

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

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Contents

Page No.

Independent Auditor’s Report1
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 Statements9

OTHER SUPPLEMENTARY SCHEDULES

Consolidating Statement of Financial Position20
Consolidating Statement of Activities21



Alan C. Young & Associates, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

7310 Woodward Ave, Suite 740
Detroit, MI 48202

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Helping Hand for Relief
and Development, Inc.
Southfield, Michigan

Opinion

We have audited the 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, 2021 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.

In our opinion, based on our audits and the reports of, and additional audit procedures performed by, the other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization and its affiliates as of December 31, 2021, and 2020, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 \$20,475,405 as of December 31, 2021, and the total support and revenue of \$43,283,413 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

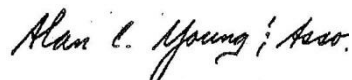
In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risk. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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.



Detroit, Michigan
December 7, 2022

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Consolidated Statement of Financial Position December 31, 2021

ASSETS

Current Assets

Cash and Cash Equivalents (Note 2)	\$	34,972,866
Investments (Note 3)		1,781,725
Accounts Receivable		456,275
Microfinance Loan, Net of Allowance (Note 5)		84,243
Inventory (Note 1)		12,277,241
Advances and Prepaid Expenses		718,102
Withholding Income Tax Receivable		139,498
Other Current Assets		208,681
Total Current Assets		<u>50,638,631</u>

Fixed Assets (Note 4)

Land		552,111
Other Fixed Assets		3,029,192
Less: Accumulated Depreciation		<u>(1,489,293)</u>
Total Fixed Assets		<u>2,092,010</u>

Other Assets

Long-term Investment		<u>296,096</u>
Total Other Assets		<u>296,096</u>

Total Assets \$ 53,026,737

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$	506,160
Accrued Liabilities		<u>334,711</u>
Total Current Liabilities		<u>840,871</u>

Total Liabilities 840,871

Net Assets

Net Assets Without Donor Restrictions		2,918,643
Net Assets With Donor Restrictions (Note 7)		<u>49,267,223</u>
Total Net Assets		<u>52,185,866</u>

Total Liabilities and Net Assets \$ 53,026,737

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, 2021

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions from Public	\$ 6,312,282	\$ 41,081,938	\$ 47,394,220
In-Kind Revenue	-	32,836,158	32,836,158
Miscellaneous Income	99,030	-	99,030
Net Assets Released from Restrictions:			
Satisfaction of Service Restrictions (Note 7)	61,668,743	(61,668,743)	-
Total Support and Revenue	68,080,055	12,249,353	80,329,408
EXPENSES			
Program Services:			
Education	2,087,114	-	2,087,114
Health and Medical	1,766,017	-	1,766,017
Orphans	5,907,666	-	5,907,666
Emergency	7,273,739	-	7,273,739
Water for Life	3,230,133	-	3,230,133
Community Development	1,957,469	-	1,957,469
Seasonal	5,609,402	-	5,609,402
In-Kind	33,837,203	-	33,837,203
Total Program Services	61,668,743	-	61,668,743
Supporting Services:			
Management and General	2,960,420	-	2,960,420
Fundraising	3,969,404	-	3,969,404
Total Supporting Expenses	6,929,824	-	6,929,824
Total Expenses	68,598,567	-	68,598,567
Operating Income/Loss	(518,512)	12,249,353	11,730,841
Other Non-Operating Income (Expenses)			
Unrealized Loss	(29,273)	-	(29,273)
Unrealized Gain	331,864	-	331,864
Equity Transfer to HHIRS	(164,392)	-	(164,392)
Prime Minister Interest Free Loan Fund	5,523	-	5,523
Endowment Fund	381,278	-	381,278
Translation Reserve	3,935	-	3,935
Restricted Reserve Fund	(136,479)	-	(136,479)
Adjustment per ASC 830 (Note 1)	(1,159,086)	-	(1,159,086)
Total Non-Operating Income	(766,630)	-	(766,630)
Change in Net Assets	(1,285,142)	12,249,353	10,964,211
Net Assets - Beginning of Year	4,203,785	37,017,870	41,221,655
Net Assets - End of Year	\$ 2,918,643	\$ 49,267,223	\$ 52,185,866

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, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 10,964,211
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Unrealized Loss (Gain) on Investments	(302,591)
Depreciation	206,017
(Gain) Loss on Disposal of Asset	43,287
Inventory	800,982
Adjustments as per ASC 830	1,159,086
Change in:	
Accounts Receivable	180,433
Other Current Assets	(37,829)
Microfinance Loan	212,865
Deposits and Prepaids	(156,888)
Accounts Payable	461,469
Accrued Expenses	(302,489)
Other Assets	29,529
Net Cash Provided by Operating Activities	<u>13,258,082</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Change in Investment	(533,099)
Purchase of Fixed Assets	(302,636)
Disposal of Fixed Assets	19,045
Change in Long Term Security Deposit	4,519
Net Cash Used in Investing Activities	<u>(812,171)</u>

Increase in Cash	12,445,911
Effect of Currency Exchange Rate	(920,338)
Cash and Cash Equivalents - Beginning of Year	<u>23,447,293</u>
Cash and Cash Equivalents - End of Year	<u>\$ 34,972,866</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, 2021

Expenditures	Education	Health and Medical	Orphans	Emergency	Water for Life	Community Development
Program Expenditure-Foreign Grants	\$ 346,685	\$ -	\$ 1,293,307	\$ 2,208,591	\$ 309,132	\$ 209,903
Program Expenses to Support In-kind	-	-	-	1,221,735	-	-
Salaries and Wages	276,905	110,762	276,905	1,661,430	553,810	-
Contractors	2,090	836	2,090	12,539	4,180	-
Payroll Taxes and Processing	25,213	10,085	25,213	151,278	50,426	-
Employee Benefits	75,645	30,258	75,645	453,869	151,290	-
Legal and Professional	-	-	-	-	-	-
Advertising and Marketing	-	-	-	43,871	-	-
Events and Seminars	-	-	-	23,589	-	-
Telephone and Internet Regional Staff	-	-	-	27,855	-	-
Travel	-	-	-	60,937	-	-
Postage	4,065	4,065	20,324	111,784	10,162	4,065
Insurance	1,995	798	1,995	11,969	3,990	-
Office Expenses	9,986	9,986	49,930	199,718	24,965	9,986
Bank, Credit Card and Service Charges	-	-	-	13,175	-	-
Miscellaneous	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Bad Debts	-	-	-	487,818	-	-
Pakistan Operations	505,432	1,479,397	2,309,835	204,412	1,080,183	365,374
Kenya Operations	66,555	61,973	402,876	51,305	419,027	-
Somalia Operations	148,366	18,667	49,856	63,511	81,114	-
Uganda Operations	3,383	14,859	57,500	-	64,297	-
Tanzania Operations	5,732	14,811	63,968	-	116,847	-
Jordan Operations	615,062	-	972,280	197,089	221,944	1,331,038
Afghanistan Operations	-	-	222,907	34,286	65,293	14,605
Nepal Operations	-	9,520	83,035	32,978	73,473	22,498
Total	\$ 2,087,114	\$ 1,766,017	\$ 5,907,666	\$ 7,273,739	\$ 3,230,133	\$ 1,957,469

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, 2021

Expenditures	Seasonal	In-Kind Program	Total Program Services	Management & General	Fundraising	Total Expenditures
Program Expenditure-Foreign Grants	\$ 2,345,699	\$ 9,138,652	\$ 15,851,969	\$ -	\$ -	\$ 15,851,969
Program Expenses to Support In-kind	-	-	1,221,735	-	-	1,221,735
Salaries and Wages	553,810	-	3,433,622	719,953	1,384,525	5,538,100
Contractors	4,180	-	25,915	5,433	10,449	41,797
Payroll Taxes and Processing	50,426	-	312,641	65,554	126,065	504,260
Employee Benefits	151,290	-	937,997	196,677	378,224	1,512,898
Legal and Professional	-	-	-	398,263	-	398,263
Advertising and Marketing	-	-	43,871	-	833,540	877,411
Events and Seminars	-	-	23,589	-	448,185	471,774
Telephone and Internet Regional Staff	-	-	27,855	44,568	38,997	111,420
Travel	-	-	60,937	40,625	101,562	203,124
Postage	4,065	-	158,530	30,486	14,227	203,243
Insurance	3,990	-	24,737	5,187	9,974	39,898
Office Expenses	9,986	-	314,557	74,894	109,845	499,296
Bank, Credit Card and Service Charges	-	-	13,175	131,746	513,811	658,732
Miscellaneous	-	-	-	9,861	-	9,861
Depreciation	-	-	-	40,643	-	40,643
Bad Debts	-	-	487,818	59,907	-	547,725
Pakistan Operations	747,949	8,399,415	15,091,997	526,066	-	15,618,063
Kenya Operations	371,202	1,576,158	2,949,096	177,741	-	3,126,837
Somalia Operations	384,343	1,722,424	2,468,281	-	-	2,468,281
Uganda Operations	22,016	-	162,055	-	-	162,055
Tanzania Operations	26,074	3,720,289	3,947,721	-	-	3,947,721
Jordan Operations	820,344	9,066,550	13,224,307	329,768	-	13,554,075
Afghanistan Operations	57,780	209,964	604,835	26,664	-	631,499
Nepal Operations	56,248	3,751	281,503	76,384	-	357,887
Total	<u>\$ 5,609,402</u>	<u>\$ 33,837,203</u>	<u>\$ 61,668,743</u>	<u>\$ 2,960,420</u>	<u>\$ 3,969,404</u>	<u>\$ 68,598,567</u>

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

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements
December 31, 2021

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 the basic necessities for everyday life.

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)

December 31, 2021

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.

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:

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)
December 31, 2021

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 restricted contributions are reported as an 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 statement of activities in the non-operating revenue and expenses section as foreign currency exchange gain or loss.

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)

December 31, 2021

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.

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)
December 31, 2021

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 on 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.

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)
December 31, 2021

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 \$3,969,404 for the year ended December 31, 2021, which includes \$833,540 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, 2021. The Organization files an exempt organization return with the Internal Revenue Service (IRS). The Organization had no taxable unrelated business income for the year ended December 31, 2021. 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 inventory related to donated items in-kind as on December 31, 2021.

The Organization utilizes three inventory valuation methods during the year ended December 31, 2021. 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, 2021, the Organization had \$12,277,241 in in-kind inventory.

In-Kind

Donated marketable securities, property and equipment and other non-cash donations are recorded as contributions at their fair values at the date of donation.

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued) December 31, 2021

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

In-Kind (Continued)

During 2021, the Organization received \$32,836,158 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 tasks that assist the Organization with specific assistance programs, campaigns, solicitations and various committee assignments.

2) CASH AND CASH EQUIVALENTS

Helping Hand, USA 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. On December 31, 2021, Helping Hand, USA had \$26,935,894 of cash that was not federally insured and had \$1,447,981, which was federally insured. The cash balances in other affiliates are not covered by the FDIC.

3) INVESTMENTS

Investments consist of mutual funds and equities and are carried at fair value at December 31, 2021. The investments are considered Level 1.

	Fair Value Measurements			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	
Mutual Funds	\$ 1,781,725	\$ -	\$ -	\$ 1,781,725
Total	\$ 1,781,725	\$ -	\$ -	\$ 1,781,725

4) FIXED ASSETS

The fixed assets as of December 31, 2021, 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	\$ 503,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 552,111
Total Non Depreciable Assets	48,129	503,982	-	-	-	-	-	-	-	552,111
Depreciable Assets										
Building	413,494	1,021,372	-	-	-	-	-	-	-	1,434,866
Computers	198,874	293,346	37,256	4,140	1,354	234	74,774	-	6,499	616,477
Office Equipment	-	237,872	20,056	728	447	541	47,590	-	-	307,234
Furniture, Fixtures & Equipment	65,163	164,952	25,129	1,330	1,607	-	7,090	-	1,178	266,449
Vehicles	-	235,744	61,797	-	-	-	106,378	-	247	404,166
Total Depreciable Assets	677,531	1,953,286	144,238	6,198	3,408	775	235,832	-	7,924	3,029,192
Total Assets										3,581,303
Less: Accumulated Depreciation	(271,023)	(941,566)	(109,944)	(4,788)	(3,157)	(408)	(156,632)	-	(1,775)	(1,489,293)
Total Fixed Assets	\$ 454,637	\$ 1,515,702	\$ 34,294	\$ 1,410	\$ 251	\$ 367	\$ 79,200	\$ -	\$ 6,149	\$ 2,092,010

The total depreciation for the year ended December 31, 2021, for the group was \$205,985.

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)
December 31, 2021

5) MICROFINANCE LOANS

Notes Receivable includes \$235,654 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, 2021 was \$151,411.

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, 2021, were as follows:

<u>Program</u>	<u>Amount</u>
Education	\$ 2,087,114
Health & Medical	1,766,017
Orphans	5,907,666
Emergency	7,273,739
Water for Life	3,230,133
Community Development	1,957,469
Seasonal	5,609,402
In-Kind	33,837,203
	<u>\$ 61,668,743</u>

Net assets with donor restrictions available for specific programs as of December 31, 2021, were as follows:

<u>Program</u>	<u>Amount</u>
Zakat	\$ 15,317,096
Health and Medical	1,225,625
Orphans	8,402,623
Emergency	9,827,253
Water for Life	2,025,873
Seasonal	191,512
In-Kind	12,277,241
	<u>\$ 49,267,223</u>

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)
December 31, 2021

7) 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.

8) OPERATING LEASES

The Organization leases facilities under non-cancelable operating lease agreements that expire at various dates through 2028 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, 2021, and thereafter:

<u>Years Ending December 31,</u>	<u>Total Payments</u>
2022	\$ 408,367
2023	372,669
2024	220,635
2025	124,254
2026	82,512
2027 and thereafter	<u>31,877</u>
Total	<u>\$ 1,240,314</u>

9) 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.

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Notes to the Consolidated Financial Statements (Continued)
December 31, 2021

9) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

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>2021</u>
Cash and Cash Equivalents	\$ 34,972,866
Investments	1,781,725
Accounts Receivable	456,275
Inventory	12,277,241
Microfinance Loan, Net of Allowance	84,243
Other Current Assets	208,681
Less: Donor Restricted Net Assets	<u>(49,267,223)</u>
Financial Assets Available within one year to meet cash needs for general expenditure within one year	<u>\$ 513,808</u>

10) 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.

11) SUBSEQUENT EVENTS

The Organization evaluated all subsequent events through December 7, 2022, 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, 2021

	United States	Pakistan	Kenya	Somalia	Uganda	Tanzania	Afghanistan	Jordan	Nepal	Eliminations	Consolidated
ASSETS											
Current Assets											
Cash and Cash Equivalents (Note 2)	\$ 28,383,875	\$ 5,488,426	\$ 428,530	\$ 120,978	\$ 81,751	\$ 48,300	\$ 237,213	\$ 123,625	\$ 60,168	\$ -	\$ 34,972,866
Investments (Note 3)	1,781,725	-	-	-	-	-	-	-	-	-	1,781,725
Accounts Receivable	394,858	512,298	22,740	20,350	1,727	15,698	-	-	902	(512,298)	456,275
Microfinance Loan, Net of Allowance (Note 5)	-	84,243	-	-	-	-	-	-	-	-	84,243
Inventory (Note 1)	1,825,408	2,191,081	686,615	1,696,441	-	501,705	-	5,375,991	-	-	12,277,241
Advances and Prepaid Expenses	14,446	590,899	-	-	-	-	1,271	111,486	-	-	718,102
Withholding Income Tax Receivable	-	139,498	-	-	-	-	-	-	-	-	139,498
Other Current Assets	208,681	-	-	-	-	-	-	-	-	-	208,681
Receivable from Subsidiaries	17,640,751	-	-	-	-	-	-	-	-	(17,640,751)	-
Total Current Assets	50,249,744	9,006,445	1,137,885	1,837,769	83,478	565,703	238,484	5,611,102	61,070	(18,153,049)	50,638,631
Fixed Assets (Note 4)											
Land	48,129	503,982	-	-	-	-	-	-	-	-	552,111
Other Fixed Assets	677,531	1,953,286	144,238	6,198	3,408	775	-	235,832	7,924	-	3,029,192
Less: Accumulated Depreciation	(271,023)	(941,566)	(109,944)	(4,788)	(3,157)	(408)	-	(156,632)	(1,775)	-	(1,489,293)
Total Fixed Assets	454,637	1,515,702	34,294	1,410	251	367	-	79,200	6,149	-	2,092,010
Other Assets											
Long-term Investment	-	296,096	-	-	-	-	-	-	-	-	296,096
Total Other Assets	-	296,096	-	-	-	-	-	-	-	-	296,096
Total Assets	\$ 50,704,381	\$ 10,818,243	\$ 1,172,179	\$ 1,839,179	\$ 83,729	\$ 566,070	\$ 238,484	\$ 5,690,302	\$ 67,219	\$ (18,153,049)	\$ 53,026,737
LIABILITIES AND NET ASSETS											
Current Liabilities											
Accounts Payable	\$ 453,680	\$ -	\$ 26,270	\$ 638	\$ 1,005	\$ 1,369	\$ 1,692	\$ 2,212	\$ 19,294	\$ -	\$ 506,160
Accounts Payable - Subsidiary	512,298	-	-	-	-	-	-	-	-	(512,298)	-
Deferred Revenue	-	-	865,113	-	-	571,676	-	-	-	(1,436,789)	-
Accrued Liabilities	9,116	325,595	-	-	-	-	-	-	-	-	334,711
Total Current Liabilities	975,094	325,595	891,383	638	1,005	573,045	1,692	2,212	19,294	(1,949,087)	840,871
Total Liabilities	975,094	325,595	891,383	638	1,005	573,045	1,692	2,212	19,294	(1,949,087)	840,871
Net Assets											
Net Assets Without Donor Restrictions	872,502	43,796	163,804	1,838,541	-	-	-	-	-	-	2,918,643
Net Assets With Donor Restrictions (Note 7)	48,856,785	10,448,852	116,992	-	82,724	(6,975)	236,792	5,688,090	47,925	(16,203,962)	49,267,223
Total Net Assets	49,729,287	10,492,648	280,796	1,838,541	82,724	(6,975)	236,792	5,688,090	47,925	(16,203,962)	52,185,866
Total Liabilities and Net Assets	\$ 50,704,381	\$ 10,818,243	\$ 1,172,179	\$ 1,839,179	\$ 83,729	\$ 566,070	\$ 238,484	\$ 5,690,302	\$ 67,219	\$ (18,153,049)	\$ 53,026,737

HELPING HAND FOR RELIEF AND DEVELOPMENT, INC.

Consolidating Statement of Activities Year Ended December 31, 2021

	United States	Pakistan	Kenya	Somalia	Uganda	Tanzania	Afghanistan	Jordan	Nepal	Eliminations	Consolidated
SUPPORT AND REVENUE											
Contributions from Public	\$ 47,152,443	\$ 9,782,127	\$ 1,599,551	\$ 783,453	\$ 173,669	\$ 277,244	\$ 694,247	\$ 4,700,833	\$ 363,113	\$ (18,132,460)	\$ 47,394,220
Subsidiary Revenue	(18,132,460)	-	-	-	-	-	-	-	-	18,132,460	-
In-Kind Revenue	32,836,158	5,233,854	1,542,155	2,503,190	-	3,670,477	201,304	11,727,315	-	(24,878,295)	32,836,158
Miscellaneous Income	68,149	19,045	11,538	-	-	-	-	-	298	-	99,030
Total Support and Revenue	61,924,290	15,035,026	3,153,244	3,286,643	173,669	3,947,721	895,551	16,428,148	363,411	(24,878,295)	80,329,408
EXPENSES											
Program Services:											
Education	742,584	505,432	66,555	148,366	3,383	5,732	-	615,062	-	-	2,087,114
Health and Medical	166,790	1,479,397	61,973	18,667	14,859	14,811	-	-	9,520	-	1,766,017
Orphans	1,745,409	2,309,835	402,876	49,856	57,500	63,968	222,907	972,280	83,035	-	5,907,666
Emergency	6,690,158	204,412	51,305	63,511	-	-	34,286	197,089	32,978	-	7,273,739
Water for Life	1,107,955	1,080,183	419,027	81,114	64,297	116,847	65,293	221,944	73,473	-	3,230,133
Community Development	223,954	365,374	-	-	-	-	14,605	1,331,038	22,498	-	1,957,469
Seasonal	3,123,446	747,949	371,202	384,343	22,016	26,074	57,780	820,344	56,248	-	5,609,402
In-Kind	32,747,603	8,399,415	1,576,158	1,722,424	-	3,720,289	209,964	9,066,550	3,751	(23,608,951)	33,837,203
Total Program Services	46,547,899	15,091,997	2,949,096	2,468,281	162,055	3,947,721	604,835	13,224,307	281,503	(23,608,951)	61,668,743
Supporting Services:											
Management and General	1,823,797	526,066	177,741	-	-	-	26,664	329,768	76,384	-	2,960,420
Fund Raising	3,969,404	-	-	-	-	-	-	-	-	-	3,969,404
Total Supporting Expenses	5,793,201	526,066	177,741	-	-	-	26,664	329,768	76,384	-	6,929,824
Total Expenses	52,341,100	15,618,063	3,126,837	2,468,281	162,055	3,947,721	631,499	13,554,075	357,887	(23,608,951)	68,598,567
Operating Income/Loss	9,583,190	(583,037)	26,407	818,362	11,614	-	264,052	2,874,073	5,524	(1,269,344)	11,730,841
Other Non-Operating Income (Expenses)											
Unrealized Loss	(29,273)	-	-	-	-	-	-	-	-	-	(29,273)
Equity Transfer to HHIRS	-	(164,392)	-	-	-	-	-	-	-	-	(164,392)
Unrealized Gain	331,864	-	-	-	-	-	-	-	-	-	331,864
Prime Minister Interest Free Loan Fund	-	5,523	-	-	-	-	-	-	-	-	5,523
Endowment Fund	-	361,164	20,114	-	-	-	-	-	-	-	381,278
Translation Reserve	-	-	-	-	-	3,935	-	-	-	-	3,935
Restricted Fund	-	(137,345)	866	-	-	-	-	-	-	-	(136,479)
Total Non-Operating Income (Expenses)	302,591	64,950	20,980	-	-	3,935	-	-	-	-	392,456
Change in Net Assets	9,885,781	(518,087)	47,387	818,362	11,614	3,935	264,052	2,874,073	5,524	(1,269,344)	12,123,297
Net Assets - Beginning 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
Adjustment per ASC 830 (Note 1)	-	(1,087,904)	(12,696)	-	2,545	-	(60,098)	-	(933)	-	(1,159,086)
Net Assets - End of Year	\$ 49,729,287	\$ 10,492,648	\$ 280,796	\$ 1,838,541	\$ 82,724	\$ (6,975)	\$ 236,792	\$ 5,688,090	\$ 47,925	\$ (16,203,962)	\$ 52,185,866