

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

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

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, Michigan

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, 2016 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 57% as of December 31, 2016, and the total support and revenues of 70% 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.

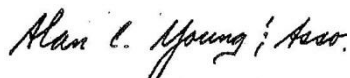
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2016, 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.



Detroit, Michigan
January 26, 2018

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Consolidated Statement of Financial Position
December 31, 2016

ASSETS

Current Assets

Cash and Cash Equivalents (Note 2)	\$	9,156,020
Investments (Note 3)		462,625
Accounts Receivable		918,821
Notes Receivable, Net of Allowance (Note 5)		1,160,386
Inventory		6,192,100
Prepaid Expenses		138,739
Other Current Assets		299,457
Total Current Assets		<u>18,328,148</u>

Fixed Assets (Note 4)

Land		457,358
Fixed Assets		3,220,164
Less: Accumulated Depreciation		(1,062,884)
Total Fixed Assets		<u>2,614,638</u>

Other Assets

Longterm Investment		209,570
Security Deposit		8,942
Total Other Assets		<u>218,512</u>

Total Assets \$ 21,161,298

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable		441,002
Accrued Liability		156,990
Total Current Liabilities		<u>597,992</u>

Total Liabilities 597,992

Net Assets

Unrestricted		1,201,670
Temporarily Restricted (Note 7)		19,361,636
Total Net Assets		<u>20,563,306</u>

Total Liabilities and Net Assets \$ 21,161,298

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, 2016

SUPPORT AND REVENUE	Unrestricted	Temporarily Restricted	Total
Contributions from Public	\$ 2,865,765	\$ 18,003,366	\$ 20,869,131
In-Kind Revenue	-	22,067,691	22,067,691
Miscellaneous Income	137,606	-	137,606
Net Assets Released from Restrictions:			
Satisfaction of Service Restrictions (Note 7)	42,853,101	(42,853,101)	-
Total Support and Revenue	45,856,472	(2,782,044)	43,074,428
EXPENSES			
Program Services:			
Education	1,927,286	-	1,927,286
Health and Medical	1,889,594	-	1,889,594
Orphans	4,889,744	-	4,889,744
Emergency	3,467,692	-	3,467,692
Water for Life	1,630,268	-	1,630,268
Community Development	790,688	-	790,688
Seasonal	2,858,829	-	2,858,829
In-Kind	25,399,000	-	25,399,000
Total Program Services	42,853,101	-	42,853,101
Supporting Services:			
Management and General	785,629	-	785,629
Fund Raising	1,101,721	-	1,101,721
In-Kind	1,042,372	-	1,042,372
Total Supporting Expenses	2,929,722	-	2,929,722
Total Expenses	45,782,823	-	45,782,823
Other Non-Operating Income/(Expenses)			
Unrealized loss	(49,632)	-	(49,632)
Unrealized Gain	56,619	-	56,619
Shop N Help Income	3,668	-	3,668
Shop N Help Expenses	(3,376)	-	(3,376)
Amortization of Income	-	66,646	66,646
Rehabilitation Infrastructure Fund	-	(56,177)	(56,177)
Micro Finance Portfolio	-	349	349
Prime Minister Interest Free Loan Fund	-	239,758	239,758
Disaster Management and Logistics Centre Fund	-	(12,911)	(12,911)
Endowment Fund	-	109,420	109,420
Loss on Sale of Asset	(12,548)	-	(12,548)
Total Non-Operating Income/(Expenses)	(5,269)	347,085	341,816
Change in Net Assets	68,380	(2,434,959)	(2,366,579)
Net Assets - Beginning of Year as Restated (Note 9)	1,014,722	22,198,660	23,213,382
Adjustment per ASC 830 (Note 1)	118,568	(402,065)	(283,497)
Net Assets - End of Year	\$ 1,201,670	\$ 19,361,636	\$ 20,563,306

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, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (2,366,579)
Adjustments to Reconcile Change in Net Assets to Cash provided by Operations	
Unrealized Loss (Gain)	(6,987)
Depreciation	232,374
Loss on Disposal of Asset	12,548
Change in:	
Advances, Deposit, Prepaids, and Receivable	(610,184)
Other Current Assets	(199,854)
Other Assets	(49,612)
Inventory	3,262,916
Accounts Payable and Accrued Liabilities	(185,456)
Net Cash Provided by Operating Activities	<u>89,166</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Investments	(224,377)
Purchase of Fixed Assets	(293,532)
Proceeds from sale of Fixed Assets	50
Net Cash Used in Investing Activities	<u>(517,859)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payment of Notes Payable	(250,000)
Net Cash Used in Financing Activities	<u>(250,000)</u>

Decrease in cash	(678,693)
Effect of currency exchange rate	(58,880)
Cash and Cash Equivalents - Beginning of Year	9,893,593
Cash and Cash Equivalents - End of Year	<u>\$ 9,156,020</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, 2016

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 situations by providing education and other facilities.

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)
December 31, 2016

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.

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

Seasonal – Help marginalized families enjoy the celebration of Eid al-Fitr 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 other organizations.

The Organization also operates stores under the business name “Shop N’ Help” at two locations in the U.S. 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 \$3,668 and \$3,376, 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, 2016

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.

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, 2016

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

Accounts Receivable and Allowance for Doubtful Accounts

On a periodic basis, the Organization evaluates 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, 2016.

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 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.

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, 2016

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, 2016

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, 2016. 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, 2016. 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, 2016, the Organization had \$60,006 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 2016, the Organization received \$22,067,691 in in-kind donations. At December 31, 2016, the Organization had \$6,132,094 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, 2016

2) CASH AND CASH EQUIVALENTS

The total cash held by the Organization at December 31, 2016, includes \$558,970 in monies that are covered by insurance provided by the U.S. federal government.

3) INVESTMENTS

Investments consist of Mutual Funds and equities, and are carried at fair value at December 31, 2016. The investments are considered Level 1.

	Fair Value Measurements			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	
Equity	\$ 24,743	\$ -	\$ -	\$ 24,743
Mutual Funds	437,882	-	-	437,882
Total	\$ 462,625	\$ -	\$ -	\$ 462,625

4) FIXED ASSETS

The fixed assets as of December 31, 2016 are comprised of the following:

	Amount
Non Depreciable Assets	
Land	\$ 457,358
Total Non Depreciable Assets	<u>457,358</u>
Depreciable Assets	
Building	1,834,351
Computers	397,502
Office Equipment	260,637
Furniture, Fixtures & Equipment	288,905
Medical Equipment	55,519
Vehicles	383,250
Total Depreciable Assets	<u>3,220,164</u>
Total Assets	3,677,522
Less: Accumulated Depreciation	(1,062,884)
Total Fixed Assets	<u>\$ 2,614,638</u>

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)
December 31, 2016

5) MICROFINANCE LOANS

Notes Receivable includes \$1,163,870 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.

The Organization applies ASC Topic 310, Receivables, for financing receivable and the corresponding allowances for losses. Allowances for estimated losses are established based on prior collection experience and observed trends in the rate of default, as well as a consideration of current economic trends and indicators. Loan balances are written off when they are deemed to be ultimately uncollectible. The allowance for the year ended December 31, 2016 was \$3,484.

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, 2016 were as follows:

<u>Program</u>	<u>Amount</u>
Education	\$ 1,927,286
Health & Medical	1,889,594
Orphans	4,889,744
Emergency	3,467,692
Water for Life	1,630,268
Community Development	790,688
Seasonal	2,858,829
In-Kind	25,399,000
	<u>\$ 42,853,101</u>

Temporarily restricted net assets available for specific programs as of December 31, 2016 were \$19,361,636

<u>Program</u>	<u>Amount</u>
Zakat	\$ 968,965
Health and Medical	12,886
Orphans	2,472,373
Emergency	5,898,295
Water for Life	391,961
Community Development	3,485,062
In-Kind	6,132,094
	<u>\$ 19,361,636</u>

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)
December 31, 2016

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.

9) PRIOR PERIOD ADJUSTMENT

During the current year, the Organization identified certain errors in the previously reported temporarily restricted net asset balance which resulted in temporarily restricted net assets being overstated by \$11,938,294. Although, the total net assets balance did not change, the balances in Unrestricted and Temporarily restricted net assets for prior years changed. The errors identified related to fiscal year 2015 and prior. To correct this error, a prior period adjustment is made to properly state the beginning net assets for the fiscal year 2016.

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
As Previously Reported at 12/31/2015	\$ (10,923,572)	\$ 34,136,954	\$ 23,213,382
Reclassification Adjustment	11,938,294	(11,938,294)	-
Amounts as restated, 12/31/2015	<u>\$ 1,014,722</u>	<u>\$ 22,198,660</u>	<u>\$ 23,213,382</u>

10) SUBSEQUENT EVENTS

The Organization evaluated all subsequent events through January 26, 2018, 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, 2016

Expenditures	Education	Health and Medical	Orphans	Emergency	Water for Life
Program Expenditure-USA	\$ 313,881	\$ -	\$ 599,852	\$ 190,344	\$ -
In-Kind Program Expenses-Subsidiaries	-	-	-	-	-
In-Kind Expenses	-	-	-	997,372	-
Salaries and Wages	123,481	259,933	607,253	676,032	289,203
Contractors	32,099	60,074	209,498	282,644	79,864
Payroll Taxes and Processing	5,790	13,861	60,338	43,065	12,659
Employee Benefits	33,276	45,407	226,350	141,076	55,469
Legal and Professional	10,737	8,366	29,174	25,992	7,640
Advertising and Marketing	72,936	56,830	222,185	176,565	51,901
Fundraising	20,965	55,294	192,829	245,794	50,498
Telephone and Internet Regional Staff	4,946	3,854	13,439	11,973	3,519
Travel	14,768	34,882	121,646	195,376	31,857
Postage	1,285	2,638	9,199	10,296	2,409
Insurance	4,580	3,568	12,444	11,087	3,259
Office Expenses	26,472	32,314	142,690	100,397	29,511
Bank, Credit Card and Service Charges	6,161	15,677	76,629	48,707	14,317
Miscellaneous	1,877	1,462	5,099	4,543	1,335
Indirect Cost	1,146	893	3,113	2,774	815
Depreciation	-	-	-	-	-
Depreciation Subsidiaries	13,313	37,184	17,704	94,815	1,273
Pakistan Operations	925,662	1,177,101	1,485,824	23,609	878,442
Africa Operations	89,329	20,256	257,203	1,856	66,651
Jordan Operations	208,196	60,000	519,107	183,375	-
Afghanistan Operations	16,386	-	78,168	-	49,646
Total	\$ 1,927,286	\$ 1,889,594	\$ 4,889,744	\$ 3,467,692	\$ 1,630,268

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Consolidated Statement of Functional Expenses (Continued) Year Ended December 31, 2016

Expenditures	Community Development	Seasonal	In-Kind Program	Total Program Services	In-Kind Support	Management & General	Fund Raising	Total Expenditures
Program Expenditure- USA	\$ 98,775	\$ 723,269	\$ 76,885	\$ 2,003,006	\$ -	\$ -	\$ -	\$ 2,003,006
In-Kind Program Expenses-Subsidiaries	-	-	25,322,115	25,322,115	-	-	-	25,322,115
In-Kind Expenses	-	-	-	997,372	1,037,165	-	-	2,034,537
Salaries and Wages	104,299	137,663	-	2,197,864	-	190,407	346,124	2,734,395
Contractors	27,577	66,491	-	758,247	-	48,238	75,896	882,381
Payroll Taxes and Processing	12,362	26,879	-	174,954	-	23,453	36,119	234,526
Employee Benefits	23,496	48,051	-	573,125	-	35,817	99,229	708,171
Legal and Professional	7,461	16,222	-	105,592	-	14,155	21,800	141,547
Advertising and Marketing	26,684	110,201	-	717,302	-	-	130,583	847,885
Fundraising	25,314	107,223	-	697,917	-	-	150,124	848,041
Telephone and Internet Regional Staff	3,437	7,473	-	48,641	-	6,520	10,042	65,203
Travel	14,110	27,641	-	440,280	-	59,020	90,896	590,196
Postage	2,353	5,115	-	33,295	-	4,463	6,874	44,632
Insurance	3,182	6,920	-	45,040	-	6,038	9,298	60,376
Office Expenses	13,819	62,661	-	407,864	-	31,993	80,075	519,932
Bank, Credit Card and Service Charges	5,981	30,399	-	197,871	-	26,525	40,851	265,247
Miscellaneous	1,304	2,836	-	18,456	-	9,492	3,810	31,758
Indirect Cost	796	1,731	-	11,268	-	-	-	11,268
Depreciation	-	-	-	-	-	29,671	-	29,671
Depreciation Subsidiaries	7,395	1,540	-	173,224	5,207	24,272	-	202,703
Pakistan Operations	311,698	392,732	-	5,195,068	-	149,388	-	5,344,456
Africa Operations	1,755	195,884	-	632,934	-	79,080	-	712,014
Jordan Operations	98,890	844,688	-	1,914,256	-	36,135	-	1,950,391
Afghanistan Operations	-	43,210	-	187,410	-	10,962	-	198,372
Total	\$ 790,688	\$ 2,858,829	\$ 25,399,000	\$ 42,853,101	\$ 1,042,372	\$ 785,629	\$ 1,101,721	\$ 45,782,823