

**HELPING HAND FOR RELIEF AND
DEVELOPMENT, INC.
FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2007**

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of Helping Hand for Relief and Development, Inc. ("the Organization") as of December 31, 2007 and the related statement of activities, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 financial statements referred to above present fairly, in all material respects, the financial position of Helping Hand for Relief and Development, Inc. as of December 31, 2007 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The statement of functional expenses for the year then ended is presented for purposes of additional analysis and is not a required part of the basic financial statements. The statement of functional expenses is the responsibility of Organization's management. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and in our opinion, is fairly stated, in all material respects when considered in relation to the basic financial statements taken as a whole.

Alan C. Young & Assoc.

October 16, 2008

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2007

	2007
<u>ASSETS</u>	
Current Assets:	
Cash and Cash Equivalents (Note 2)	\$2,123,608
Investments (Note 3)	31,296
Notes Receivable (Note 6)	146,815
Other Current Assets	3,000
Total Current Assets	2,304,719
 Fixed Assets: (Note 5)	
Computers	2,509
Less: Accumulated Depreciation	(1,338)
Total Fixed Assets	1,171
 Total Assets	 \$2,305,890
 <u>LIABILITIES AND NET ASSETS</u>	
Current Liabilities:	
Accounts Payable	\$55,712
Accrued Expenses	7,666
Total Current Liabilities	63,378
 Net Assets:	
Unrestricted	2,242,512
Temporarily Restricted	0
Total Net Assets	2,242,512
 Total Liabilities and Net Assets	 \$2,305,890

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

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.
STATEMENTS OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2007

<u>SUPPORT AND REVENUE</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Contributions from Public	\$664,677	\$2,020,228	\$2,684,905
Income on Notes Receivables	9,165	0	9,165
Investment Income	6,005	0	6,005
Miscellaneous Income	3,308	0	3,308
Net Assets Released from Restrictions:			
Satisfaction of Service Restrictions	2,791,616	(2,791,616)	0
Total Support and Revenue	3,474,771	(771,388)	2,703,383
<u>EXPENSES</u>			
Program Services:			
Education	306,741	0	306,741
Health and Medical	590,893	0	590,893
Orphans	724,602	0	724,602
Emergency	399,911	0	399,911
Water for Life	100,062	0	100,062
Family Support	92,768	0	92,768
Seasonal	620,438	0	620,438
Total Program Services	2,835,415	0	2,835,415
Supporting Services:			
Management and General	135,693	0	135,693
Fund Raising	221,219	0	221,219
Total Supporting Expenses	356,912	0	356,912
Total Expenses	3,192,327	0	3,192,327
Change In Net Assets	282,444	(771,388)	(488,944)
Net Assets - Beginning of Year (Note 8)	1,960,068	771,388	2,731,456
Net Assets - End of Year	\$2,242,512	\$0	\$2,242,512

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

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2007

	2007
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	(\$488,944)
Adjustments to reconcile Change in Net Asset to Cash Provided by Operations:	
Depreciation	502
Change in:	
Other Current Assets	2,000
Accounts Payable	53,312
Accrued Expenses	(621)
Net Cash Provided by (Used in) Operating Activities	(433,751)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investments	(19,133)
Net Cash Provided by (Used in) Investing Activities	(19,133)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Notes Receivable	(150,000)
Payments for Notes Receivable	3,185
Net Cash Provided by (Used in) Financing Activities	(146,815)
Increase/(Decrease) in Cash	(599,699)
Cash and Cash Equivalents - Beginning of Year	2,723,307
Cash and Cash Equivalents - End of Year	\$2,123,608

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

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 with all the states in the United States to solicit public funds. Helping Hand 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 – Health and Medical Service program 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 - Orphan Support Program operates in different countries and focuses on assisting children in needy situation by providing education and other facilities.

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.

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.

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.

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

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(Continued)

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(Continued)

Basis of Accounting

The financial statements of Helping Hand for Relief and Development, Inc. 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

Helping Hand for Relief and Development follows the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements for Not-For-Profit Organizations. Under SFAS No. 117, 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.

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 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.

Contributions

In accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made", contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions.

Under SFAS No. 116, 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.

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(Continued)

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

Contributions (Continued)

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor.

Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in subsequent years are reported at the present value of their net realized value, using risk-free interest rates applicable to the years in which the promises are to be received.

Investments

The Organization has adopted SFAS No. 124, Accounting for Certain Investments Held by Not-for-Profit Organizations". Under SFAS No. 124, 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, Helping Hand for Relief and Development, Inc. 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.

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(Continued)

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

Fixed Assets

Fixed assets are stated at cost or, at fair market value when received as contributions. Depreciation is recorded on a straight-line basis over the estimated useful life of the assets.

Temporarily Restricted Net Assets

Net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows:

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.

2) **CASH**

The total cash held by the Organization at December 31, 2007, includes \$2,109,903 in monies that are not 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, 2007. Dividends and capital gains earned on the shares are reinvested in the fund.

	<u>Fair Value</u>
Amana Mutual Funds Trust Growth Fund	<u>\$31,296</u>

4) **PLEDGES AND ACCOUNTS RECEIVABLE**

The Organization asks the public to submit pledge cards indicating the donations they intend to give for various special projects. The information is used for the budgetary purpose only and the members may rescind the pledges at any time. Since these pledges do not meet the criteria for revenue recognition under SFAS 116, they are not reflected as contributions in the statements of activities until the pledges are collected.

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(Continued)

5) **FIXED ASSETS**

The fixed assets comprised of the following:

	<u>2007</u>
Computers	\$2,509
Less: Accumulated Depreciation	<u>(1,338)</u>
Total	<u><u>\$1,171</u></u>

6) **NOTES RECEIVABLE**

The Organization has advanced a loan to Islamic Circle of North America amounting \$150,000 at 9.25% to be repaid in 180 equal installments of \$1,543.79 each. The balance still receivable as of December 31, 2007 on this loan is approximately \$146,815 and is due immediately upon lenders demand.

7) **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.

8) **RECLASSIFICATION OF NET ASSETS**

Net Assets at the beginning of the year have been reclassified. This adjustment resulted from overstatement of unrestricted net assets by \$771,388. These net assets should have been shown as temporarily net assets as it has a purpose restriction. The error had no effect on the net income for 2007.

9) **IN KIND CONTRIBUTIONS**

The Organization received various relief items and in-kind contributions of goods during the year which were donated for various programs. The fair value of these goods received was not determinable at the time of donation. Hence, no amount was been reflected in the financial statement for the in-kind contributions.

**HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2007**

Expenditures	Education		Health and Medical		Orphans		Emergency		Water for Life		Family Support		Seasonal		Total Program Services		Management & General		Fund Raising		Total Expenditures		
Program Expenditure	\$255,256	\$581,174	\$227,900	\$206,768	\$83,605	\$89,400	\$480,883	\$2,204,986	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,204,986
Salaries and Wages	4,314	814	16,482	16,183	1,379	282	13,369	52,823	10,847	10,847	16,965	10,847	13,369	52,823	16,965	10,847	13,369	52,823	16,965	10,847	13,369	52,823	80,635
Contractors	3,898	736	14,894	14,624	1,246	255	12,081	47,784	9,802	9,802	15,331	9,802	12,081	47,784	15,331	9,802	12,081	47,784	15,331	9,802	12,081	47,784	72,867
Payroll Taxes and Benefits	522	98	1,993	1,957	167	34	1,617	6,388	1,312	1,312	2,052	1,312	1,617	6,388	2,052	1,312	1,617	6,388	2,052	1,312	1,617	6,388	9,752
Legal and Professional	5,574	1,052	21,297	20,912	1,782	365	17,275	68,257	0	0	35,936	0	17,275	68,257	35,936	0	17,275	68,257	35,936	0	17,275	68,257	104,193
Conference and Seminars	2,249	425	8,592	8,437	719	147	6,970	27,539	0	0	8,844	0	6,970	27,539	8,844	0	6,970	27,539	8,844	0	6,970	27,539	42,037
Advertising	7,601	1,435	29,041	28,515	2,430	497	23,557	93,076	0	0	0	0	23,557	93,076	0	0	23,557	93,076	0	0	23,557	93,076	142,079
Brochures and Posters	7,903	1,492	30,193	29,646	2,526	517	24,491	96,768	0	0	0	0	24,491	96,768	0	0	24,491	96,768	0	0	24,491	96,768	147,715
Postage	4,318	815	16,497	16,198	1,380	282	13,381	52,871	0	0	557	0	13,381	52,871	557	0	13,381	52,871	557	0	13,381	52,871	80,708
Video/Film/TV	3,100	585	11,843	11,629	991	203	9,606	37,957	0	0	0	0	9,606	37,957	0	0	9,606	37,957	0	0	9,606	37,957	57,940
Telephone and Internet	529	100	2,020	1,984	169	35	1,639	6,476	0	0	2,419	0	1,639	6,476	2,419	0	1,639	6,476	2,419	0	1,639	6,476	9,883
Website Expenses	199	38	760	747	64	13	617	2,438	0	0	1,282	0	617	2,438	1,282	0	617	2,438	1,282	0	617	2,438	3,720
Travel/Air Tickets	1,425	269	5,443	5,345	455	93	4,415	17,445	0	0	0	0	4,415	17,445	0	0	4,415	17,445	0	0	4,415	17,445	26,631
Auto Rentals and Maintenance	441	83	1,686	1,656	141	29	1,368	5,404	0	0	1,736	0	1,368	5,404	1,736	0	1,368	5,404	1,736	0	1,368	5,404	8,250
Gas & Mileage	270	51	1,031	1,012	86	18	836	3,304	0	0	3,304	0	836	3,304	3,304	0	836	3,304	3,304	0	836	3,304	5,044
Utilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,533
Office Supplies	291	55	1,113	1,093	93	19	903	3,567	0	0	1,878	0	903	3,567	1,878	0	903	3,567	1,878	0	903	3,567	5,445
Bank Charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	16,102	0	0	16,102	0	0	16,102	16,102	16,102
Rent/Parking and Other Occupancy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Misc. Expenses	3,952	746	15,100	14,827	1,263	259	12,248	48,395	0	0	4,861	0	12,248	48,395	4,861	0	12,248	48,395	4,861	0	12,248	48,395	73,874
Indirect Cost	4,899	925	18,717	18,378	1,566	320	15,182	59,987	0	0	1,784	0	15,182	59,987	1,784	0	15,182	59,987	1,784	0	15,182	59,987	73,874
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	91,570
Total	\$306,741	\$590,893	\$724,602	\$399,911	\$100,062	\$82,768	\$620,438	\$2,835,415	\$135,693	\$221,219	\$3,192,327	\$2,835,415	\$135,693	\$221,219	\$3,192,327	\$2,835,415	\$135,693	\$221,219	\$3,192,327	\$2,835,415	\$135,693	\$221,219	\$3,192,327