



AMERICANS HELPING AMERICANS, INC.

Financial Statements

For the Year Ended June 30, 2017

(With Summarized Financial Information for the Year Ended June 30, 2016)



**and
Report Thereon**



AMERICANS HELPING AMERICANS, INC.

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Americans Helping Americans, Inc.

We have audited the accompanying financial statements of Americans Helping Americans, Inc. (the Organization), an affiliate of Christian Relief Services Charities, Inc., which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and 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 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 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 organization'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 financial position of the Organization as of June 30, 2017, 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.

Continued

Report on Summarized Comparative Information

We have previously audited the Organization's 2016 financial statements, and our report dated October 19, 2016, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Raffa, P.C.

Raffa, P.C.

Washington, DC
October 17, 2017

AMERICANS HELPING AMERICANS, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2017

(With Summarized Financial Information as of June 30, 2016)

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	\$ 38,090	\$ 98,586
Contributions receivable, net	<u>50,401</u>	<u>69,441</u>
TOTAL ASSETS	<u>\$ 88,491</u>	<u>\$ 168,027</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 2,696	\$ 4,824
Due to affiliate	<u>14,368</u>	<u>55,220</u>
TOTAL LIABILITIES	<u>17,064</u>	<u>60,044</u>
Net Assets		
Unrestricted	21,200	38,592
Temporarily restricted	<u>50,227</u>	<u>69,391</u>
TOTAL NET ASSETS	<u>71,427</u>	<u>107,983</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 88,491</u>	<u>\$ 168,027</u>

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

AMERICANS HELPING AMERICANS, INC.

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

(With Summarized Financial Information for the Year Ended June 30, 2016)

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Total
SUPPORT AND REVENUE				
Noncash contributions from affiliate	\$ 690,224	\$ -	\$ 690,224	\$ 372,380
Cash contributions from affiliate	156,813	-	156,813	125,000
Workplace campaign contributions	-	36,898	36,898	67,818
Cash contributions	16,060	16,039	32,099	25,599
Net assets released from restrictions:				
Satisfaction of time restrictions	60,224	(60,224)	-	-
Satisfaction of purpose restrictions	11,877	(11,877)	-	-
TOTAL SUPPORT AND REVENUE	935,198	(19,164)	916,034	590,797
EXPENSES				
Program Services:				
Domestic programs	930,875	-	930,875	596,860
Total Program Services	930,875	-	930,875	596,860
Supporting Services:				
Management and general	16,127	-	16,127	16,170
Fundraising	5,588	-	5,588	12,199
Total Supporting Services	21,715	-	21,715	28,369
TOTAL EXPENSES	952,590	-	952,590	625,229
CHANGE IN NET ASSETS	(17,392)	(19,164)	(36,556)	(34,432)
NET ASSETS, BEGINNING OF YEAR	38,592	69,391	107,983	142,415
NET ASSETS, END OF YEAR	\$ 21,200	\$ 50,227	\$ 71,427	\$ 107,983

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

AMERICANS HELPING AMERICANS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2017

(With Summarized Financial Information for the Year Ended June 30, 2016)

	2017				2016
	Domestic Programs	Management and General	Fundraising	Total	Total
Donated relief materials	\$ 690,224	\$ -	\$ -	\$ 690,224	\$ 372,380
Cash grants	168,843	-	-	168,843	139,335
Salaries, wages and benefits	50,605	-	-	50,605	52,697
Provision for doubtful accounts	12,108	-	-	12,108	20,740
Professional and consulting	-	8,448	-	8,448	8,370
Office supplies, dues and subscriptions	1,434	3,462	3,517	8,413	8,121
Contract services	2,572	423	894	3,889	11,011
Payroll taxes	3,475	-	-	3,475	3,942
Printing and production	1,305	-	524	1,829	2,580
Rent	-	1,270	-	1,270	1,270
Bank charges	-	803	-	803	771
Advertising	-	-	550	550	550
General insurance	-	512	-	512	592
Telephone	-	435	-	435	481
Utilities	-	366	-	366	306
Repairs and maintenance	-	348	-	348	172
Postage	191	-	103	294	685
Shipping	84	60	-	144	175
Miscellaneous	34	-	-	34	-
Meetings and travel	-	-	-	-	1,051
TOTAL EXPENSES	\$ 930,875	\$ 16,127	\$ 5,588	\$ 952,590	\$ 625,229

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

AMERICANS HELPING AMERICANS, INC.

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2017

(With Summarized Financial Information for the Year Ended June 30, 2016)

Increase (Decrease) in Cash

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (36,556)	\$ (34,432)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Provision for doubtful accounts	(11,703)	6,868
Noncash contributions from affiliate	(690,224)	(372,380)
Donated relief materials	690,224	372,380
Changes in assets and liabilities:		
Contributions receivable	30,743	(17,450)
Accounts payable and accrued expenses	(2,128)	4,694
Due to affiliates	<u>(40,852)</u>	<u>52,317</u>
 NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	 <u>(60,496)</u>	 <u>11,997</u>
 NET DECREASE (INCREASE) IN CASH	 (60,496)	 11,997
 CASH, BEGINNING OF YEAR	 <u>98,586</u>	 <u>86,589</u>
 CASH, END OF YEAR	 <u>\$ 38,090</u>	 <u>\$ 98,586</u>

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

AMERICANS HELPING AMERICANS, INC.

NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2017

1. Organization and Summary of Significant Accounting Policies

Organization

Americans Helping Americans, Inc. (the Organization) was incorporated in 1990 and is a subordinate unit under the group exemption of Christian Relief Services Charities, Inc. (CRSC), a nonprofit 501(c)(3) organization. The Organization was organized to assist in the alleviation of human suffering, misery, pain and disability by helping fellow Americans with basic necessities, such as shelter, home repair, food, clothing and medical assistance throughout the United States.

The Organization has field partners in Georgia, Kentucky, Tennessee, Virginia, Ohio and West Virginia. These field partners join the local communities to build and strengthen neighbor relations and work side by side with residents to address community-wide concerns, linking resources supportive of a healthy, safe and economically vibrant standard of living. In addition, the field partners focus specifically on programs in Appalachia developed to address some of the most critical needs faced by the Appalachian people. The other field office empowers low-income individuals and families to get actively involved in their communities and to develop programs and services to meet their needs.

The Organization also makes grants and provides in-kind materials to community-based nonprofits and local churches in Maryland, Arkansas, Arizona, Alabama, New York, North Carolina, Indiana, Florida, Pennsylvania, Mississippi, Washington, DC and Virginia with their programs helping the disadvantaged and impoverished in their communities.

The Organization received approximately 92% of its support and revenue from Christian Relief Services, Inc. (CRSI), an affiliate of CRSC, and the remaining 8% from the public through participation in workplace campaigns and direct donations.

Basis of Accounting and Presentation

The accompanying 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 (GAAP). Consequently, revenue is recognized when earned and expenses are recognized when the obligation is incurred.

Net Assets

The net assets of the Organization are classified as follows:

- Unrestricted net assets represent funds that are available for support of the Organization's operations.
- Temporarily restricted net assets represent amounts that are subject to donor-imposed restrictions to be used within a specific time period.

AMERICANS HELPING AMERICANS, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

1. Organization and Summary of Significant Accounting Policies (continued)

Revenue Recognition

Gifts and grants of cash and other assets are recognized as revenue at their net realizable value when an unconditional promise to give is received by the Organization. The Organization reports gifts and grants of cash and other assets as unrestricted support and available for general operations unless specifically restricted by the donor.

The Organization reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets for purpose or time. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities as net assets released from restrictions. Workplace campaign contributions with payments due in future years are reported as temporarily restricted revenue in the accompanying statement of activities.

Revenue recognized on contributions that have been committed to the Organization, but have not been received, is reflected as contributions receivable in the accompanying statement of financial position. Contributions receivable are reported net of an allowance for doubtful accounts. The allowance is based on historical collection experience and a review of the current status of contributions receivable. A provision for doubtful accounts is made when collection of the full amount is no longer probable.

Noncash Contributions

Noncash contributions from an affiliate represent contributions of food, clothing, books, hygiene products, shoes, school supplies and bedding that were made to CRSI, an affiliate of the Organization, a portion of which was then donated to the Organization for its program partners. The donated items are recorded as revenue and expenses at their estimated fair value at the date of donation. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Organization's programs are also furthered by a substantial number of nonprofessional volunteers who have contributed their services to the Organization. The value of these services is not reflected in the accompanying financial statements because the contributed services do not meet the necessary criteria for recognition under GAAP.

Functional Allocation of Expenses

The costs of providing the programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Costs directly related to a program and/or supporting services are charged to that functional area. Expenses related to more than one function are allocated among the program and supporting services benefited.

AMERICANS HELPING AMERICANS, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

1. Organization and Summary of Significant Accounting Policies (continued)

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Contributions Receivable

Contributions receivable represent unconditional promises to give and are recorded at their net realizable value. All receivables are expected to be collected within one year. The Organization has recorded an allowance for doubtful accounts of \$20,962 as of June 30, 2017.

3. Temporarily Restricted Net Assets

As of June 30, 2017, temporarily restricted net assets were in the amount of \$50,227 and were restricted for use in future periods.

4. Transactions with Affiliates

The Organization is an affiliate of CRSC and CRSI. The Organization, CRSC and CRSI share a common board. CRSI acts as the fundraising arm for CRSC and its affiliates. CRSI raises both cash and noncash contributions for CRSC and its affiliates, and the contributions are distributed to the entities based on program objectives and need.

During the year ended June 30, 2017, CRSI made cash contributions to the Organization of \$156,813 and noncash contributions of \$690,224. These cash and noncash contributions from CRSI represent 92% of the Organization's support and revenue for the year ended June 30, 2017, and the contributions to the Organization from the affiliates are dependent on support from the general public.

During the year ended June 30, 2017, the Organization made cash grants to affiliates of CRSC totaling \$3,523. All amounts were paid to the affiliates as of June 30, 2017.

As of June 30, 2017, the Organization owed CRSC \$14,368 for salaries, benefits and other expenses incurred on the Organization's behalf, which is shown as due to affiliate in the accompanying statement of financial position.

5. Pension Plan

Employees of the Organization are eligible to participate in a 401(k) plan sponsored by CRSC after 60 days of service. Under the terms of the defined contribution plan, eligible employees may elect to contribute up to the federal tax limitation.

AMERICANS HELPING AMERICANS, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

5. Pension Plan (continued)

The plan has the following employee deferral and matching provisions:

<u>Elective Deferral</u>	<u>Employer Matching</u>
1%	150% of employee contribution
1% – 3%	100% of employee contribution
3% – 6%	50% of employee contribution

Employees are immediately vested in employer contributions. During the year ended June 30, 2017, retirement expense related to the plan was \$2,334.

6. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, the Organization is a nonprofit organization and is exempt from federal taxes on income other than net unrelated business income. No provision for federal or state income taxes is required as of June 30, 2017, as the Organization had no taxable net unrelated business income.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in Financial Accounting Standards Board Accounting Standards Codification Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization performed an evaluation of uncertainty in income tax positions taken for the year ended June 30, 2017, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of June 30, 2017, the statute of limitations for tax years ended June 30, 2013 through June 30, 2016, remains open with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns. It is the Organization's policy to recognize interest and/or penalties related to uncertainty in tax positions, if any, in income tax expense.

7. Prior Year Summarized Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

8. Reclassification

Certain 2016 amounts have been reclassified to conform to the 2017 financial statement presentation.

Continued

AMERICANS HELPING AMERICANS, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

9. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 17, 2017, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.