HAND IN HAND USA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

PETER SHANNON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

6412 Joliet Road, Suite 1
Countryside, Illinois 60525

December 14, 2016

Hand in Hand USA
710 St. Joseph S Drive
Oak Brook, IL 60523

Independent Auditor's Report

Dear Gentlemen:

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of Hand in Hand USA, (a nonprofit organization) which comprise the cash basis statement of assets and net assets arising from cash transactions as of December 31, 2015, and the related cash basis statements of revenues collected and expenses paid, functional expenses, changes in net assets, and cash basis statement of cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for 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 financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 financial statements.

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets arising from cash transactions of Hand in Hand USA as of December 31, 2015, and its revenues collected and expenses paid, functional expenses, changes in net assets, and cash flows for the year then ended, in accordance with the basis of accounting as described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Peter Shannon & Co.

Certified Public Accountants

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Hand in Hand USA
Statement of Assets and Net Assets
Arising from Cash Transactions
December 31, 2015

Assets	
Current Assets	
Cash and Cash Equivalents	$ 90,384
Total Assets	$ 90,384
Net Assets	
Net Assets - Unrestricted (Note 2)	$ 90,384
Total Net Assets	$ 90,384

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

Hand in Hand USA
Statement of Revenues Collected and Expenses Paid
Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
Revenues Collected			
Contributions	$ 373,752	$	$ 373,752
Total Revenues Collected	$ 373,752		373,752
Other Revenue			
Interest Income	$ 147	$	$ 147
Total Other Revenue	$ 147		147
Total Revenues Collected	$ 373,899	$	$ 373,899
Expenses Paid			
Program	$ 480,000		480,000
Administrative	10,487		10,487
Fundraising	25,865		25,865
Total Expenses Paid	$ 516,352		516,352
(Decrease) in Net Assets	$ (142,453)		(142,453)

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

Hand in Hand USA
Statement of Functional Expenses
Year Ended December 31, 2015

	Program Services			
	Program	Administration	Fundraising	Total
Bank Charges	$	$ 1,190	$	$ 1,190
Merchandise Cost			1,268	1,268
Sales Tax		117		117
License & Fees		10		10
Audit		6,000		6,000
Office Expenses		2,670		2,670
Fundraising Costs			24,597	24,597
Contributions	480,000			480,000
Outside Services		500		500
	$ 480,000	$ 10,487	$ 25,865	$ 516,352

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

Hand in Hand USA
Statement of Changes in Net Assets
Year Ended December 31, 2015

Net Assets - Unrestricted - Beginning of Year	$	232,837
(Decrease) in Net Assets for the Year		(142,453)
Net Assets - Unrestricted - End of Year	$	90,384

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

Hand in Hand USA
Statement of Cash Flows
Year Ended December 31, 2015

Operating Activities	
(Decrease) in Net Assets	$ (142,453)
Net Cash (Used) by Operating Activities	$ (142,453)
(Decrease) in Cash and Cash Equivalents (Note 2)	$ (142,453)
Cash and Cash Equivalents - Beginning of Year	232,837
Cash and Cash Equivalents - End of Year	$ 90,384
Supplemental Information	
Interest Payments	$ - 0 -
Income Tax Payments	$ - 0 -

Supplemental Disclosures

Noncash Investing and Financing Transactions

There Were No Noncash Investing and Financing Transactions

Note 1 **Organization's Activities**

Hand in Hand USA (the "Organization") was created to provide aid and support to the needy. Some of the areas of relief include; disaster relief assistance, improvement of medical and economic structures, improvement in healthcare for children, general family welfare, aid for the sick, aged, or disabled, providing educational and vocational training for children, youth and adults. The sphere of activity of the Organization extends to all countries of the world.

Note 2 **Summary of Significant Accounting Policies**

Revenue and Cost Recognition

It is the policy of the Organization to prepare its financial statements on the basis of cash receipts and disbursements; consequently, revenue is recognized when received rather than when earned and expenses are recognized when paid rather than when incurred. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Net Assets

Unrestricted net assets consist of resources available for the various programs and administration of the Organization which have not been restricted by a donor or other outside party.

Temporarily restricted net assets are net assets subject to donor imposed restrictions that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction is satisfied, temporarily restricted net assets are transferred to unrestricted net assets and are reported in the statement of revenues collected and expenses paid as net assets released from restrictions.

Permanently restricted net assets represent net assets subject to donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

There are no temporarily or permanently restricted net assets at December 31, 2015.

Income Taxes

Hand in Hand USA is a not-for-profit organization and claims exemption from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and similar provisions of state income tax laws.

The Organization adopted the income standard related to the recognition and measurement of uncertain tax positions. Management has indicated that the adoption of this standard has no financial statement effect for the Organization.

Management believes the Organization's federal and state income tax returns for the previous three years are subject to examination by the applicable taxing authority.

Note 2 **Summary of Significant Accounting Policies (Continued)**

Donated Services

Hand in Hand USA does not record the donated value of personal services of volunteers due to the difficulty in placing a monetary value on such services and due to the inability of the Organization to exercise control over the employment and duties of the volunteers.

Donated Materials and Facilities

Hand in Hand USA does not capitalize or recognize as revenue the value of food, clothing, and other tangible goods that are received for the benefit of the Organization. No expenses are recorded for the distribution or use of such items.

Advertising

Hand in Hand USA expenses advertising costs as they are incurred.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be based upon amounts that differ from those estimates.

Accounting Standards Updates Issued Not Yet Adopted

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers.* ASU No. 2014-09 creates Topic 606, *Revenue from Contracts with Customers,* and supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition.* ASU No. 2014-09 requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also specifies the accounting for some costs to obtain or fulfill a contract with a customer, and indicates an entity should disclose sufficient information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. ASU 2015-14 deferred the effective date of ASU 2014-09. ASU No. 2014-09 is now effective for annual reporting periods beginning after December 15, 2018. The Organization has not yet determined the impact on its financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU No. 2016-14 reexamines existing standards for financial statement presentation by not-for-profit entities (NFP), focusing on improving net asset classification requirements and information provided in financial statements and notes about liquidity, financial performance, and cash flows. The main provisions of this ASU include presenting on the face of the statement of assets and net assets arising from cash transactions amounts for two classes of net assets at the end of the period, rather than for the currently required three classes. That is, an NFP will report amounts for net assets with donor restrictions and net assets without donor restrictions. Additionally, an NFP shall continue to present on the statement of cash flows the net amount for operating cash flows using either the direct or indirect method of reporting, but is no longer required to present or disclose the indirect method (reconciliation) if using the direct method. Furthermore, an NFP shall enhance disclosures about governing board imposed restrictions and liquidity. ASU 2016-14 is effective for the years beginning after December 15, 2017. The Organization has not yet determined the impact on its financial statements and disclosures.

Note 3 **Fair Values**

The carrying amounts for cash and cash equivalents approximate fair value due to the short period of time to maturity. Fair values of current maturities of long-term debt and long-term debt are based on amortization schedules using original loan information. The Organization has no current plans to retire a significant amount of its debt prior to maturity and, therefore, no consideration is given to liquidity issues in valuing debt.

Note 4 **Concentrations of Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and trade accounts receivable. The Organization may hold significant amounts of money in various banks in excess of the amount covered under FDIC insurance.

Note 5 **Functional Allocation of Expenses**

The cost of providing the various programs and supporting services has been summarized on a functional basis in the accompanying statement of revenues collected and expenses paid and the statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefitted.

Note 6 **Subsequent Events**

Management has evaluated subsequent events through December 14, 2016, the date on which the financial statements were available to be issued.