>21,510,646</u>

### Fixed Assets (Note 4)

Land		467,296
Fixed Assets		3,002,595
Less: Accumulated Depreciation		(853,305)
<b>Total Fixed Assets</b>		<u>2,616,586</u>

### Other Assets

Longterm Investment		87,706
Security Deposit		11,208
<b>Total Other Assets</b>		<u>98,914</u>

**TOTAL ASSETS** \$ 24,226,146

## LIABILITIES AND NET ASSETS

### Current Liabilities

Accounts Payable	\$	387,801
Accrued Liability		374,963
Notes Payable - Current Portion (Note 9)		11,860
<b>Total Current Liabilities</b>		<u>774,624</u>

### Long Term Liabilities

Notes Payable - Net of Current Portion (Note 9)		238,140
<b>Total Long Term Liabilities</b>		<u>238,140</u>
<b>Total Liabilities</b>		<u>1,012,764</u>

### Net Assets

Unrestricted		(10,923,572)
Temporarily Restricted (Note 7)		34,136,954
<b>Total Net Assets</b>		<u>23,213,382</u>

**TOTAL LIABILITIES AND NET ASSETS** \$ 24,226,146

*The accompanying notes are an integral part of these financial statements.*

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

## Consolidated Statement of Activities Year Ended December 31, 2015

SUPPORT AND REVENUE	Unrestricted	Temporarily Restricted	Total
Contributions from Public	\$ 1,574,211	\$ 16,456,133	\$ 18,030,344
In-Kind Revenue	-	20,858,926	20,858,926
Miscellaneous Income	98,641	-	98,641
<b>Net Assets Released from Restrictions:</b>			
Satisfaction of Service Restrictions (Note 7)	29,996,135	(29,996,135)	-
<b>Total Support and Revenue</b>	<u>31,668,987</u>	<u>7,318,924</u>	<u>38,987,911</u>
<b>EXPENSES</b>			
<b>Program Services:</b>			
Education	1,860,804	-	1,860,804
Health and Medical	1,572,891	-	1,572,891
Orphans	3,804,951	-	3,804,951
Emergency	2,379,479	-	2,379,479
Water for Life	755,180	-	755,180
Family Support	392,650	-	392,650
Community Development	141,573	-	141,573
Seasonal	3,836,455	-	3,836,455
In-Kind	16,088,514	-	16,088,514
<b>Total Program Services</b>	<u>30,832,497</u>	<u>-</u>	<u>30,832,497</u>
<b>Supporting Services:</b>			
Management and General	421,231	-	421,231
Fund Raising	956,483	-	956,483
<b>Total Supporting Expenses</b>	<u>1,377,714</u>	<u>-</u>	<u>1,377,714</u>
<b>Total Expenses</b>	<u>32,210,211</u>	<u>-</u>	<u>32,210,211</u>
<b>Other Non-Operating Income/(Expenses)</b>			
Unrealized Loss	(29,584)	-	(29,584)
Unrealized Gain	4,222	-	4,222
Shop N Help Income	9,798	-	9,798
Shop N Help Expenses	(10,879)	-	(10,879)
Amortization of Income	-	64,616	64,616
Rehabilitation Infrastructure Fund	-	(58,269)	(58,269)
Micro Finance Portfolio	-	(6,347)	(6,347)
Prime Minister Interest Free Loan Fund	-	1,095,253	1,095,253
Loan Loss Reserve	-	21,905	21,905
Fair Value Reserve	-	1,798	1,798
Endowment Fund	-	52,563	52,563
Gain on Disposal of Asset	118	-	118
Loss on Sale of Asset	(3,001)	-	(3,001)
<b>Total Non-Operating (Income)/Expenses</b>	<u>(29,326)</u>	<u>1,171,519</u>	<u>1,142,193</u>
Change in Net Assets	(570,550)	8,490,443	7,919,893
Net Assets - Beginning of Year	(9,706,607)	25,646,511	15,939,904
Adjustment per ASC 830 (Note 1)	(646,415)	-	(646,415)
<b>Net Assets - End of Year</b>	<u>\$ (10,923,572)</u>	<u>\$ 34,136,954</u>	<u>\$ 23,213,382</u>

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

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

## Consolidated Statement of Cash Flows Year Ended December 31, 2015

### CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 7,919,893
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operations	
Unrealized Loss	25,362
Fair Value Reserve	(1,798)
Depreciation	220,691
Gain on Disposal of Asset	(118)
Loss on Disposal of Asset	3,001
Bad Debt	7,917
<b>Change in:</b>	
Accounts Receivable	(167,704)
Other Current Assets	(65,006)
Pledge receivable	64,217
Prepays	114,951
Other Assets	(2,688,450)
Inventory	(4,344,984)
Accounts Payable	123,124
Accrued Liabilities	203,966
<b>Net Cash Provided by Operating Activities</b>	<u>1,415,062</u>

### CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Investments	(194,562)
Purchase of Fixed Assets	(598,554)
Proceeds from Sale of Fixed Assets	486
<b>Net Cash Used in Investing Activities</b>	<u>(792,630)</u>

### CASH FLOWS FROM FINANCING ACTIVITIES

Receipt from Notes Payable	250,000
<b>Net Cash Provided by Financing Activities</b>	<u>250,000</u>

Decrease in Cash	872,432
Effect of Currency Exchange Rate	(98,630)
Cash and Cash Equivalents - Beginning of Year	<u>9,119,791</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$ 9,893,593</u></u>

*The accompanying notes are an integral part of these financial statements.*

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements  
December 31, 2015

## 1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Organization

The consolidated financial statements included are those of Helping Hand for Relief & Development – USA, Helping Hand for Relief & Development – Pakistan, Helping Hand for Relief & Development – Kenya, Helping Hand for Relief & Development – Jordan, Helping Hand for Relief & Development – Afghanistan and Helping Hand for Relief & Development – Philippines; hereby referred to as “the Organization”. Helping Hand for Relief & Development – USA has control and economic relationships with aforementioned five foreign entities. All the significant intercompany accounts and transactions have been eliminated in consolidation.

### Nature of Activity

Helping Hand for Relief and Development, Inc. is a nonprofit organization exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. It was incorporated in the State of New York in 1998. The Organization is registered in all 50 states to solicit public funds. The Pakistan organization was established under a different name in 1991 which was changed to Helping Hand for Relief & Development in 2005. The Kenya and Jordan organizations were established in the years 2011 and 2013, respectively. In 2014, the Afghanistan and Philippines Organizations were established. The Organization is involved in the relief and development for individuals and communities, especially in emergency and disaster situations anywhere in the world, with special focus on needy people in Asia and Africa. Its major activities include reconstruction and rehabilitation of the disaster affected areas, mainly by providing Emergency Relief, Food, Shelter, Vocational and Skills Development, Education, Water for Life, Orphans & Widows Support Program, Health facilities and Economic Empowerment & Livelihood Programs.

The Organization operates the following programs:

**Education** – Initiation of educational projects for the restoration of educational facilities for disaster affected children and sponsoring of orphan children and needy children for education.

**Health and Medical Services** – Involves the improvement of individual and community health through education, immunization and other preventive measures. It also includes the operation or funding of mobile clinics, physical rehabilitation centers and renovation of the existing health care infrastructure; health and hygiene education services and ambulance services.

**Orphan Support Program** – Operates in different countries and focuses on assisting children in needy situation by providing education and other facilities.



# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)  
December 31, 2015

## 1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Emergency Services** – Providing immediate support to people affected in natural and man-made disasters/emergencies by providing rehabilitation and developmental relief and services, reconstruction of houses in such areas, and other voluntary support.

**Water for Life** – Sponsoring projects for providing clean water/hand pumps, reconstruction of infrastructure of water supply, especially in the areas affected by natural disasters.

**Family Support Program** – The provision of ways for needy individuals and their communities to sustain themselves and to improve their quality of life; and assistance in reviving the economies of communities devastated by natural and man-made disasters. Facilitating and supporting livelihood opportunities and micro -enterprise development for poverty alleviation through provision of interest free micro financing.

**Community Development** – Encouraging active involvement by engaging people, local and abroad, to engage in enhancing communities through public advocacy and volunteerism.

**Seasonal** – Help marginalized families enjoy the celebration of Eid w/Filtr and Adha through food and meat distribution as well as to provide winter support for families in need.

**Fundraising** – Provides the structure necessary to encourage and secure support from individuals and organizations.

The Organization also operates stores under the business name “Shop N’ Help” at two locations in the US. These stores sell handcrafted items made at the Skill Development Centers operated by the Organization at its overseas locations. The revenue and expenses for the stores during the year was \$9,798 and \$10,879, respectively.

### Basis of Accounting

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.

### Financial Statement Presentation

The Organization follows the Financial Accounting Standards Board in its Statement of Financial Accounting Standards, Financial Statements for Not-For-Profit Organizations under which the Organization is required to report information regarding the financial position and activities according to three classes of net assets, unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)  
December 31, 2015

## 1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Financial Statement Presentation (Continued)

To ensure proper usage of restricted and unrestricted assets, the Organization maintains its accounting according to fund accounting principles. The assets liabilities and net assets are classified in accordance with specified restrictions and objectives. The Organization's funds are described below and are placed in the following categories:

**Unrestricted Fund** – Unrestricted net assets are those currently available for use of the Organization's Board, and the resources invested in fixed assets. These assets are accounted for internally in the general operating fund.

**Temporarily Restricted Fund** – Temporarily restricted net assets are those assets received with donor stipulations that limit the use of the donated assets. When stipulated time restrictions expire or purpose restrictions are accomplished, these net assets are reclassified as unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

During the year, there were no permanently restricted net assets.

### Foreign Currency Translation

As per ASC 830 assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on reporting dates, and revenues and expenses are translated at rates that approximate the average rate for the period in which the transactions occurred. Net transaction and translation gains and losses are included in the accompanying statements of activities in the non-operating revenue and expenses section as foreign currency exchange gain or loss.

### Contributions

In accordance with FASB Accounting Standards Codification Subtopic 958-605, *Revenue Recognition*, contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions.

According to the Standard, certain restricted contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the donor restrictions. Contributions are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor.

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)  
December 31, 2015

## 1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Accounts Receivable and Allowance for Doubtful Accounts

On periodic basis, the Organization evaluate receivable balances and establishes an allowance for doubtful accounts, based on history of past write-offs, age of the receivables, collections and current economic considerations. Accounts receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Management has determined that all accounts receivable are collectible and there is no need of an allowance at December 31, 2015.

### Investments

The Organization has adopted Accounting Standards Codification Topic *Not-for-Profit Entities: Investments—Debt and Equity Securities* based on which investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Accordingly, donated marketable securities are recorded as contributions at their estimated fair market values at the date of donation. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage or time or by use) in the reporting period in which the income and gains are recognized.

### Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a program basis in the statement of activities.

Costs are allocated between fund raising, management and general and the appropriate program based on evaluations of the related benefits. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide the overall support and direction of the Organization.

### Cash and Cash Equivalents

Cash includes cash on hand and cash in checking and savings accounts. For financial statement purposes, the Organization considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents. Cash equivalents are carried at cost, which approximates market value.

### Fixed Assets

The Organization capitalizes all expenditures for property and equipment in excess of \$500. Purchased property and equipment are carried at cost. Depreciation is recorded on a straight line basis over the estimated useful life of the asset.

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)  
December 31, 2015

## 1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Fair Value Measurements

The Organization uses fair value measurements in the preparation of its financial statements, which utilize various inputs, including those that can be readily observable, corroborated, or are generally unobservable. The Organization utilizes market-based data and valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Additionally, the Organization applies assumptions that market participants would use in pricing an asset or liability, including assumptions about risk.

ASC 820 establishes a framework for measuring fair value, which includes a hierarchy based on the quality of inputs used to measure fair value, and provides specific disclosure requirements based on the hierarchy, ASC 820 requires the categorization of financial assets and liabilities, based on the inputs to valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The various levels of the ASC 820 fair value hierarchy are described as follows:

- **Level 1** – Financial assets and liabilities whose values are based on unadjusted quoted market prices for identical assets and liabilities in an active market that the Organization has the ability to access.
- **Level 2** – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable for substantially the full term of the asset or liability.
- **Level 3** – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

ASC 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement falls is categorized.

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)  
December 31, 2015

## 1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Income Taxes

The Organization adopted the FASB Accounting Standards Codification Topic *Accounting for Uncertainty in Income Taxes*, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more-likely than-not that the tax position will be sustained on examination by taxing authorities, based on technical merits of the position. The tax benefits recognized in the financial statements from such as position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addressed de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. The Organization's federal tax returns for the prior three years remain subject to examination by the Internal Revenue Service.

### Inventory

The Organization has two types of inventory on hand at December 31, 2015. This includes (1) priced inventory items for sale at "Shop N' Help" stores; and (2) inventory of donated items in kind.

The Organization utilizes three inventory valuation methods during the year ended December 31, 2015. These methods include: (1) current price located on a publicly available website if the inventory item is a match for the website item when donated; (2) Salvation Army prices if the donated items are used (not new); (3) lower of the cost or net realizable value if items are for sale.

At December 31, 2015, the Organization had \$60,910 in "Shop N' Help" inventory.

### In-Kind

Donated marketable securities, property and equipment and other non cash donations are recorded as contributions at their fair values at the date of donation.

During 2015, the Organization received \$20,858,926 in in-kind donations. At December 31, 2015, the Organization had \$9,463,403 in in-kind inventory.

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of task that assist the Organization with specific assistance program, campaign, solicitations and various committee assignments.

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)  
December 31, 2015

## 2) CASH AND CASH EQUIVALENTS

The total cash held by the Organization at December 31, 2015, includes \$925,605 in monies that are covered by insurance provided by the federal government.

## 3) INVESTMENTS

Investments consist of Amana Mutual Funds Trust Growth Fund, and are carried at fair value at December 31, 2015. The following table summarizes the Organization's investments based on inputs used to determine their values as of December 31, 2015:

	2015			Total
	Fair Value Measurements			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	
Equity	\$ 26,254	\$ -	\$ -	\$ 26,254
Mutual Funds	332,292	-	-	332,292
<b>Total</b>	<b>\$ 358,546</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 358,546</b>

## 4) FIXED ASSETS

The fixed assets as of December 31, 2015 are comprised of the following:

	Amount
<b>Non Depreciable Assets</b>	
Land	\$ 467,296
<b>Total Non Depreciable Assets</b>	<b>467,296</b>
<b>Depreciable Assets</b>	
Building	1,870,817
Computers	316,033
Office Equipment	186,415
Furniture, Fixtures & Equipment	252,442
Medical Equipment	50,252
Vehicles	326,636
<b>Total Depreciable Assets</b>	<b>3,002,595</b>
<b>Total Assets</b>	<b>3,469,891</b>
Less: Accumulated Depreciation	(853,305)
<b>Total Fixed Assets</b>	<b>\$ 2,616,586</b>

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)  
December 31, 2015

## 5) MICROFINANCE LOANS

Notes Receivable includes \$889,186 of interest-free loans issued in Pakistan which are due within a year. These loans are provided to the needy under Islamic mode of financing. Out of the amount the total amount, the Organization has set up an allowance of \$8,486.

## 6) CONTINGENCIES

The Organization is exposed to various contingent liabilities which are not reflected in the accompanying financial statements. The Organization's management is of the opinion that insurance coverage is adequate to cover any potential losses. No such liabilities have been asserted, and therefore, no estimation of loss has been made.

## 7) TEMPORARILY RESTRICTED NET ASSETS

Net assets released from restrictions by incurring expenses satisfying the purpose specified by the donors for the year ended December 31, 2015 were as follows:

<u>Program</u>	<u>Amount</u>
Education	\$ 861,629
Health and Medical	1,229,955
Orphans	3,804,951
Emergency	2,379,479
Water for Life	755,180
Family Support	953,821
Community Foundation	86,151
Seasonal	3,836,455
In Kind	16,088,514
	<u>\$ 29,996,135</u>

Temporarily restricted net assets available for specific programs as of December 31, 2015 were \$34,136,954.

## 8) SUBSIDIARY ENTITIES

The Organization is required to consolidate certain entities under the guidance of Financial Accounting Standards Board (FASB) ASC Topic 810, *Consolidation*. However, the Organization has limitations on the use of the assets and is not directly obligated for the liabilities of these consolidated subsidiaries under the laws in place in the foreign jurisdiction of each of these subsidiaries.

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)  
December 31, 2015

## 9) LONG TERM DEBT

Long term debt at December 31, 2015 consists of the following:

	<u>Amount</u>
Notes Payable dated December 21, 2015, with an original balance of \$250,000 to the Bank of Whittier, NA, with monthly payment of \$1,920.94 including interest @ 4.641% per annum, final payment due December 21, 2030. The loan is secured by real estate.	\$ 250,000
Total Debt	250,000
Less: Current Portion	11,860
Long-term Portion	<u>\$ 238,140</u>

Future maturities of long-term debt are as follows:

2016	\$ 11,860
2017	12,445
2018	13,025
2019	13,632
2020	14,241
Thereafter	<u>184,797</u>
	<u>\$ 250,000</u>

## 10) SUBSEQUENT EVENTS

The Organization evaluated all subsequent events through September 28, 2016, the date the financial statements were available to be issued. No subsequent event was noted that required adjustments or disclosures in the financial statements.



**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

## Consolidated Statement of Functional Expenses Year Ended December 31, 2015

Expenditures	Education	Health and Medical	Orphans	Emergency	Water for Life	Family Support
Program Expenditure-USA	\$ 349,245	\$ 86,500	\$ 538,970	\$ 126,753	\$ -	\$ -
In-Kind Expenses	-	-	-	-	-	-
Salaries and Wages	87,697	90,655	418,097	531,644	90,275	16,472
Contractors	41,395	42,791	197,348	250,945	42,611	7,775
Payroll Taxes and Processing	7,699	7,959	36,706	46,674	7,925	1,446
Employee Benefits	23,764	24,565	113,294	144,062	24,462	4,464
Legal and Professional	1,702	1,759	8,115	10,319	1,752	320
Advertising and Marketing	34,303	35,460	163,538	207,953	35,311	6,443
Fundraising	48,185	49,810	229,721	292,109	49,601	9,051
Telephone and Internet Regional Staff	2,573	2,660	12,266	15,597	2,648	483
Travel	16,507	17,063	78,695	100,068	16,992	3,100
Postage	1,215	1,256	5,793	7,366	1,251	228
Insurance	1,736	1,795	8,277	10,525	1,787	326
Office Expenses	17,813	18,414	84,924	107,988	18,337	3,346
Bank, Credit Card and Service Charges	9,462	9,781	45,110	57,361	9,740	1,777
Miscellaneous	636	658	3,033	3,857	655	120
Shipping & Storage	-	-	-	-	-	-
Indirect Cost	4,425	4,574	21,095	26,824	4,555	831
Depreciation	-	-	-	-	-	-
Pakistan Operations	841,892	1,156,327	1,374,664	321,858	325,211	336,468
Kenya Operations	153,252	20,864	142,272	477	119,388	-
Jordan Operations	192,998	-	278,998	65,554	-	-
Afghanistan Operations	24,305	-	44,035	25,343	2,679	-
Philippines Operations	-	-	-	26,202	-	-
<b>Total</b>	<b>\$ 1,860,804</b>	<b>\$ 1,572,891</b>	<b>\$ 3,804,951</b>	<b>\$ 2,379,479</b>	<b>\$ 755,180</b>	<b>\$ 392,650</b>

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

## Consolidated Statement of Functional Expenses (Continued) Year Ended December 31, 2015

Expenditures	Community Development	Seasonal	In-Kind	Total Program Services	Management & General	Fund Raising	Total Expenditures
Program Expenditure - USA	\$ 80,121	\$ 840,132	\$ -	\$ 2,021,721	\$ -	\$ -	\$ 2,021,721
In-Kind Expenses	-	-	1,887,313	1,887,313	-	-	1,887,313
Salaries and Wages	9,075	410,697	-	1,654,612	58,398	233,592	1,946,602
Contractors	4,283	193,858	-	781,006	27,565	110,259	918,830
Payroll Taxes and Processing	797	36,056	-	145,262	5,127	20,508	170,897
Employee Benefits	2,459	111,289	-	448,359	15,824	63,298	527,481
Legal and Professional	176	7,971	-	32,114	1,133	4,534	37,781
Advertising and Marketing	3,550	160,644	-	647,202	-	161,800	809,002
Fundraising	4,986	225,655	-	909,118	-	227,279	1,136,397
Telephone and Internet Regional Staff	266	12,049	-	48,542	1,713	6,853	57,108
Travel	1,708	77,303	-	311,436	10,992	43,967	366,395
Postage	126	5,691	-	22,926	809	3,237	26,972
Insurance	180	8,130	-	32,756	1,156	4,624	38,536
Office Expenses	1,843	83,421	-	336,086	11,862	47,447	395,395
Bank, Credit Card and Service Charges	979	44,311	-	178,521	6,301	25,203	210,025
Miscellaneous	66	2,980	-	12,005	4,842	3,882	20,729
Shipping & Storage	-	-	1,117,380	1,117,380	-	-	1,117,380
Indirect Cost	458	20,722	-	83,484	-	-	83,484
Depreciation	-	-	-	-	14,353	-	14,353
Pakistan Operations	-	626,734	5,583,355	10,566,509	120,177	-	10,686,686
Kenya Operations	-	249,840	2,203,600	2,889,693	57,097	-	2,946,790
Jordan Operations	30,500	652,676	5,284,637	6,505,363	75,275	-	6,580,638
Afghanistan Operations	-	55,784	-	152,146	7,325	-	159,471
Philippines Operations	-	10,512	12,229	48,943	1,282	-	50,225
<b>Total</b>	<b>\$ 141,573</b>	<b>\$ 3,836,455</b>	<b>\$ 16,088,514</b>	<b>\$ 30,832,497</b>	<b>\$ 421,231</b>	<b>\$ 956,483</b>	<b>\$ 32,210,211</b>