

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

# 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, 2018 and the related consolidated statements of activities, cash flows and functional expenses 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, Jordan, and Helping Hand for Relief & Development, Afghanistan, affiliates, which statements reflect total assets of 31% as of December 31, 2018, and the total support and revenues of 40% for the year then ended as related to consolidated totals. Those statements were audited by other auditors in accordance with International Auditing Standards, 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 and additional audit procedures to meet the relevant requirements of auditing standards generally accepted in the United States of America, performed by, 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.

**Emphasis of Matter**

As described in Note 13, we were unable to obtain US GAAP based audited financial statement for Helping Hand for Relief and Development, Africa and Nepal affiliate, which statements reflect total assets of 12% as of December 31, 2018 and the total support and revenue of 11% for the year then ended as related to consolidated totals. We were unable to obtain sufficient and appropriate audit evidence about these affiliates by other auditing procedures.

**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, 2018, 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 Matters**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating statement of financial position and consolidating statement of activities as identified in the table of contents are presented for purposes of additional analysis and are 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 consolidated 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 consolidating statement of financial position and consolidating statement of activities, which in so far as it relates to all Subsidiaries is mentioned above, is based on the reports of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Alan C. Young & Assoc.*

Detroit, Michigan  
November 19, 2019

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Consolidated Statement of Financial Position  
December 31, 2018

## ASSETS

### Current Assets

|                                              |    |                   |
|----------------------------------------------|----|-------------------|
| Cash and Cash Equivalents (Note 2)           | \$ | 16,008,492        |
| Investments (Note 3)                         |    | 658,670           |
| Accounts Receivable                          |    | 722,428           |
| Microfinance Loan, Net of Allowance (Note 5) |    | 378,395           |
| Inventory (Note 1)                           |    | 8,227,152         |
| Advances and Prepaid Expenses                |    | 112,546           |
| Other Current Assets                         |    | 280,222           |
| <b>Total Current Assets</b>                  |    | <u>26,387,905</u> |

### Fixed Assets (Note 4)

|                                |  |                  |
|--------------------------------|--|------------------|
| Land                           |  | 691,020          |
| Other Fixed Assets             |  | 2,987,501        |
| Less: Accumulated Depreciation |  | (1,204,158)      |
| <b>Total Fixed Assets</b>      |  | <u>2,474,363</u> |

### Other Assets

|                           |  |                |
|---------------------------|--|----------------|
| Long-term Investment      |  | 217,130        |
| Security Deposit          |  | 1,254          |
| <b>Total Other Assets</b> |  | <u>218,384</u> |

**Total Assets** \$ 29,080,652

## LIABILITIES AND NET ASSETS

### Current Liabilities

|                                  |  |                  |
|----------------------------------|--|------------------|
| Accounts Payable                 |  | 983,744          |
| Accrued Liabilities              |  | 319,098          |
| <b>Total Current Liabilities</b> |  | <u>1,302,842</u> |

**Total Liabilities** 1,302,842

### Net Assets

|                                             |  |                   |
|---------------------------------------------|--|-------------------|
| Net Assets Without Donor Restrictions       |  | 457,861           |
| Net Assets With Donor Restrictions (Note 7) |  | 27,319,949        |
| <b>Total Net Assets</b>                     |  | <u>27,777,810</u> |

**Total Liabilities and Net Assets** \$ 29,080,652

*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, 2018

|                                                     | Net Assets<br>Without Donor<br>Restrictions | Net Assets<br>With Donor<br>Restrictions | Total                |
|-----------------------------------------------------|---------------------------------------------|------------------------------------------|----------------------|
| <b>SUPPORT AND REVENUE</b>                          |                                             |                                          |                      |
| Contributions from Public                           | \$ 1,525,525                                | \$ 26,501,312                            | \$ 28,026,837        |
| In-Kind Revenue                                     | -                                           | 23,601,921                               | 23,601,921           |
| Miscellaneous Income                                | 216,969                                     | -                                        | 216,969              |
| <b>Net Assets Released from Restrictions:</b>       |                                             |                                          |                      |
| Satisfaction of Service Restrictions (Note 7)       | 51,364,399                                  | (51,364,399)                             | -                    |
| <b>Total Support and Revenue</b>                    | <b>53,106,893</b>                           | <b>(1,261,166)</b>                       | <b>51,845,727</b>    |
| <b>EXPENSES</b>                                     |                                             |                                          |                      |
| <b>Program Services:</b>                            |                                             |                                          |                      |
| Education                                           | 2,451,450                                   | -                                        | 2,451,450            |
| Health and Medical                                  | 1,911,723                                   | -                                        | 1,911,723            |
| Orphans                                             | 6,125,514                                   | -                                        | 6,125,514            |
| Emergency                                           | 8,800,903                                   | -                                        | 8,800,903            |
| Water for Life                                      | 1,458,813                                   | -                                        | 1,458,813            |
| Community Development                               | 1,629,002                                   | -                                        | 1,629,002            |
| Seasonal                                            | 3,911,058                                   | -                                        | 3,911,058            |
| In-Kind                                             | 25,075,936                                  | -                                        | 25,075,936           |
| <b>Total Program Services</b>                       | <b>51,364,399</b>                           | <b>-</b>                                 | <b>51,364,399</b>    |
| <b>Supporting Services:</b>                         |                                             |                                          |                      |
| Management and General                              | 1,529,729                                   | -                                        | 1,529,729            |
| Fund Raising                                        | 701,540                                     | -                                        | 701,540              |
| <b>Total Supporting Expenses</b>                    | <b>2,231,269</b>                            | <b>-</b>                                 | <b>2,231,269</b>     |
| <b>Total Expenses</b>                               | <b>53,595,668</b>                           | <b>-</b>                                 | <b>53,595,668</b>    |
| Operating Income/Loss                               | (488,775)                                   | (1,261,166)                              | (1,749,941)          |
| <b>Other Non-Operating Income/(Expenses)</b>        |                                             |                                          |                      |
| Unrealized Loss                                     | (132,988)                                   | -                                        | (132,988)            |
| Unrealized Gain                                     | 104,608                                     | -                                        | 104,608              |
| Shop N Help Income                                  | 1,874                                       | -                                        | 1,874                |
| Shop N Help Expenses                                | (1,575)                                     | -                                        | (1,575)              |
| Amortization of Income                              | 103,150                                     | -                                        | 103,150              |
| Rehabilitation Infrastructure Fund                  | (81,043)                                    | -                                        | (81,043)             |
| Micro Finance Portfolio                             | (1,786)                                     | -                                        | (1,786)              |
| Prime Minister Interest Free Loan Fund              | 12,716                                      | -                                        | 12,716               |
| Disaster Management and Logistics Center Fund       | (20,322)                                    | -                                        | (20,322)             |
| Endowment Fund                                      | 153,520                                     | -                                        | 153,520              |
| Amount Transferred to Reserve Fund                  | (11,508)                                    | -                                        | (11,508)             |
| Gain on Sale of Asset                               | 5,080                                       | -                                        | 5,080                |
| <b>Total Non-Operating Income/(Expenses)</b>        | <b>131,726</b>                              | <b>-</b>                                 | <b>131,726</b>       |
| Change in Net Assets                                | (357,049)                                   | (1,261,166)                              | (1,618,215)          |
| Net Assets - Beginning of Year as Restated (Note 9) | 814,910                                     | 30,730,311                               | 31,545,221           |
| Adjustment per ASC 830 (Note 1)                     | -                                           | (2,149,196)                              | (2,149,196)          |
| <b>Net Assets - End of Year</b>                     | <b>\$ 457,861</b>                           | <b>\$ 27,319,949</b>                     | <b>\$ 27,777,810</b> |

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, 2018

## CASH FLOWS FROM OPERATING ACTIVITIES

|                                                                                  |                    |
|----------------------------------------------------------------------------------|--------------------|
| Change in Net Assets                                                             | \$ (1,618,215)     |
| Adjustments to Reconcile Change in Net Assets<br>to Cash Provided by Operations: |                    |
| Unrealized Loss (Gain) on Investments                                            | 28,380             |
| Depreciation                                                                     | 236,020            |
| (Gain) Loss on Disposal of Asset                                                 | (2,851)            |
| Provision for Doubtful Receivables                                               | 1,786              |
| Fair Value Loss                                                                  | 15,457             |
| <b>Change in:</b>                                                                |                    |
| Accounts Receivable                                                              | (754,960)          |
| Other Current Assets                                                             | (650,615)          |
| Microfinance Loan                                                                | 290,309            |
| Inventory                                                                        | 1,137,689          |
| Deposits and Prepaids                                                            | (4,691)            |
| Deferred Income                                                                  | (1,336,463)        |
| Accounts Payable                                                                 | 64,947             |
| Accrued Expenses                                                                 | 177,435            |
| Other Assets                                                                     | (11,437)           |
| <b>Net Cash Provided by Operating Activities</b>                                 | <u>(2,427,209)</u> |

## CASH FLOWS FROM INVESTING ACTIVITIES

|                                              |                  |
|----------------------------------------------|------------------|
| Reinvestment of Investments                  | (42,218)         |
| Purchase of Fixed Assets                     | (205,422)        |
| Disposal of Fixed Assets                     | 27,419           |
| <b>Net Cash Used in Investing Activities</b> | <u>(220,221)</u> |

|                                                |                          |
|------------------------------------------------|--------------------------|
| Increase in Cash                               | (2,647,430)              |
| Effect of Currency Exchange Rate               | 3,856,142                |
| Cash and Cash Equivalents - Beginning of Year  | <u>14,799,780</u>        |
| <b>Cash and Cash Equivalents - End of Year</b> | <u><u>16,008,492</u></u> |

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

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

## Consolidated Statement of Functional Expenses Year Ended December 31, 2018

| Expenditures                          | Education           | Health and<br>Medical | Orphans             | Emergency           | Water for<br>Life   | Community<br>Development |
|---------------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|--------------------------|
| Program Expenditure-USA               | \$ 628,022          | \$ -                  | \$ 1,154,991        | \$ 4,445,446        | \$ 111,000          | \$ 597,748               |
| Salaries and Wages                    | 319,013             | 319,013               | 1,002,613           | 1,640,639           | 273,440             | 136,720                  |
| Contractors                           | 6,290               | 6,290                 | 19,769              | 32,349              | 5,392               | 2,696                    |
| Payroll Taxes and Processing          | 33,394              | 33,394                | 104,953             | 171,742             | 28,624              | 14,312                   |
| Employee Benefits                     | 1,734               | 1,734                 | 5,449               | 8,916               | 1,486               | 743                      |
| Legal and Professional                | 14,619              | 14,619                | 45,946              | 75,185              | 12,531              | 6,265                    |
| Advertising and Marketing             | 38,755              | 38,755                | 121,801             | 199,311             | 33,219              | 16,609                   |
| Events and Seminars                   | 135,431             | 135,431               | 425,640             | 696,502             | 116,084             | 58,042                   |
| Telephone and Internet Regional Staff | 9,046               | 9,046                 | 28,430              | 46,522              | 7,754               | 3,877                    |
| Travel                                | 62,812              | 62,812                | 197,411             | 323,036             | 53,839              | 26,920                   |
| Postage                               | 14,154              | 14,154                | 44,483              | 72,790              | 12,132              | 6,066                    |
| Insurance                             | 81,288              | 81,288                | 255,476             | 418,052             | 69,675              | 34,838                   |
| Office Expenses                       | 66,261              | 66,261                | 208,248             | 340,769             | 56,795              | 28,397                   |
| Bank, Credit Card and Service Charges | 26,189              | 26,189                | 82,310              | 134,689             | 22,448              | 11,224                   |
| Miscellaneous                         | 7,139               | 7,139                 | 22,437              | 36,715              | 6,119               | 3,060                    |
| Depreciation                          | 2,340               | 2,340                 | 7,355               | 12,036              | 2,006               | 1,003                    |
| Pakistan Operations                   | 325,990             | 1,003,778             | 846,003             | 27,199              | 174,273             | 154,928                  |
| Africa Operations                     | 174,884             | 86,203                | 507,656             | 31,130              | 309,093             | -                        |
| Jordan Operations                     | 494,419             | -                     | 871,652             | 87,875              | 132,783             | 515,320                  |
| Afghanistan Operations                | -                   | -                     | 146,091             | -                   | 30,120              | 10,234                   |
| Nepal Operations                      | 9,670               | 3,277                 | 26,800              | -                   | -                   | -                        |
| <b>Total</b>                          | <b>\$ 2,451,450</b> | <b>\$ 1,911,723</b>   | <b>\$ 6,125,514</b> | <b>\$ 8,800,903</b> | <b>\$ 1,458,813</b> | <b>\$ 1,629,002</b>      |

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



# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

## Consolidated Statement of Functional Expenses (Continued) Year Ended December 31, 2018

| Expenditures                          | Seasonal            | In-Kind<br>Program   | Total Program<br>Services | Management<br>& General | Fund<br>Raising   | Total<br>Expenditures |
|---------------------------------------|---------------------|----------------------|---------------------------|-------------------------|-------------------|-----------------------|
| Program Expenditure-USA               | \$ 1,299,473        | \$ 3,381,142         | \$ 11,617,822             | \$ -                    | \$ -              | \$ 11,617,822         |
| Salaries and Wages                    | 364,586             | -                    | 4,056,024                 | 227,867                 | 273,439           | 4,557,330             |
| Contractors                           | 7,189               | -                    | 79,975                    | 4,493                   | 5,391             | 89,859                |
| Payroll Taxes and Processing          | 38,165              | -                    | 424,584                   | 23,853                  | 28,623            | 477,060               |
| Employee Benefits                     | 1,981               | -                    | 22,043                    | 1,238                   | 1,487             | 24,768                |
| Legal and Professional                | 16,708              | -                    | 185,873                   | 10,442                  | 12,531            | 208,846               |
| Advertising and Marketing             | 44,291              | -                    | 492,741                   | 27,682                  | 33,219            | 553,642               |
| Events and Seminars                   | 154,778             | -                    | 1,721,908                 | 96,736                  | 116,084           | 1,934,728             |
| Telephone and Internet Regional Staff | 10,338              | -                    | 115,013                   | 6,461                   | 7,753             | 129,227               |
| Travel                                | 71,786              | -                    | 798,616                   | 44,866                  | 53,839            | 897,321               |
| Postage                               | 16,176              | -                    | 179,955                   | 10,110                  | 12,130            | 202,195               |
| Insurance                             | 92,900              | -                    | 1,033,517                 | 58,063                  | 69,676            | 1,161,256             |
| Office Expenses                       | 75,726              | -                    | 842,457                   | 47,329                  | 56,794            | 946,580               |
| Bank, Credit Card and Service Charges | 29,931              | -                    | 332,980                   | 18,707                  | 22,448            | 374,135               |
| Miscellaneous                         | 8,159               | -                    | 90,768                    | 5,099                   | 6,120             | 101,987               |
| Depreciation                          | 2,675               | -                    | 29,755                    | 1,672                   | 2,006             | 33,433                |
| Pakistan Operations                   | 393,535             | 6,388,109            | 9,313,815                 | 506,747                 | -                 | 9,820,562             |
| Africa Operations                     | 381,018             | 3,963,755            | 5,453,739                 | 73,656                  | -                 | 5,527,395             |
| Jordan Operations                     | 846,166             | 10,838,707           | 13,786,922                | 316,544                 | -                 | 14,103,466            |
| Afghanistan Operations                | 38,283              | 486,240              | 710,968                   | 11,596                  | -                 | 722,564               |
| Nepal Operations                      | 17,194              | 17,983               | 74,924                    | 36,568                  | -                 | 111,492               |
| <b>Total</b>                          | <b>\$ 3,911,058</b> | <b>\$ 25,075,936</b> | <b>\$ 51,364,399</b>      | <b>\$ 1,529,729</b>     | <b>\$ 701,540</b> | <b>\$ 53,595,668</b>  |

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, 2018

## 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 – Africa, Helping Hand for Relief & Development – Jordan, Helping Hand for Relief & Development – Afghanistan and Helping Hand for Relief & Development – Nepal; hereby referred to as “the Organization”. Helping Hand for Relief & Development – USA has control and economic relationships with the 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 East Africa (Kenya, Uganda, Tanzania, Somalia, South Africa) and Jordan organizations were established in the years 2011 and 2013, respectively. In 2014, the Afghanistan Organization was 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. Helping Hand for Relief and Development Nepal (HHRDN) is the local representation of Helping Hand for Relief and Development (HHRD) US. It is registered with Social Welfare Council of Nepal.

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, 2018

## 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.

**In-kind** – Donations in the form of supplies, equipment and services, other than monetary deductions. The In-kind gifts program is intended to provide relief to disaster affected people and to recycle useful gifted items for needy people.

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 \$1,874 and \$1,575 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 the following net asset classification:

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)  
December 31, 2018

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

### Financial Statement Presentation (Continued)

**Net Assets Without Donor Restriction:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's board of directors.

**Net Assets With Donor Restriction:** Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restriction contributions are reported as increase in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

### 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

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increase in net assets with donor restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)  
December 31, 2018

## 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 receivable 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, 2018.

### Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services using management's estimates of the activities benefitted. Management expenses include those expenses that are not directly identifiable with any other specific function but provide for 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.

### 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.

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)  
December 31, 2018

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

### Fair Value Measurements (Continued)

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.

Following is the description of the valuation methodologies used for assets measured at fair value:

Mutual Funds: These funds primarily invest in dividend paying common stocks, including foreign stocks. These are listed in the stock exchange and are valued at their quoted market prices held at year end.

### 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, 2018

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

### Concentrations of Risk and Significant Sources of Revenue

Contributions from individuals, corporations, businesses and in-kind contributions currently account for the significant sources of public support and revenue.

### Fund-Raising

The total cost for fund raising activities for the Organization was \$701,540 for the year ended December 31, 2018.

### 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 is undergoing an audit under IRS for 2016. The Organization does not expect the results from IRS audit to have a material impact on the Organization's consolidated financial position, statement of activities or cash flows.

### Inventory

The Organization has three types of inventory on hand at December 31, 2018. This includes (1) priced inventory items for sale at "Shop N' Help" stores; (2) inventory of donated items in kind; and (3) inventory of items used in emergency relief program.

The Organization utilizes three inventory valuation methods during the year ended December 31, 2018. 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, 2018, the Organization had \$8,129,349 in in-kind inventory, \$57,676 in "Shop N' Help" inventory and \$40,127 in inventory of items used in emergency relief program.

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)  
December 31, 2018

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

### 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 2018, the Organization received \$23,601,921 in in-kind donations.

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.

### New Accounting Pronouncement

During the year ended December 31, 2018, the Organization adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016- 14— Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). This Update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added.

## 2) CASH AND CASH EQUIVALENTS

The total cash held by the Organization at December 31, 2018, includes \$1,063,889 in monies that are covered by insurance provided by the U.S. Federal government. These balances are with Helping Hand, USA only. The cash balances in other subsidiaries is not covered by the FDIC.

## 3) INVESTMENTS

Investments consist of mutual funds and equities and are carried at fair value at December 31, 2018. The investments are considered Level 1.



# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)  
December 31, 2018

## 3) INVESTMENTS (CONTINUED)

|                           | Fair Value Measurements                                                       |                                                           |                                                             | Total             |
|---------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------|-------------------|
|                           | Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Other<br>Unobservable<br>Inputs<br>(Level 3) |                   |
| Cash and Cash Equivalents | \$ 2,000                                                                      | \$ -                                                      | \$ -                                                        | \$ 2,000          |
| Mutual Funds              | 656,670                                                                       | -                                                         | -                                                           | 656,670           |
| Total                     | <u>\$ 658,670</u>                                                             | <u>\$ -</u>                                               | <u>\$ -</u>                                                 | <u>\$ 658,670</u> |

## 4) FIXED ASSETS

The fixed assets as of December 31, 2018 are comprised of the following:

|                                     | Amount              |
|-------------------------------------|---------------------|
| <b>Non Depreciable Assets</b>       |                     |
| Land                                | \$ 691,020          |
| <b>Total Non Depreciable Assets</b> | <u>691,020</u>      |
| <b>Depreciable Assets</b>           |                     |
| Building                            | 1,635,559           |
| Computers                           | 424,581             |
| Office Equipment                    | 303,782             |
| Furniture, Fixtures & Equipment     | 227,314             |
| Medical Equipment                   | 34,454              |
| Vehicles                            | 361,811             |
| <b>Total Depreciable Assets</b>     | <u>2,987,501</u>    |
| <b>Total Assets</b>                 | 3,678,521           |
| Less: Accumulated Depreciation      | (1,204,158)         |
| <b>Total Fixed Assets</b>           | <u>\$ 2,474,363</u> |

The total depreciation for the year ended December 31, 2018 for the group was \$235,551.

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)  
December 31, 2018

## 5) MICROFINANCE LOANS

Notes Receivable includes \$521,457 of interest-free loans issued in HHRD-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 these receivables 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, 2018 was \$143,062.

## 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) NET ASSETS WITH DONOR RESTRICTIONS

Net assets released from restrictions by incurring expenses satisfying the purpose specified by the donors for the year ended December 31, 2018 were as follows:

| <u>Program</u>        | <u>Amount</u>        |
|-----------------------|----------------------|
| Education             | \$ 2,451,450         |
| Health & Medical      | 1,911,723            |
| Orphans               | 6,125,514            |
| Emergency             | 8,800,903            |
| Water for Life        | 1,458,813            |
| Community Development | 1,629,002            |
| Seasonal              | 3,911,058            |
| In-Kind               | 25,075,936           |
|                       | <u>\$ 51,364,399</u> |

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)  
December 31, 2018

## 7) NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets with donor restrictions available for specific programs as of December 31, 2018 were as follows.

| <u>Program</u>        | <u>Amount</u>        |
|-----------------------|----------------------|
| Zakat                 | \$ 5,108,167         |
| Orphans               | 3,065,473            |
| Emergency             | 7,516,663            |
| Water for Life        | 1,557,106            |
| Community Development | 1,943,191            |
| In-Kind               | 8,129,349            |
|                       | <u>\$ 27,319,949</u> |

## 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 net assets without donor restrictions balance of its Afghanistan subsidiary which resulted in net assets without donor restrictions being understated by \$681. To correct this error, a prior period adjustment is made to properly state the beginning net assets for the fiscal year 2018.

|                                      | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>         |
|--------------------------------------|-------------------------------------------|------------------------------------|----------------------|
| As Previously Reported at 12/31/2018 | \$ 814,910                                | \$ 30,729,630                      | \$ 31,544,540        |
| Prior Period Adjustment              | -                                         | 681                                | 681                  |
| Amounts as Restated, 12/31/2018      | <u>\$ 814,910</u>                         | <u>\$ 30,730,311</u>               | <u>\$ 31,545,221</u> |

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)  
December 31, 2018

## 10) OPERATING LEASES

The Organization leases facilities under non-cancelable operating lease agreements that expire at various dates through 2021 for its US operations. Monthly lease payments range from approximately \$900 to \$3,000. In addition, the Organization must pay other costs including utilities, insurance, and common area maintenance on certain leases.

Future minimum lease payments under non-cancelable operating leases that have initial or remaining lease terms in excess of one year are scheduled as follows for the five years subsequent to December 31, 2018, and thereafter:

| <u>Years Ending<br/>December 31,</u> | <u>Total<br/>Payments</u> |
|--------------------------------------|---------------------------|
| 2019                                 | \$ 262,154                |
| 2020                                 | 126,432                   |
| 2021                                 | 1,100                     |
| <b>Total</b>                         | <u><u>\$ 389,686</u></u>  |

## 11) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's working capital and cash flows have variations during the year attributable to the timing of contribution receipts. Monthly cash outflows vary each year based on the specific requirements of the events programmed that year.

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of donor-imposed restrictions.

|                                                                                                          |                            |
|----------------------------------------------------------------------------------------------------------|----------------------------|
|                                                                                                          | <u>2018</u>                |
| Current Assets, at Year End                                                                              | \$ 26,387,905              |
| Less:                                                                                                    |                            |
| Restricted Cash                                                                                          | <u>(27,319,949)</u>        |
| Financial Assets Available within one year to meet<br>cash needs for general expenditure within one year | <u><u>\$ (932,044)</u></u> |

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

**Notes to the Consolidated Financial Statements (Continued)**  
**December 31, 2018**

## **12) NEW ACCOUNTING PRONOUNCEMENTS**

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606), in May 2014. The objectives of this ASU are to improve upon revenue recognition requirements by providing a single comprehensive model to determine the measurement of revenue and timing of recognition. The core principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This ASU also requires expanded qualitative and quantitative disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

On June 21, 2018, the Financial Accounting Standards Board (FASB) released Accounting Standards Update (ASU) 2018-08, Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made. The update provides clarifying guidance on accounting for the grants and contracts of nonprofit organizations as they relate to the new revenue standard (ASU 2014-09 Revenue from Contracts with Customers), and aims to minimize diversity in the classification of grants and contracts that exists under current guidance. The standard and the update is effective to annual periods beginning after December 15, 2018 for the Organization.

The FASB issued ASU 2016-02, Leases (Topic 842), in February 2016. ASU 2016-02 requires the recognition by lessees of assets and liabilities that arise from all lease transactions, except for leases with a lease term of 12 months or less. The lessee accounting model under ASU 2016-02 retains two types of leases: finance leases, which are to be accounted for in substantially the same manner as the existing accounting for capital leases, and operating leases, which are to be accounted for (both in the statements of activities and the statements of cash flows) in a manner consistent with existing accounting for operating leases. ASU 2016-02 also requires expanded qualitative and quantitative disclosures regarding the amount, timing, and uncertainty of cash flows arising from leases. The standard is effective for fiscal year beginning after December 15, 2020 for the Organization.

## **13) AUDITED FINANCIAL STATEMENTS OF AFFILIATE**

The US GAAP based financial statements of Helping Hand for Relief and Development, Africa, and Nepal two affiliates of the Organization were not available for our review for the year ended December 31, 2018. These financial statements were prepared using IFRS instead of GAAP and were audited under IAS and Nepal auditing standards respectively. These affiliates cover 12% of the total assets and 11% of total support and revenue in the accompanying consolidated financial statements. Due to lack of audited information, an Emphasis of Matter paragraph has been added in the Independent Auditor's Report.

## **14) SUBSEQUENT EVENTS**

The Organization evaluated all subsequent events through November 19, 2019, the date the financial statements were available to be issued. No subsequent event was noted that required adjustments or disclosures in the financial statements.

## **OTHER SUPPLEMENTARY SCHEDULES**

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

## Consolidating Statement of Financial Position December 31, 2018

|                                              | United States        | Pakistan            | Africa              | Afghanistan      | Jordan              | Nepal            | Eliminations           | Consolidated         |
|----------------------------------------------|----------------------|---------------------|---------------------|------------------|---------------------|------------------|------------------------|----------------------|
| <b>ASSETS</b>                                |                      |                     |                     |                  |                     |                  |                        |                      |
| <b>Current Assets</b>                        |                      |                     |                     |                  |                     |                  |                        |                      |
| Cash and Cash Equivalents (Note 2)           | \$ 10,687,919        | \$ 3,331,694        | \$ 1,362,823        | \$ 12,332        | \$ 569,645          | \$ 44,079        | \$ -                   | \$ 16,008,492        |
| Investments (Note 3)                         | 658,670              | -                   | -                   | -                | -                   | -                | -                      | 658,670              |
| Accounts Receivable                          | 614,328              | 1,064,288           | 106,449             | -                | -                   | 1,651            | (1,064,288)            | 722,428              |
| Microfinance Loan, Net of Allowance (Note 5) | -                    | 378,395             | -                   | -                | -                   | -                | -                      | 378,395              |
| Inventory (Note 1)                           | 5,268,736            | 40,127              | 1,807,615           | -                | 1,110,674           | -                | -                      | 8,227,152            |
| Advances and Prepaid Expenses                | 59,313               | 17,938              | -                   | 1,353            | 33,942              | -                | -                      | 112,546              |
| Other Current Assets                         | 479,342              | 243,059             | -                   | -                | -                   | -                | (442,179)              | 280,222              |
| Receivable from Subsidiaries                 | 18,777,655           | -                   | -                   | -                | -                   | -                | (18,777,655)           | -                    |
| <b>Total Current Assets</b>                  | <b>36,545,963</b>    | <b>5,075,501</b>    | <b>3,276,887</b>    | <b>13,685</b>    | <b>1,714,261</b>    | <b>45,730</b>    | <b>(20,284,122)</b>    | <b>26,387,905</b>    |
| <b>Fixed Assets (Note 4)</b>                 |                      |                     |                     |                  |                     |                  |                        |                      |
| Land                                         | 48,129               | 642,891             | -                   | -                | -                   | -                | -                      | 691,020              |
| Other Fixed Assets                           | 517,717              | 2,157,142           | 95,956              | -                | 212,113             | 4,573            | -                      | 2,987,501            |
| Less: Accumulated Depreciation               | (154,829)            | (910,809)           | (64,357)            | -                | (73,020)            | (1,143)          | -                      | (1,204,158)          |
| <b>Total Fixed Assets</b>                    | <b>411,017</b>       | <b>1,889,224</b>    | <b>31,599</b>       | <b>-</b>         | <b>139,093</b>      | <b>3,430</b>     | <b>-</b>               | <b>2,474,363</b>     |
| <b>Other Assets</b>                          |                      |                     |                     |                  |                     |                  |                        |                      |
| Long-term Investment                         | 29,283               | 187,847             | -                   | -                | -                   | -                | -                      | 217,130              |
| Security Deposit                             | -                    | 1,254               | -                   | -                | -                   | -                | -                      | 1,254                |
| <b>Total Other Assets</b>                    | <b>29,283</b>        | <b>189,101</b>      | <b>-</b>            | <b>-</b>         | <b>-</b>            | <b>-</b>         | <b>-</b>               | <b>218,384</b>       |
| <b>Total Assets</b>                          | <b>\$ 36,986,263</b> | <b>\$ 7,153,826</b> | <b>\$ 3,308,486</b> | <b>\$ 13,685</b> | <b>\$ 1,853,354</b> | <b>\$ 49,160</b> | <b>\$ (20,284,122)</b> | <b>\$ 29,080,652</b> |
| <b>LIABILITIES AND NET ASSETS</b>            |                      |                     |                     |                  |                     |                  |                        |                      |
| <b>Current Liabilities</b>                   |                      |                     |                     |                  |                     |                  |                        |                      |
| Accounts Payable                             | 2,111,071            | -                   | 135,825             | -                | 3,204               | -                | (1,266,356)            | 983,744              |
| Accounts Payable - Subsidiary                | -                    | -                   | 104,444             | -                | -                   | -                | (104,444)              | -                    |
| Deferred Revenue                             | -                    | 6,744               | 1,980,302           | -                | 342,720             | -                | (2,329,766)            | -                    |
| Accrued Liability                            | 89,330               | 209,782             | -                   | 11               | -                   | 19,975           | -                      | 319,098              |
| <b>Total Current Liabilities</b>             | <b>2,200,401</b>     | <b>216,526</b>      | <b>2,220,571</b>    | <b>11</b>        | <b>345,924</b>      | <b>19,975</b>    | <b>(3,700,566)</b>     | <b>1,302,842</b>     |
| <b>Total Liabilities</b>                     | <b>2,200,401</b>     | <b>216,526</b>      | <b>2,220,571</b>    | <b>11</b>        | <b>345,924</b>      | <b>19,975</b>    | <b>(3,700,566)</b>     | <b>1,302,842</b>     |
| <b>Net Assets</b>                            |                      |                     |                     |                  |                     |                  |                        |                      |
| Net Assets Without Donor Restrictions        | 413,436              | 44,425              | -                   | -                | -                   | -                | -                      | 457,861              |
| Net Assets With Donor Restrictions (Note 7)  | 34,372,426           | 6,892,875           | 1,087,915           | 13,674           | 1,507,430           | 29,185           | (16,583,556)           | 27,319,949           |
| <b>Total Net Assets</b>                      | <b>34,785,862</b>    | <b>6,937,300</b>    | <b>1,087,915</b>    | <b>13,674</b>    | <b>1,507,430</b>    | <b>29,185</b>    | <b>(16,583,556)</b>    | <b>27,777,810</b>    |
| <b>Total Liabilities and Net Assets</b>      | <b>\$ 36,986,263</b> | <b>\$ 7,153,826</b> | <b>\$ 3,308,486</b> | <b>\$ 13,685</b> | <b>\$ 1,853,354</b> | <b>\$ 49,160</b> | <b>\$ (20,284,122)</b> | <b>\$ 29,080,652</b> |

# HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

## Consolidating Statement of Activities Year Ended December 31, 2018

|                                                      | United States        | Pakistan            | Africa              | Afghanistan      | Jordan              | Nepal            | Eliminations           | Consolidated         |
|------------------------------------------------------|----------------------|---------------------|---------------------|------------------|---------------------|------------------|------------------------|----------------------|
| <b>SUPPORT AND REVENUE</b>                           |                      |                     |                     |                  |                     |                  |                        |                      |
| Contributions from Public                            | \$ 28,435,038        | \$ 3,311,496        | \$ 2,016,334        | \$ 664,222       | \$ 3,421,937        | \$ 154,933       | \$ (9,977,123)         | \$ 28,026,837        |
| Subsidiary revenue                                   | (9,977,123)          | -                   | -                   | -                | -                   | -                | 9,977,123              | -                    |
| In-Kind Revenue                                      | 23,074,644           | 3,433,451           | 3,560,739           | -                | 10,121,047          | -                | (16,587,960)           | 23,601,921           |
| Miscellaneous Income                                 | 168,317              | -                   | 48,652              | -                | -                   | -                | -                      | 216,969              |
| <b>Total Support and Revenue</b>                     | <u>41,700,876</u>    | <u>6,744,947</u>    | <u>5,625,725</u>    | <u>664,222</u>   | <u>13,542,984</u>   | <u>154,933</u>   | <u>(16,587,960)</u>    | <u>51,845,727</u>    |
| <b>EXPENSES</b>                                      |                      |                     |                     |                  |                     |                  |                        |                      |
| <b>Program Services:</b>                             |                      |                     |                     |                  |                     |                  |                        |                      |
| Education                                            | 1,446,487            | 325,990             | 174,884             | -                | 494,419             | 9,670            | -                      | 2,451,450            |
| Health and Medical                                   | 818,465              | 1,003,778           | 86,203              | -                | -                   | 3,277            | -                      | 1,911,723            |
| Orphans                                              | 3,727,312            | 846,003             | 507,656             | 146,091          | 871,652             | 26,800           | -                      | 6,125,514            |
| Emergency                                            | 8,654,699            | 27,199              | 31,130              | -                | 87,875              | -                | -                      | 8,800,903            |
| Water for Life                                       | 812,544              | 174,273             | 309,093             | 30,120           | 132,783             | -                | -                      | 1,458,813            |
| Community Development                                | 948,520              | 154,928             | -                   | 10,234           | 515,320             | -                | -                      | 1,629,002            |
| Seasonal                                             | 2,234,862            | 393,535             | 381,018             | 38,283           | 846,166             | 17,194           | -                      | 3,911,058            |
| In-Kind                                              | 20,496,379           | 6,388,109           | 3,963,755           | 486,240          | 10,838,707          | 17,983           | (17,115,237)           | 25,075,936           |
| <b>Total Program Services</b>                        | <u>39,139,268</u>    | <u>9,313,815</u>    | <u>5,453,739</u>    | <u>710,968</u>   | <u>13,786,922</u>   | <u>74,924</u>    | <u>(17,115,237)</u>    | <u>51,364,399</u>    |
| <b>Supporting Services:</b>                          |                      |                     |                     |                  |                     |                  |                        |                      |
| Management and General                               | 584,618              | 506,747             | 73,656              | 11,596           | 316,544             | 36,568           | -                      | 1,529,729            |
| Fund Raising                                         | 701,540              | -                   | -                   | -                | -                   | -                | -                      | 701,540              |
| <b>Total Supporting Expenses</b>                     | <u>1,286,158</u>     | <u>506,747</u>      | <u>73,656</u>       | <u>11,596</u>    | <u>316,544</u>      | <u>36,568</u>    | <u>-</u>               | <u>2,231,269</u>     |
| <b>Total Expenses</b>                                | <u>40,425,426</u>    | <u>9,820,562</u>    | <u>5,527,395</u>    | <u>722,564</u>   | <u>14,103,466</u>   | <u>111,492</u>   | <u>(17,115,237)</u>    | <u>53,595,668</u>    |
| Operating Income/Loss                                | 1,275,450            | (3,075,615)         | 98,330              | (58,342)         | (560,482)           | 43,441           | 527,277                | (1,749,941)          |
| <b>Other Non-Operating Income (Expenses)</b>         |                      |                     |                     |                  |                     |                  |                        |                      |
| Unrealized Loss                                      | (132,988)            | -                   | -                   | -                | -                   | -                | -                      | (132,988)            |
| Shop N Help Income                                   | 1,874                | -                   | -                   | -                | -                   | -                | -                      | 1,874                |
| Unrealized Gain                                      | 104,608              | -                   | -                   | -                | -                   | -                | -                      | 104,608              |
| Shop N Help Expenses                                 | (1,575)              | -                   | -                   | -                | -                   | -                | -                      | (1,575)              |
| Amortization of Income                               | -                    | 103,150             | -                   | -                | -                   | -                | -                      | 103,150              |
| Rehabilitation Infrastructure Fund                   | -                    | (81,043)            | -                   | -                | -                   | -                | -                      | (81,043)             |
| Micro Finance Portfolio                              | -                    | (1,786)             | -                   | -                | -                   | -                | -                      | (1,786)              |
| Prime Minister Interest Free Loan Fund               | -                    | 12,716              | -                   | -                | -                   | -                | -                      | 12,716               |
| Endowment Fund                                       | -                    | 132,162             | 21,358              | -                | -                   | -                | -                      | 153,520              |
| Disaster Management and Logistics Center Fund        | -                    | (20,322)            | -                   | -                | -                   | -                | -                      | (20,322)             |
| Amount Transferred from /(to) Reserve Fund           | -                    | (15,457)            | 3,949               | -                | -                   | -                | -                      | (11,508)             |
| Gain (Loss) on sale of asset                         | (1,692)              | 6,772               | -                   | -                | -                   | -                | -                      | 5,080                |
| <b>Total Non-Operating Income (Expenses)</b>         | <u>(29,773)</u>      | <u>136,192</u>      | <u>25,307</u>       | <u>-</u>         | <u>-</u>            | <u>-</u>         | <u>-</u>               | <u>131,726</u>       |
| Change in Net Assets                                 | 1,245,677            | (2,939,423)         | 123,637             | (58,342)         | (560,482)           | 43,441           | 527,277                | (1,618,215)          |
| Net Assets - Beginning of Year as Restated ( Note 9) | 33,540,185           | 12,210,276          | 962,411             | 75,761           | 2,065,935           | 34,146           | (17,343,493)           | 31,545,221           |
| Adjustment per ASC 830 (Note 1)                      | -                    | (2,333,553)         | 1,867               | (3,745)          | 1,977               | (48,402)         | 232,660                | (2,149,196)          |
| <b>Net Assets - End of Year</b>                      | <u>\$ 34,785,862</u> | <u>\$ 6,937,300</u> | <u>\$ 1,087,915</u> | <u>\$ 13,674</u> | <u>\$ 1,507,430</u> | <u>\$ 29,185</u> | <u>\$ (16,583,556)</u> | <u>\$ 27,777,810</u> |