

**HELPING HAND FOR RELIEF AND
DEVELOPMENT, INC.
FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2008**

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HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

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**Alan C.
Young & Associates, P.C.**
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

310 Woodward Ave., Suite 740
Detroit, MI 48202

(313) 873-7500
(313) 873-7502 (Fax)
www.alancyoung.com

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, 2008 and the related statements of activities and cash flows for the year 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 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 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 audit provides 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, 2008 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.

April 30, 2009

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HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

ASSETS

Current Assets:

Cash and Cash Equivalents (Note 2)	\$ 1,201,943
Investments (Note 3)	34,857
Notes Receivable (Note 5)	141,654
Other Current Assets	7,251
Total Current Assets	<u>1,385,705</u>

Fixed Assets:

Computers	7,512
Less: Accumulated Depreciation (Note 4)	(2,729)
Total Fixed Assets	<u>4,783</u>

Total Assets	<u><u>\$ 1,390,488</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 50,301
Accrued Expenses	7,666
Total Current Liabilities	<u>57,967</u>

Net Assets:

Unrestricted	344,600
Temporarily Restricted	987,921
Total Net Assets	<u>1,332,521</u>

Total Liabilities and Net Assets	<u><u>\$ 1,390,488</u></u>
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The accompanying notes to financial statements are an integral part of these statements.

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2008

<u>SUPPORT AND REVENUE</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Contributions from Public	\$ 778,615	\$ 3,710,336	\$ 4,488,951
Income on Notes Receivable	13,365	-	13,365
Miscellaneous Income	4,371	-	4,371
Net Assets Released from Restrictions:			
Satisfaction of Service Restrictions (Note 1)	2,722,415	(2,722,415)	-
Total Support and Revenue	<u>3,518,766</u>	<u>987,921</u>	<u>4,506,687</u>
<u>EXPENSES</u>			
Program Services:			
Education	1,034,666	-	1,034,666
Health and Medical	1,460,631	-	1,460,631
Orphans	614,453	-	614,453
Emergency	686,305	-	686,305
Water for Life	174,948	-	174,948
Family Support	250,482	-	250,482
Seasonal	415,958	-	415,958
Total Program Services	<u>4,637,443</u>	<u>-</u>	<u>4,637,443</u>
Supporting Services:			
Management and General	193,361	-	193,361
Fund Raising	585,874	-	585,874
Total Supporting Expenses	<u>779,235</u>	<u>-</u>	<u>779,235</u>
Total Expenses	<u>5,416,678</u>	<u>-</u>	<u>5,416,678</u>
Change In Net Assets	(1,897,912)	987,921	(909,991)
Net Assets - Beginning of Year	<u>2,242,512</u>	<u>-</u>	<u>2,242,512</u>
Net Assets - End of Year	<u>\$ 344,600</u>	<u>\$ 987,921</u>	<u>\$ 1,332,521</u>

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

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (909,991)
Adjustments to reconcile Change in Net Asset to Cash Provided by Operations:	
Depreciation	1,391
Change in:	
Other Current Assets	(4,251)
Accounts Payable	(5,411)
Net Cash Provided by (Used in) Operating Activities	<u>(918,262)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investments	(3,561)
Purchase of Fixed Assets	(5,003)
Net Cash Provided by (Used in) Investing Activities	<u>(8,564)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Notes Receivable	<u>5,161</u>
Net Cash Provided by (Used in) Financing Activities	<u>5,161</u>

Increase/(Decrease) in Cash	(921,665)
Cash and Cash Equivalents - Beginning of Year	<u>2,123,608</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,201,943</u>

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, 2008

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activity

Helping Hand for Relief and Development, Inc. (the Organization) 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. 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 – 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, 2008
(Continued)

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(Continued)

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 (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 it's 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, 2008
(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.

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.

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 of 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.

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

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.

Temporarily Restricted Net Assets

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

Education	\$ 311,050
Health and Medical	438,039
Orphans	529,970
Emergency	492,305
Water for Life	151,935
Family Support	128,582
Seasonal	414,396
Country Specific	<u>256,138</u>
Total	<u>\$ 2,722,415</u>

Temporarily restricted net assets are available for specific programs and have a balance of \$ 987,921 at December 31, 2008.

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, 2008, includes \$ 802,063 in monies that are not covered by insurance provided by the federal government.

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

3) **INVESTMENTS**

Investments consist of Amana Mutual Funds Trust Growth Fund, and are carried at fair value at December 31, 2008. Dividends and capital gains earned on the shares are reinvested in the fund.

	Fair Value
Amana Mutual Funds Trust Growth Fund	\$ 34,857

4) **FIXED ASSETS**

The fixed assets comprised of the following:

	2008
Computers	\$ 7,512
Less: Accumulated Depreciation	(2,729)
Total	\$ 4,783

5) **NOTES RECEIVABLE**

The Organization has advanced a loan to Islamic Circle of North America in the amount of \$ 150,000 at 9.25% to be repaid in 180 equal monthly installments of \$ 1,544 each. The balance receivable as of December 31, 2008 on this loan is \$ 141,654 and is due immediately upon demand.

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.

Statement of Functional Expenses

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HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2008

Expenditures	Education	Health and Medical	Orphans	Emergency	Water for Life	Family Support	Seasonal	Total Program Services	Management & General	Fund Raising	Total Expenditures
Program Expenditure	\$ 995,240	\$ 1,409,247	\$ 529,970	\$ 549,805	\$ 151,935	\$ 232,197	\$ 359,846	\$ 4,228,240	\$ -	\$ -	\$ 4,228,240
Salaries and Wages	5,080	4,077	6,931	11,417	1,631	1,224	4,485	34,845	53,187	65,006	153,038
Contractors	3,633	5,190	8,823	14,533	2,076	1,557	5,709	41,521	48,733	35,289	125,543
Payroll Taxes and Benefits	322	460	781	1,287	184	138	506	3,678	8,939	5,762	18,379
Legal and Professional	231	330	561	924	132	99	363	2,640	8,914	14,659	26,213
Conference and Seminars	2,581	3,687	6,268	10,324	1,475	1,106	4,056	29,497	-	7,374	36,871
Advertising	2,310	3,300	5,610	9,240	1,320	990	3,630	26,400	-	100,615	127,015
Brochures and Posters	2,520	3,600	6,120	10,080	1,440	1,080	3,960	28,800	-	75,634	104,434
Postage	1,050	1,500	2,550	4,200	600	450	1,650	12,000	10,471	97,296	119,767
Video/Film/TV	1,715	2,450	4,165	6,860	980	735	2,695	19,600	-	79,409	99,009
Telephone and Internet	140	200	340	560	80	60	220	1,600	3,643	8,665	13,908
Website Expenses	-	-	-	-	-	-	-	-	-	5,592	5,592
Travel/Air Tickets	1,120	1,600	2,720	4,480	640	480	1,760	12,800	-	27,460	40,260
Auto Rentals and Maintenance	433	618	1,051	1,731	247	185	680	4,945	13	1,254	6,212
Gas & Mileage	1,441	2,058	3,498	5,762	823	617	2,264	16,463	2,182	1,933	20,578
Utilities	-	-	-	-	-	-	-	-	4,653	-	4,653
Office Supplies	49	70	119	196	28	21	77	560	1,160	4,216	5,936
Bank Charges	-	-	-	-	-	-	-	-	10,809	50,207	61,016
Rent/Parking and Other Occupancy	-	-	-	-	-	-	-	-	14,656	-	14,656
Misc. Expenses	2,660	3,800	6,460	10,640	1,520	1,140	4,180	30,400	24,610	5,503	60,513
Indirect Cost	14,141	18,444	28,486	44,266	9,837	8,403	19,877	143,454	-	-	143,454
Depreciation	-	-	-	-	-	-	-	-	1,391	-	1,391
Total	\$ 1,034,666	\$ 1,460,631	\$ 614,453	\$ 686,305	\$ 174,948	\$ 250,482	\$ 415,958	\$ 4,637,443	\$ 193,361	\$ 565,874	\$ 5,416,678

