

HELPING HAND FOR RELIEF
AND DEVELOPMENT INC.

AUDIT REPORT
2006

ISSUE BY
NP & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report

Board of Directors

Helping Hand for Relief & Development Inc. (DBA Helping Hand USA)

We have audited the accompanying balance sheets of Helping Hand Inc. as of December 31, 2006 and the related statements of income, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the balance sheets of Helping Hand Inc. as of December 31, 2006 and the related statements of income, retained earnings, and cash flows for the year ended December 31, 2006, present fairly, in all material respects, the financial position of Helping Hand Inc. as of December 31, 2006 and the results of its operations and its cash flows for the year ended December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.



NP & Associates

Detroit, MI

June 13, 2007.

Helping Hand for Relief and Development Inc

Statement of Financial Position

December 31, 2006

ASSETS

CURRENT ASSETS

Cash and Equivalent	2,723,307
Investment	12,163
Advances	5,000
Total Current Assets	<u>2,740,470</u>

Equipment

Office Equipment	2,509
Less Accumulated Depreciation	(836)
	<u>1,673</u>

TOTAL ASSETS

2,742,143

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payables	2,400
Accrued Expenses	7,351
Payroll Liabilities	936
	<u>10,687</u>

TOTAL CURRENT LIABILITIES

10,687

NET ASSETS

Unrestricted	<u>2,731,456</u>
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TOTAL LIABILITIES AND NET ASSETS

2,742,143

The accompanying notes are an integral part of this statement.

Helping Hand for Relief and Development Inc

Statement of Activities

December 31, 2006

REVENUE		
Contributed Support		
Amount Received from ICNA relief	3,780,768	
In - Kind Donation	<u>360,000</u>	
	TOTAL REVENUE 4,140,768	
EXPENSES		
Program Services		
Educational	169,041	
Health and Medical	387,000	
Orphan	127,200	
Emergency	1,507,651	
Family	67,710	
Other	<u>292,708</u>	
	2,551,310	
Supporting Services		
Fundraising Expenses	390,199	
General and Administrative	<u>156,939</u>	
	547,138	
	TOTAL EXPENSES 3,098,448	
Increase in net assets (unrestricted)		1,042,320
Unrestricted net assets beginning of the year		<u>1,689,136</u>
Unrestricted net assets at the end of the year		2,731,456

The accompanying notes are an integral part of this statement.

Helping Hand for Relief and Development Inc

Statement of Cash Flow

December 31, 2006

CASH FLOW FROM OPERATING ACTIVITIES

Change in net assets	1,042,320
Adjustment to reconcile change in net assets to change in cash	
Provided by operating activities	
Depreciation	836
Advances	(5,000)
Accounts Payable	2,400
Payroll Liabilities	936
Accrued Expenses	<u>7,351</u>
Net cash provided by operating activities	<u>1,048,843</u>
Provided by investing activities	
Purchase of office equipment	(2,509)
Increase in investment in mutual Fund	<u>(12,163)</u>
Net cash used by investing activities	<u>(14,672)</u>
Net Increase in Cash	1,034,171
Cash at the beginning of the year	<u>1,689,136</u>
CASH AT THE END OF THE YEAR	<u>2,723,307</u>

The accompanying notes are an integral part of this statement.

Helping Hand for Relief and Development Inc

Notes to Financial statements

December 31, 2006

Note -1

Description and summary of significant operations

Helping Hand was incorporated in 1998 in state of NY and started its operations in September 2005. Helping Hand obtains donations from individuals as well as corporations in the United States of America and funds different charitable institutes in other countries. Before providing funds to the charitable institutions Helping Hand completes extensive background check of these institutes. Helping Hand seeks donations through advertisements, different fund raising events, and direct mailing. The donations are accepted online through the web site <http://www.helpinghandonline.org> as well.

Helping Hand is a non-political, not for profit charity organization, devoted to global humanitarian relief and development, responding to human sufferings in emergency and disaster situations anywhere in the World, with special focus on needy people of Africa & Asia. Helping Hand's mission is to strengthen the bond of humanity by serving all those in need, anywhere in the World by responding to emergency, rehabilitation and developmental relief needs in the areas under natural or man made disasters.

Helping Hand takes an initiative and endeavored day and night to serve people around the world and especially in case of natural disasters. The teams of volunteers are the basic core of the organization. Helping Hand's major activities are for reconstruction and rehabilitation of the disaster affected areas for people, mainly by providing Emergency Relief, Food, Shelter, Vocational & Skills Development, Education, Water for Life, Orphan & Widows Support Program, Health facilities and Economic Empowerment & Livelihood Programs.

Note -2

Income Taxes

Helping Hand is publicly supported organization and is exempt from income taxes under section 501(c) (3) of the Internal Revenue Code and comparable state law.

Note -3

Equipment

Equipments purchased for more than \$ 500 are capitalized and depreciated using the straight line method over the estimated useful lives of the assets.

Note -4

Estimates

The preparation of financial statements in conformity with generally accepted accounting principle requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly actual results can differ from those estimated.

Note -5

Unrestricted Net Assets

Substantial amount of donations are received by Helping Hand through different fund raising events. At these events Helping Hand presents different programs and proposals received from charitable institutes and seek funds to support these programs. However, since donors do not stipulate any restrictions on the donations, no part of the donation has been reported as restricted or temporary restricted net assets. Also since no commitments are made to the recipients, unspent money is not required to be recorded as liability.

Note -6

Major recipient of donation

Helping Hand Islamabad is a charity organization registered under the Pakistan Laws. Helping Hand USA contributed \$ 905,226 to Helping Hand, Islamabad for various services of the total contribution of \$ 2,551,310 to various organizations, during 2006.