HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

Contents

Page No.

Independent Auditor's Report 1

Consolidated Statement of Financial Position 4

Consolidated Statement of Activities 5

Consolidated Statement of Cash Flows 6

Consolidated Statement of Functional Expenses 7

Notes to the Consolidated Financial Statements 9

OTHER SUPPLEMENTARY SCHEDULES

Consolidating Statement of Financial Position 22

Consolidating Statement of Activities 23

7310 Woodward Ave, Suite 740
Detroit, MI 48202

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

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, 2020 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 any of the Organization's affiliates (Helping Hand for Relief & Development, Pakistan, Jordan, Kenya, Somalia, Uganda, Tanzania, Afghanistan, and Nepal), which statements reflect total assets of $20,093,000 as of December 31, 2020, and the total support and revenue of $37,035,155 for the year then ended as related to the 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 Organization's internal control.

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 qualified audit opinion.

Emphasis of Matter

As stated in Note 5, Esaar Microfinance funds are no longer utilized for micro financing purposes by Helping Hand for Relief and Development, Pakistan. As per the Independent Auditor's Report provided by HHRD-Pakistan, the future utilization of the funds is subject to approval from Helping Hand for Relief and Development, USA. As per the HHRD-Pakistan Audit Report, the total balance of these funds was $1,052,324 as of December 31, 2020, and their opinion is not modified with regards to this matter.

Basis for Qualified Opinion

As described in Note 2, Cash and Cash Equivalents include a balance of $23,442 from a bank account in Haiti as of December 31, 2020. We were unable to obtain sufficient audit evidence to verify these cash balances. As a result, we were unable to determine whether any adjustments were necessary relating to existence and carrying amount of these cash balances.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, 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, 2020, 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

Report on Supplementary Information

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 Affiliates as mentioned above, and 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 & Asso.

Detroit, Michigan
November 30, 2021

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Consolidated Statement of Financial Position
December 31, 2020

ASSETS		
Current Assets		
Cash and Cash Equivalents (Note 2)	$	23,447,293
Investments (Note 3)		1,267,451
Accounts Receivable		1,313,641
Microfinance Loan, Net of Allowance (Note 5)		309,179
Inventory (Note 1)		13,349,939
Advances and Prepaid Expenses		423,067
Other Current Assets		193,595
Total Current Assets		40,304,165
Fixed Assets (Note 4)		
Land		603,958
Other Fixed Assets		3,100,792
Less: Accumulated Depreciation		(1,493,507)
Total Fixed Assets		2,211,243
Other Assets		
Long-term Investment		29,529
Security Deposit		4,593
Total Other Assets		34,122
Total Assets	$	42,549,530
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	$	633,875
Accrued Liabilities		694,000
Total Current Liabilities		1,327,875
Total Liabilities		1,327,875
Net Assets		
Net Assets Without Donor Restrictions		4,203,785
Net Assets With Donor Restrictions (Note 7)		37,017,870
Total Net Assets		41,221,655
Total Liabilities and Net Assets	$	42,549,530

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, 2020

SUPPORT AND REVENUE	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Contributions from Public	$ 5,169,269	$ 32,420,515	$ 37,589,784
In-Kind Revenue	-	29,872,665	29,872,665
Miscellaneous Income	73,808	-	73,808
Net Assets Released from Restrictions:			
Satisfaction of Service Restrictions (Note 7)	52,325,255	(52,325,255)	-
Total Support and Revenue	**57,568,332**	**9,967,925**	**67,536,257**
EXPENSES			
Program Services:			
Education	1,941,779	-	1,941,779
Health and Medical	1,649,743	-	1,649,743
Orphans	5,332,782	-	5,332,782
Emergency	6,834,861	-	6,834,861
Water for Life	2,298,232	-	2,298,232
Community Development	1,672,915	-	1,672,915
Seasonal	4,154,807	-	4,154,807
In-Kind	28,440,136	-	28,440,136
Total Program Services	**52,325,255**	**-**	**52,325,255**
Supporting Services:			
Management and General	2,725,202	-	2,725,202
Fundraising	3,813,696	-	3,813,696
Total Supporting Expenses	**6,538,898**	**-**	**6,538,898**
Total Expenses	**58,864,153**	**-**	**58,864,153**
Operating Income/Loss	(1,295,821)	9,967,925	8,672,104
Other Non-Operating Income (Expenses)			
Unrealized Loss	(102,151)	-	(102,151)
Unrealized Gain	315,318	-	315,318
PPP Loan Forgiveness (Note 12)	1,018,000	-	1,018,000
Shop N Help Expenses	(75)	-	(75)
Amortization of Income	45,182	-	45,182
Rehabilitation Infrastructure Fund	(36,738)	-	(36,738)
Prime Minister Interest Free Loan Fund	14,737	-	14,737
Disaster Management and Logistics Center Fund	(8,443)	-	(8,443)
Endowment Fund	562,658	-	562,658
Other Income	11,030	-	11,030
Translation Reserve	(3,496)		(3,496)
Restricted Reserve Fund	1,774	-	1,774
Miscellaneous Income	642,642	-	642,642
Gain on Sale of Asset	528	-	528
Total Non-Operating Income	2,460,966	-	2,460,966
Change in Net Assets	1,165,145	9,967,925	11,133,070
Net Assets - Beginning of Year	3,466,547	27,049,945	30,516,492
Adjustment per ASC 830 (Note 1)	(427,907)	-	(427,907)
Net Assets - End of Year	**$ 4,203,785**	**$ 37,017,870**	**$ 41,221,655**

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Consolidated Statement of Cash Flows
Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ 11,133,070
Adjustments to Reconcile Change in Net Assets	
to Net Cash Provided by Operations:	
Unrealized Loss (Gain) on Investments	(213,167)
Depreciation	237,908
(Gain) Loss on Disposal of Asset	(5,698)
Inventory	(3,795,909)
Miscellaneous Income	(641,004)
Change in:	
Accounts Receivable	(111,487)
Other Current Assets	(112,488)
Microfinance Loan	44,328
Deposits and Prepaids	(29,462)
Accounts Payable	653
Accrued Expenses	323,263
Other Assets	(34,193)
Net Cash Provided by Operating Activities	6,795,814
CASH FLOWS FROM INVESTING ACTIVITIES	
Change in Investment	(104,305)
Purchase of Fixed Assets	(279,021)
Disposal of Fixed Assets	7,010
Change in Long Term Security Deposit	(398)
Net Cash Used in Investing Activities	(376,714)
Increase in Cash	6,419,100
Effect of Currency Exchange Rate	220,818
Cash and Cash Equivalents - Beginning of Year	16,807,375
Cash and Cash Equivalents - End of Year	$ 23,447,293

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, 2020

Expenditures	Education	Health and Medical	Orphans	Emergency	Water for Life	Community Development
Program Expenditure-USA	$ 451,414	$ 61,450	$ 1,394,031	$ 3,252,648	$ 67,740	$ 538,425
Salaries and Wages	264,943	105,977	264,943	1,589,656	529,885	-
Contractors	3,931	1,573	15,031	23,588	7,863	-
Payroll Taxes and Processing	24,899	9,960	24,899	149,397	49,799	-
Employee Benefits	3,694	1,478	3,694	22,163	7,388	-
Legal and Professional	-	-	-	-	-	-
Advertising and Marketing	-	-	-	-	-	-
Events and Seminars	-	-	-	-	-	-
Telephone and Internet Regional Staff	-	-	-	31,694	-	-
Travel	-	-	-	75,913	-	-
Postage	4,024	4,024	20,120	110,658	10,060	4,024
Insurance	70,976	28,390	70,975	425,853	141,951	-
Office Expenses	12,465	12,464	61,323	242,291	31,161	12,464
Bank, Credit Card and Service Charges	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-
Pakistan Operations	403,582	1,369,971	1,831,566	728,279	702,797	328,046
Kenya Operations	32,226	9,477	334,747	474	292,150	-
Somalia Operations	99,737	27,259	47,586	28,362	89,339	-
Uganda Operations	-	14,271	52,915	766	50,197	138
Tanzania Operations	-	2,778	53,694	825	48,436	416
Jordan Operations	569,888	-	916,105	85,489	207,561	773,722
Afghanistan Operations	-	-	177,876	35,847	48,798	12,116
Nepal Operations	-	671	63,277	30,958	13,107	3,564
Total	$ 1,941,779	$ 1,649,743	$ 5,332,782	$ 6,834,861	$ 2,298,232	$ 1,672,915

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, 2020

Expenditures	Seasonal	In-Kind Program	Total Program Services	Management & General	Fundraising	Total Expenditures
Program Expenditure-USA	$ 1,654,641	$ 8,516,772	$ 15,937,121	$ -	$ -	$ 15,937,121
Salaries and Wages	529,885	-	3,285,289	700,531	1,324,714	5,310,534
Contractors	7,863	-	59,849	10,221	19,657	89,727
Payroll Taxes and Processing	49,799	-	308,753	64,739	124,497	497,989
Employee Benefits	7,388	-	45,805	9,603	18,469	73,877
Legal and Professional	-	-	-	382,569	-	382,569
Advertising and Marketing	-	-	-	-	702,593	702,593
Events and Seminars	-	-	-	-	390,793	390,793
Telephone and Internet Regional Staff	-	-	31,694	50,710	44,371	126,775
Travel	-	-	75,913	53,571	126,520	256,004
Postage	4,024	-	156,934	30,179	14,083	201,196
Insurance	141,951	-	880,096	184,535	354,880	1,419,511
Office Expenses	12,465	-	384,633	91,763	131,743	608,139
Bank, Credit Card and Service Charges	-	-	-	-	532,505	532,505
Miscellaneous	-	-	-	-	28,871	28,871
Depreciation	-	-	-	34,753	-	34,753
Bad Debts	-	263,096	263,096	110,794	-	373,890
Pakistan Operations	807,065	7,338,541	13,509,847	401,664	-	13,911,511
Kenya Operations	347,399	1,220,482	2,236,955	178,125	-	2,415,080
Somalia Operations	75,317	2,196,917	2,564,517	-	-	2,564,517
Uganda Operations	15,820	-	134,107	-	-	134,107
Tanzania Operations	15,549	2,515,591	2,637,289	-	-	2,637,289
Jordan Operations	417,544	5,855,848	8,826,157	344,567	-	9,170,724
Afghanistan Operations	56,598	516,580	847,815	29,156	-	876,971
Nepal Operations	11,499	16,309	139,385	47,722	-	187,107
Total	$ 4,154,807	$ 28,440,136	$ 52,325,255	$ 2,725,202	$ 3,813,696	$ 58,864,153

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

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 – Somalia, Helping Hand for Relief & Development – Uganda, Helping Hand for Relief & Development – Tanzania, 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 eight 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 was registered in April, 2017 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. Donors are able to sponsor children in need by enhancing education, social well-being and health, while also providing for the basic necessities for everyday life.

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 operated stores under the business name “Shop N’ Help” at two locations in the U.S. These stores sold handcrafted items made at the Skill Development Centers operated by the Organization at its overseas locations. The stores were closed in 2019, leaving an inventory of $30,378, which is included in total inventory at December 31, 2020.

Basis of Accounting

The consolidated 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:

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

Financial Statement Presentation (Continued)

Net Assets Without Donor Restrictions: 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 Restrictions: 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.

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 $1,000. Purchased property and equipment are carried at cost. Depreciation is recorded on a straight-line basis over the estimated useful life of the asset.

Prepaid Expenses

Prepaid expenses primarily represent cash payments made in advance of when the related expenditures are recognized for financial statement purposes.

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.

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

Revenue Recognition

Contributions - Contribution revenue is accounted for under FASB Accounting Standards Update ("ASU") 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). Contributions, including unconditional promises to give, are recognized in the period received. Contributions received are considered to be available for use unless specifically restricted by the donor. Amounts received that are designated for a future period or are restricted by the donor for specific purposes are reported as contributions with donor restrictions. These contributions also increase net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Contributions are reported at fair value, which is net of estimated uncollectible amounts. The Organization uses the allowance method to determine uncollectible, unconditional pledges receivable. The allowance is based on experience as well as management's analysis of specific pledges made, including such factors as prior collection history, type of contribution, and nature of fundraising activity.

Conditional promises to give, including those received under multi-year grant agreements are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. A promise is considered conditional only if the donor has stipulated one or more barriers that must be overcome before the Organization is entitled to the assets transferred or promised, and there also exists a right of return to the donor of any assets transferred or a right of release of the donor's obligation to honor the promise.

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.

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.

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 consolidated 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.

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.

Fundraising

The total cost for fundraising activities for the Organization was $3,813,696 for the year ended December 31, 2020, which includes $702,593 for advertising and marketing.

Income Taxes

The Organization is organized as a nonprofit corporation and is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Organization follows the guidance of ASC-740-10, *Accounting for Uncertainty in Income Taxes.* The Organization recognizes the tax (benefit) expense from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities. The Organization had no uncertain tax positions at December 31, 2020. The Organization files an exempt organization return with the Internal Revenue Service (IRS). The Organization had no taxable unrelated business income for the years ended December 31, 2020. Accordingly, a provision for income taxes has not been established in the accompanying financial statements. The Organization's federal tax returns for the prior three years remain subject to examination by the Internal Revenue Service.

Inventory

The Organization has three types of inventories on hand at December 31, 2020. 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, 2020. 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.

As of December 31, 2020, the Organization had $13,289,501 in in-kind inventory, $30,378 in "Shop N' Help" inventory and $30,060 in inventory of items used in emergency relief program.

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.

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

During 2020, the Organization received $29,872,665 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.

Accounting Pronouncement Adopted in Fiscal Year 2020

For the year ended December 31, 2020, the Organization adopted Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes the prior revenue recognition requirements in Topic 605, Revenue Recognition. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The Organization adopted Accounting Standards Codification (ASC) 606 effective January 1, 2020, using the modified retrospective transition method. The adoption of ASU No. 2014-09 did not have a material impact on the financial statements.

2) CASH AND CASH EQUIVALENTS

The Organization maintains its cash accounts in seven financial institutions. Cash accounts at each bank are insured by the Federal Deposit Insurance Corporation for up to $250,000. At December 31, 2020, the Organization had $16,185,794 of cash that was not federally insured and had $1,694, 418, which was federally insured. These balances are with Helping Hand, USA only. The cash balances in other affiliates is not covered by the FDIC.

In addition to this, the Organization held a balance of $23,442 from one of its affiliates in Haiti, however, no support was available to verify this balance of cash. The Independent Auditor's Report has been modified with regards to this.

3) INVESTMENTS

Investments consist of mutual funds and equities and are carried at fair value at December 31, 2020. The investments are considered Level 1.

	Fair Value Measurements			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total
Mutual Funds	$ 1,267,451	$ -	$ -	$ 1,267,451
Total	$ 1,267,451	$ -	$ -	$ 1,267,451

4) FIXED ASSETS

The fixed assets as of December 31, 2020 for all the affiliates are comprised of the following:

	US	Pakistan	Kenya	Somalia	Uganda	Tanzania	Jordan	Afghanistan	Nepal	Total
Non Depreciable Assets										
Land	$ 48,129	$ 555,829	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 603,958
Total Non Depreciable Assets	48,129	555,829	-	-	-	-	-	-	-	603,958
Depreciable Assets										
Building	390,738	1,126,446	-	-	-	-	-	-	-	1,517,184
Computers	-	306,425	34,211	4,140	-	234	54,517	-	2,794	402,321
Office Equipment	157,895	340,518	19,623	728	431	215	38,299	-	104	557,813
Furniture, Fixtures & Equipment	65,982	139,149	22,035	1,330	1,550	-	5,148	-	983	236,177
Vehicles	-	220,579	59,030	-	1,309	-	106,379	-	-	387,297
Total Depreciable Assets	614,615	2,133,117	134,899	6,198	3,290	449	204,343	-	3,881	3,100,792
Total Assets										3,704,750
Less: Accumulated Depreciation	(230,380)	(1,031,716)	(94,727)	(3,946)	(2,521)	(341)	(128,945)	-	(931)	(1,493,507)
Total Fixed Assets	$ 432,364	$ 1,657,230	$ 40,172	$ 2,252	$ 769	$ 108	$ 75,398	$ -	$ 2,950	$ 2,211,243

The total depreciation for the year ended December 31, 2020 for the group was $237,908.

5) MICROFINANCE LOANS

Notes Receivable includes $476,167 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, 2020 was $166,988.

As described in the HHRD-Pakistan's Independent Auditor's report, Essar Microfinance funds have been used for microfinance activities in the prior years. These funds are no longer utilized for microfinancing activities and instructions on utilization of these funds for other activities in the future have yet to be received from HHRD, USA.

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, 2020 were as follows:

Program	Amount
Education	$ 1,941,779
Health & Medical	1,649,743
Orphans	5,332,782
Emergency	6,834,861
Water for Life	2,298,232
Community Development	1,672,915
Seasonal	4,154,807
In-Kind	28,440,136
	$ 52,325,255

7) NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets with donor restrictions available for specific programs as of December 31, 2020 were as follows.

Program	Amount
Zakat	$ 7,142,567
Health and Medical	156,204
Orphans	5,285,274
Emergency	8,769,759
Water for Life	1,868,743
Community Development	287,404
Seasonal	218,418
In-Kind	13,289,501
	$ 37,017,870

8) AFFILIATE 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 affiliates under the laws in place in the foreign jurisdiction of each of these affiliates.

9) OPERATING LEASES

The Organization leases facilities under non-cancelable operating lease agreements that expire at various dates through 2026 for its US operations. 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, 2020, and thereafter:

Years Ending December 31,	Total Payments
2021	$ 340,717
2022	257,080
2023	179,939
2024	33,568
2025 and thereafter	35,306
Total	$ 846,610

10) 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.

Cash and Cash Equivalents	$ 23,447,293
Investments	1,267,451
Accounts Receivable	1,313,641
Inventory	13,349,939
Microfinance Loan, Net of Allowance	309,179
Other Current Assets	193,595
Less: Donor Restricted Net Assets	(37,017,870)
Financial Assets Available within one year to meet cash needs for general expenditure within one year	$ 2,863,228

11) NEW ACCOUNTING PRONOUNCEMENTS

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, Leases, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization's year ending December 31, 2022 and will be applied using a modified retrospective transition method to either the beginning of the earliest period presented or the beginning of the year of adoption. The effect of applying the new lease guidance on the consolidated financial statements has not yet been determined but is expected to significantly increase long-term assets and lease liabilities upon adoption. The effects on the results of operations are not expected to be significant, as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

12) PAYCHECK PROTECTION ACT LOAN FORGIVENESS

Pursuant to the Coronavirus Aid, Relief and Economic Sercuity Act ("CARES Act"), the Organization received $1,018,000 as a loan under the Paycheck Protection Program, at the rate of 1% interest, repayable in two years. However, the loan was subject to limited loan forgiveness provisions of the CARES Act if the amount was used for the specified expenses as per the agreement. The Organization used the amount as required, and consequentially, the entire amount of loan was forgiven on November 17, 2020. Hence, the entire amount of loan is recorded as income in the accompanying financial statements.

13) SUBSEQUENT EVENTS

The Organization evaluated all subsequent events through November 30, 2021, the date the financial statements were available to be issued. No subsequent event was noted that required adjustments or disclosures in the financial statements.

In early March 2020, the COVID-19 virus was declared a global pandemic, and it unfortunately continues to impact business operations. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, could be severely impacted for months or more, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

OTHER SUPPLEMENTARY SCHEDULES

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Consolidating Statement of Financial Position
December 31, 2020

	United States	Pakistan	Kenya	Somalia	Uganda	Tanzania	Afghanistan	Jordan	Nepal	Eliminations	Consolidated
ASSETS											
Current Assets											
Cash and Cash Equivalents (Note 2)	$ 17,903,660	$ 4,409,576	$ 568,263	$ 81,476	$ 66,982	$ 90,032	$ 33,818	$ 230,985	$ 62,501	$ -	$ 23,447,293
Investments (Note 3)	1,267,451	-	-	-	-	-	-	-	-	-	1,267,451
Accounts Receivable	792,422	747,956	63,996	71,700	1,457	14,896	-	-	39,210	(417,996)	1,313,641
Microfinance Loan, Net of Allowance (Note 5)	-	309,179	-	-	-	-	-	-	-	-	309,179
Inventory (Note 1)	2,210,048	5,358,333	1,584,546	865,360	-	896,836	-	2,434,816	-	-	13,349,939
Advances and Prepaid Expenses	45,457	287,452	-	-	-	-	738	89,420	-	-	423,067
Other Current Assets	193,595	-	-	-	-	-	-	-	-	-	193,595
Receivable from Subsidiaries	17,945,779	-	-	-	-	-	-	-	-	(17,945,779)	-
Total Current Assets	40,358,412	11,112,496	2,216,805	1,018,536	68,439	1,001,764	34,556	2,755,221	101,711	(18,363,775)	40,304,165
Fixed Assets (Note 4)											
Land	48,129	555,829	-	-	-	-	-	-	-	-	603,958
Other Fixed Assets	614,615	2,133,117	134,899	6,198	3,290	449	-	204,343	3,881	-	3,100,792
Less: Accumulated Depreciation	(230,380)	(1,031,716)	(94,727)	(3,946)	(2,521)	(341)	-	(128,945)	(931)	-	(1,493,507)
Total Fixed Assets	432,364	1,657,230	40,172	2,252	769	108	-	75,398	2,950	-	2,211,243
Other Assets											
Long-term Investment	29,529	-	-	-	-	-	-	-	-	-	29,529
Security Deposit	-	4,593	-	-	-	-	-	-	-	-	4,593
Total Other Assets	29,529	4,593	-	-	-	-	-	-	-	-	34,122
Total Assets	$ 40,820,305	$ 12,774,319	$ 2,256,977	$ 1,020,788	$ 69,208	$ 1,001,872	$ 34,556	$ 2,830,619	$ 104,661	$ (18,363,775)	$ 42,549,530
LIABILITIES AND NET ASSETS											
Current Liabilities											
Accounts Payable	$ 976,799	$ -	$ 11,629	$ 609	$ 643	$ 864	$ -	$ -	$ 61,327	$ (417,996)	$ 633,875
Deferred Revenue	-	-	1,999,243	-	-	1,011,918	-	-	-	(3,011,161)	-
Accrued Liabilities	-	675,680	-	-	-	-	1,718	16,602	-	-	694,000
Total Current Liabilities	976,799	675,680	2,010,872	609	643	1,012,782	1,718	16,602	61,327	(3,429,157)	1,327,875
Total Liabilities	976,799	675,680	2,010,872	609	643	1,012,782	1,718	16,602	61,327	(3,429,157)	1,327,875
Net Assets		-									
Net Assets Without Donor Restrictions	3,027,098	28,952	127,556	1,020,179	-	-	-	-	-	-	4,203,785
Net Assets With Donor Restrictions (Note 7)	36,816,408	12,069,687	118,549	-	68,565	(10,910)	32,838	2,814,017	43,334	(14,934,618)	37,017,870
Total Net Assets	39,843,506	12,098,639	246,105	1,020,179	68,565	(10,910)	32,838	2,814,017	43,334	(14,934,618)	41,221,655
Total Liabilities and Net Assets	$ 40,820,305	$ 12,774,319	$ 2,256,977	$ 1,020,788	$ 69,208	$ 1,001,872	$ 34,556	$ 2,830,619	$ 104,661	$ (18,363,775)	$ 42,549,530

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Consolidating Statement of Activities
Year Ended December 31, 2020

SUPPORT AND REVENUE	United States	Pakistan	Kenya	Somalia	Uganda	Tanzania	Afghanistan	Jordan	Nepal	Eliminations	Consolidated
Contributions from Public	$ 36,711,945	$ 6,019,645	$ 1,181,036	$ 426,401	$ 150,406	$ 177,037	$ 889,297	$ 3,641,897	$ 196,760	$ (11,804,640)	$ 37,589,784
Subsidiary Revenue	(12,423,141)	-	-	-	-	-	-	-	-	12,423,141	-
In-Kind Revenue	29,747,871	11,837,464	1,178,230	2,996,180	-	2,460,252	-	5,875,041	-	(24,222,373)	29,872,665
Miscellaneous Income	68,299	5,509	-	-	-	-	-	-	-	-	73,808
Total Support and Revenue	54,104,974	17,862,618	2,359,266	3,422,581	150,406	2,637,289	889,297	9,516,938	196,760	(23,603,872)	67,536,257
EXPENSES											
Program Services:											
Education	836,346	403,582	32,226	99,737	-	-	-	569,888	-	-	1,941,779
Health and Medical	225,316	1,369,971	9,477	27,259	14,271	2,778	-	-	671	-	1,649,743
Orphans	1,855,016	1,831,566	334,747	47,586	52,915	53,694	177,876	916,105	63,277	-	5,332,782
Emergency	5,923,861	728,279	474	28,362	766	825	35,847	85,489	30,958	-	6,834,861
Water for Life	845,847	702,797	292,150	89,339	50,197	48,436	48,798	207,561	13,107	-	2,298,232
Community Development	554,913	328,046	-	-	138	416	12,116	773,722	3,564	-	1,672,915
Seasonal	2,408,016	807,065	347,399	75,317	15,820	15,549	56,598	417,544	11,499	-	4,154,807
In-Kind	33,614,366	7,338,541	1,220,482	2,196,917	-	2,515,591	516,580	5,855,848	16,309	(24,834,498)	28,440,136
Total Program Services	46,263,681	13,509,847	2,236,955	2,564,517	134,107	2,637,289	847,815	8,826,157	139,385	(24,834,498)	52,325,255
Supporting Services:											
Management and General	1,723,968	401,664	178,125	-	-	-	29,156	344,567	47,722	-	2,725,202
Fund Raising	3,813,696	-	-	-	-	-	-	-	-	-	3,813,696
Total Supporting Expenses	5,537,664	401,664	178,125	-	-	-	29,156	344,567	47,722	-	6,538,898
Total Expenses	51,801,345	13,911,511	2,415,080	2,564,517	134,107	2,637,289	876,971	9,170,724	187,107	(24,834,498)	58,864,153
Operating Income/Loss	2,303,629	3,951,107	(55,814)	858,064	16,299	-	12,326	346,214	9,653	1,230,626	8,672,104
Other Non-Operating Income (Expenses)											
Unrealized Loss	(102,151)	-	-	-	-	-	-	-	-	-	(102,151)
PPP Loan Forgiveness (Note 12)	1,018,000	-	-	-	-	-	-	-	-	-	1,018,000
Unrealized Gain	315,318	-	-	-	-	-	-	-	-	-	315,318
Shop N Help Expenses	(75)	-	-	-	-	-	-	-	-	-	(75)
Amortization of Income	-	45,182	-	-	-	-	-	-	-	-	45,182
Rehabilitation Infrastructure Fund	-	(36,738)	-	-	-	-	-	-	-	-	(36,738)
Prime Minister Interest Free Loan Fund	-	14,737	-	-	-	-	-	-	-	-	14,737
Endowment Fund	-	556,908	5,750	-	-	-	-	-	-	-	562,658
Disaster Management and Logistics Center Fund	-	(8,443)	-	-	-	-	-	-	-	-	(8,443)
Other Income	-	-	11,030	-	-	-	-	-	-	-	11,030
Translation Reserve	-	-	-	-	-	(3,496)	-	-	-	-	(3,496)
Restricted Reserve Fund	-	-	1,774	-	-	-	-	-	-	-	1,774
Miscellaneous Income	641,004	1,638	-	-	-	-	-	-	-	-	642,642
Gain (Loss) on sale of asset	-	-	-	-	-	-	-	528	-	-	528
Total Non-Operating Income (Expenses)	1,872,096	573,284	18,554	-	-	(3,496)	-	528	-	-	2,460,966
Change in Net Assets	4,175,725	4,524,391	(37,260)	858,064	16,299	(3,496)	12,326	346,742	9,653	1,230,626	11,133,070
Net Assets - Beginning of Year	35,667,781	7,987,574	296,845	162,115	52,266	(7,414)	20,470	2,467,275	34,824	(16,165,244)	30,516,492
Adjustment per ASC 830 (Note 1)	-	(413,326)	(13,480)	-	-	-	42	-	(1,143)	-	(427,907)
Net Assets - End of Year	$ 39,843,506	$ 12,098,639	$ 246,105	$ 1,020,179	$ 68,565	$ (10,910)	$ 32,838	$ 2,814,017	$ 43,334	$ (14,934,618)	$ 41,221,655