

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

FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2009

**Helping Hand for Relief and Development, Inc.**

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# Alan C. Young & Associates, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

7310 Woodward Ave, Suite 740  
Detroit, MI 48202

(313) 873-7500 (Tel.)  
(313) 873-7502 (Fax)  
[www.alancyoung.com](http://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, 2009 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, 2009 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.*

July 20, 2010

# Helping Hand for Relief and Development, Inc.

## Statement of Financial Position December 31, 2009

### ASSETS

#### Current Assets:

Cash and Cash Equivalents (Note 2)	\$ 2,445,105
Investments (Note 3)	64,727
Accounts Receivable	2,200
Notes Receivable (Note 5)	131,180
Inventory-Donated Assets	3,059
Other Current Assets	4,884
<b>Total Current Assets</b>	<u>2,651,155</u>

#### Fixed Assets:

Fixed Assets	22,939
Less: Accumulated Depreciation (Note 4)	<u>(5,272)</u>
<b>Total Fixed Assets</b>	<u>17,667</u>

**Total Assets** \$ 2,668,822

### LIABILITIES AND NET ASSETS

#### Current Liabilities:

Accounts Payable	\$ 22,712
Accrued Expenses	<u>10,631</u>
<b>Total Current Liabilities</b>	<u>33,343</u>

#### Net Assets:

Temporarily Restricted	2,387,505
Unrestricted	<u>247,974</u>
<b>Total Net Assets</b>	<u>2,635,479</u>

**Total Liabilities and Net Assets** \$ 2,668,822

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

# Helping Hand for Relief and Development, Inc.

## Statement of Activities Year Ended December 31, 2009

<b><u>SUPPORT AND REVENUE</u></b>	<b><u>Unrestricted</u></b>	<b><u>Temporarily Restricted</u></b>	<b><u>Total</u></b>
Contributions from Public	\$ 1,004,880	\$ 5,191,952	\$ 6,196,832
Income on Notes Receivable	10,311	-	10,311
Investment Income	13,322	-	13,322
Miscellaneous Income	97,480	-	97,480
<b>Net Assets Released from Restrictions:</b>			
Satisfaction of Service Restrictions (Note 1)	3,792,368	(3,792,368)	-
<b>Total Support and Revenue</b>	<b>4,918,361</b>	<b>1,399,584</b>	<b>6,317,945</b>
 <b><u>EXPENSES</u></b>			
<b>Program Services:</b>			
Education	405,669	-	405,669
Health and Medical	735,482	-	735,482
Orphans	975,040	-	975,040
Emergency	1,039,883	-	1,039,883
Water for Life	34,869	-	34,869
Family Support	235,422	-	235,422
Seasonal	922,573	-	922,573
<b>Total Program Services</b>	<b>4,348,938</b>	<b>-</b>	<b>4,348,938</b>
 <b>Supporting Services:</b>			
Management and General	222,967	-	222,967
Fund Raising	443,082	-	443,082
<b>Total Supporting Expenses</b>	<b>666,049</b>	<b>-</b>	<b>666,049</b>
 <b>Total Expenses</b>	<b>5,014,987</b>	<b>-</b>	<b>5,014,987</b>
 Change In Net Assets	(96,626)	1,399,584	1,302,958
Net Assets - Beginning of Year	344,600	987,921	1,332,521
 <b>Net Assets - End of Year</b>	<b>\$ 247,974</b>	<b>\$ 2,387,505</b>	<b>\$ 2,635,479</b>

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

# Helping Hand for Relief and Development, Inc.

## Statement of Cash Flows Year Ended December 31, 2009

### CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 1,302,958
Adjustments to reconcile Change in Net Asset to Cash Provided by Operations:	
Depreciation	2,543
Donated Assets Held for Sale	(3,059)
Receipt of Donated Securities	(29,870)
<b>Change in:</b>	
Accounts Receivable	(2,200)
Other Current Assets	2,367
Accounts Payable	(27,589)
Accrued Expenses	2,965
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>1,248,115</u>

### CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Fixed Assets	(15,427)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>(15,427)</u>

### CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Notes Receivable	10,474
<b>Net Cash Provided by (Used in) Financing Activities</b>	<u>10,474</u>

Increase/(Decrease) in Cash	1,243,162
Cash and Cash Equivalents - Beginning of Year	<u>1,201,943</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 2,445,105</u>

### Non Cash Disclosures:

Donated Assets Held for Sale	\$ 3,059
Receipt of Donated Securities	\$ 29,870

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

# Helping Hand for Relief and Development, Inc.

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## Notes to the Financial Statements Year Ended December 31, 2009

### 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.

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## Notes to the Financial Statements (Continued) Year Ended December 31, 2009

### 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 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.

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## Notes to the Financial Statements (Continued) Year Ended December 31, 2009

### 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 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.

# Helping Hand for Relief and Development, Inc.

## Notes to the Financial Statements (Continued) Year Ended December 31, 2009

### 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

Temporarily restricted net assets are available for specific programs and have the following balances as of December 31, 2009:

Orphans	\$ 481,172
Emergency	1,359,417
Water for Life	66,842
Countries Restricted	<u>480,074</u>
<b>Total</b>	<b><u><u>\$ 2,387,505</u></u></b>

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

Education	\$ 321,284
Health and Medical	487,209
Orphans	975,040
Emergency	1,039,883
Water for Life	34,869
Family Support	25,439
Seasonal	<u>908,644</u>
<b>Total</b>	<b><u><u>\$ 3,792,368</u></u></b>

#### 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.

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## Notes to the Financial Statements (Continued) Year Ended December 31, 2009

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

#### Fair Value Measurements

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. SFAS No. 157 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. SFAS No. 157 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 SFAS No. 157 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 Temple 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.

SFAS No. 157 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 is categorized.

### 2) CASH

The total cash held by the Organization at December 31, 2009, includes \$2,039,111 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 (Continued) Year Ended December 31, 2009

#### 3) INVESTMENTS

Investments consist of Amana Mutual Funds Trust Growth Fund, and are carried at fair value at December 31, 2009. Dividends and capital gains earned on the shares are reinvested in the fund. All investments held by the Organization at December 31, 2009 are classified as level 1 input under SFAS 157.

	<u>Fair Value</u>
Amana Mutual Funds Trust Growth Fund	<u>\$ 64,727</u>

#### 4) FIXED ASSETS

The fixed assets comprised of the following:

	<u>2009</u>
Computers	\$ 14,478
Furniture, Fixtures & Equipment	<u>8,461</u>
<b>Total</b>	<b>22,939</b>
Less: Accumulated Depreciation	<u>(5,272)</u>
<b>Total</b>	<b><u>\$ 17,667</u></b>

#### 5) NOTES RECEIVABLE

The Organization has advanced a loan to Islamic Circle of North America in the amount of \$150,000 at 7.25% to be repaid in 180 equal monthly installments. The balance receivable as of December 31, 2009 on this loan is \$131,180 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.

## Helping Hand for Relief and Development, Inc.

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### Notes to the Financial Statements (Continued) Year Ended December 31, 2009

#### 7) SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 20, 2010, the date that the accompanying financial statements were available to be issued.

#### 8) INCOME TAXES

On January 1, 2009, 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 the technical merits of the position. The tax benefits recognized in the financial statements from such a 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 addresses 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. Management determined the adoption of the new standard did not have a material impact on the financial statements.

# Helping Hand for Relief and Development, Inc.

## Statement of Functional Expenses Year Ended December 31, 2009

Expenditures	Education	Health and Medical	Orphans	Emergency	Water for Life	Family Support	Seasonal	Total Program Services	Management & General	Fund Raising	Total Expenditures
Program Expenditure	\$ 325,400	\$ 610,622	\$ 668,006	\$ 634,162	\$ 2,850	\$ 220,030	\$ 691,217	\$ 3,152,287	\$ -	\$ -	\$ 3,152,287
Salaries and Wages	11,913	15,811	33,781	43,516	6,647	4,965	30,244	146,877	72,070	99,992	318,939
Contractors	11,001	14,604	31,201	40,192	6,143	4,585	26,816	134,542	65,520	59,911	259,973
Payroll Taxes and Benefits	1,406	1,893	4,137	5,352	748	538	3,462	17,536	7,932	10,915	36,383
Legal and Professional	663	1,005	2,582	3,437	200	52	1,782	9,721	12,201	14,614	36,536
Conference and Seminars	8,738	13,251	34,057	45,328	2,641	692	23,504	128,211	-	40,446	168,657
Advertising	15,861	23,749	61,036	81,236	4,734	1,240	42,124	229,780	-	76,335	306,115
Brochures and Posters	1,163	1,764	4,533	6,033	352	92	3,128	17,065	-	5,383	22,448
Postage	6,459	9,795	25,174	33,505	1,952	511	17,373	94,769	19,724	25,542	140,035
Video/Film/TV	7,106	10,775	27,694	36,859	2,148	563	19,113	104,258	-	32,889	137,147
Telephone and Internet	973	1,733	5,240	7,139	2	117	3,461	18,665	3,394	5,632	27,691
Website Expenses	139	210	540	719	42	11	373	2,034	-	8,671	10,705
Travel/Air Tickets	4,681	7,099	18,245	24,283	1,415	371	12,592	68,686	-	22,235	90,921
Auto Rentals and Maintenance	-	-	-	-	-	-	-	-	6,172	88	6,260
Gas & Mileage	1,528	2,317	5,956	7,927	462	121	4,110	22,421	2,476	4,598	29,495
Utilities	371	562	1,446	1,924	112	29	997	5,441	2,498	944	8,883
Office Supplies	1,176	1,783	4,582	6,098	355	93	3,162	17,249	3,809	1,632	22,690
Bank Charges	3,720	5,841	14,497	19,294	1,124	295	10,004	54,575	1,722	15,495	71,792
Rent/Parking and Other Occupancy	1,819	2,758	7,088	9,434	550	144	4,892	26,685	3,907	4,630	35,222
Credit Card	471	715	1,838	2,446	143	37	1,268	6,918	218	1,984	9,100
Misc. Expenses	-	7,695	19,776	26,321	1,534	402	19,830	75,558	18,781	11,166	105,505
Indirect Cost	1,281	1,700	3,631	4,678	715	534	3,121	15,660	-	-	15,660
Depreciation	-	-	-	-	-	-	-	-	2,543	-	2,543
<b>Total</b>	<b>\$ 405,669</b>	<b>\$ 735,482</b>	<b>\$ 975,040</b>	<b>\$ 1,039,883</b>	<b>\$ 34,869</b>	<b>\$ 235,422</b>	<b>\$ 922,573</b>	<b>\$ 4,348,938</b>	<b>\$ 222,967</b>	<b>\$ 443,082</b>	<b>\$ 5,014,987</b>