

Independent Auditor's Report

**To the Board of Directors
OBAT HELPERS, INC.
Indianapolis, Indiana**

We have audited the accompanying financial statements of OBAT HELPERS, INC., (the "Organization"), which comprise the statements of financial positions as of December 31, 2016, and the related statements of activities and changes in net assets, 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 audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. 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 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 include evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by the 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 aspects, the financial position of OBAT HELPERS, INC. as of December 31, 2015, and the change 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The information has been subjected to the auditing procedures applied in the audit of the financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

February 11, 2018

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OBAT HELPERS, INC
Balance Sheet
December 31, 2016

ASSETS

Current Assets

Checking/Savings

10100 · Operating (Checking) (Chase)	59,340.80
10200 · Operating (Savings) (Chase)	265.92
10300 · Investment (HY Savings) (Chase)	1,352.38
10500 · Investment (Money Market) (Key)	1,459.10
10600 · PayPal	<u>8,828.15</u>

Total Checking/Savings 71,246.35

Other Current Assets

12000 · Undeposited Funds	<u>10,263.00</u>
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Total Other Current Assets 10,263.00

Total Current Assets 81,509.35

Fixed Assets

15000 · Furniture and Equipment	<u>1,539.98</u>
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Total Fixed Assets 1,539.98

TOTAL ASSETS 83,049.33

LIABILITIES & EQUITY

Liabilities

Current Liabilities

21000 · Chase Mileage Plus	<u>947.46</u>
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Total Credit Cards 947.46

Total Current Liabilities 947.46

Total Liabilities 947.46

Equity

30000 · Opening Balance Equity	65,575.07
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32000 · Unrestricted Net Assets	23,465.62
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Net Income	<u>(6,938.82)</u>
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Total Equity 82,101.87

TOTAL LIABILITIES & EQUITY 83,049.33

OBAT HELPERS, INC
Income Statement
December 31, 2016

Ordinary Income/Expense

Income

43300 · Direct Public Grants	
Total 43300 · Direct Public Grants	39,364.46
43400 · Direct Public Support	
43420 · Religious Contributions	170,181.00
43450 · Individual, Business Contributions	430.00
43400 · Direct Public Support - Other	<u>351,475.02</u>
Total 43400 · Direct Public Support	522,086.02
43490 · Matching Gifts	2,353.38
44800 · Indirect Public Support	550.00
45000 · Investments	0.22
Total 46400 · Other Types of Income	420.00
47200 · Program Income	2,648.00
49000 · Special Events Income	<u>2,100.00</u>
Total Income	<u>569,522.08</u>

Gross Profit 569,522.08

Expense

60300 · Awards and Grants	459,683.00
60900 · Business Expenses	366.47
61000 · Salaries and Related Expenses	58,365.73
62100 · Contract Services	4,191.50
62800 · Facilities and Equipment	10,289.60
65000 · Operations	7,048.70
65100 · Other Types of Expenses	
65110 · Marketing and Advertising	9,311.63
65120 · Insurance - Liability, D and O	900.00
65130 · Interest Expense - General	392.52
65160 · Other Costs	4,732.17
65180 · Wire Fees	<u>30.00</u>
Total 65100 · Other Types of Expenses	15,366.32

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67000 - Fundraising	2,008.46
67100 - Programs, Seminars, and Events	135.60
68300 - Travel and Meetings	16,808.41
68400 - Miscellaneous	<u>2,197.11</u>
Total Expense	<u>576,460.90</u>
Net Ordinary Income	<u>(6,938.82)</u>
Net Income	<u><u>(6,938.82)</u></u>

OBAT HELPERS, INC
Statement of Cash Flows
December 31, 2016

	<u>For period ending, December 31, 2016</u>
OPERATING ACTIVITIES	
Net Income	-6,938.82
Adjustments to reconcile Net Income to net cash provided by operations:	
21000 - Chase Mileage Plus	<u>-3,031.79</u>
Net cash provided by Operating Activities	<u>-9,970.61</u>
Net cash increase for period	-9,970.61
Cash at beginning of period	<u>91,479.96</u>
Cash at end of period	<u><u>81,509.35</u></u>

NOTES TO THE FINANCIAL STATEMENTS

Nature of Operations

OBAT Helpers is a 501(c)3 non-profit organization committed to providing aid, support, education and economic empowerment to the displaced, unfortunate and forgotten population residing in camps in Bangladesh. OBAT has established schools, health clinics, tutoring, computer training and vocational centers along with a self-empowerment program. Provision of basic amenities for the camp residents such as clean water and sanitation through infrastructure development, is a priority. Education and economic empowerment are the areas of focus as together, they have the potential to lift the camp dwellers out of dire poverty and hopelessness.

Basis of Accounting

The accompanying financial statements were prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Revenue Recognition

Donations are recorded as revenue upon receipt. Donations are received in the form of cash, check, or by credit card for special fund raising events.

43400 - Direct Public Support

43420 - Religious Contributions

43421 - Aqeeqah	150.00
43422 - Fidya	4,500.00
43423 - Fitra	3,018.00
434241 - Qurbani - Whole Cow	22,135.00
434242 - Qurbani - Partial Cow	19,490.00
434243 - Qurbani - Goat	18,259.00
43425 - Sadaqah	5,679.00
43426 - Zakat	<u>96,950.00</u>
Total 43420 - Religious Contributions	170,181.00
43450 - Individual, Business Contributions	430.00

43400 • Direct Public Support - Other	<u>351,475.02</u>
Total 43400 • Direct Public Support	<u>522,086.02</u>

Direct public support: These are also donations but are not designated as either Zakat or Sadaqah by the donor.

Sadaqah: Muslims are encouraged to share their wealth with the deserving. This form of charity is voluntary and is not a requirement.

Zakat: Muslims are required to give away a specific percentage of their designated wealth and property to the needy and poor every year.

Qurbani: For the yearly festival of Eid-ul-Adha, animals are sacrificed by financially sound Muslims to commemorate the sacrifice made by Prophet Abraham. The meat of the animals is distributed to relatives and disadvantaged people. The funds received for Qurbani by OBAT are used to buy animals in Bangladesh. The animals are sacrificed and the meat is distributed to the camp residents.

Fitra: It is religious tax/alms paid on the day when Muslims break the fasting period at the end of the month of Ramadan.

Fidya: For those Muslims who cannot fast for any valid reason (such as the elderly, sick or handicapped), compensation must be given by feeding a poor person for every day of fasting not observed.

Aqeeqah: It is the Islamic tradition of the sacrifice of an animal on the occasion of a child's birth. Donations received under this category are used to perform the sacrifice of animals as requested by the donor.

Donations received in 2016 were allocated to education, empowerment through vocational centers, infrastructure for tubewells, bathrooms and sewers, and health services.

Grants and Matching Gifts

Grant revenue is recognized when funds are received. The Organization does not account for submitted grant proposals as an expected source of income even after notification of the disbarments of the funds.

43300 • Direct Public Grants	
43310 • Corporate and Business Grants	2,006.27
43300 • Direct Public Grants - Other	<u>37,358.19</u>
Total 43300 • Direct Public Grants	39,364.46
43490 • Matching Gifts	
43492 • Microsoft	2,153.38
43490 • Matching Gifts - Other	<u>200.00</u>
Total 43490 • Matching Gifts	2,353.38

Foundation and Trust Grants:

A grant for \$1,600 was received from the H.C. Gemmer Foundation for an Information Technology Center. An electronic update is provided to the grantors by Saima Hassan.

The funds received from the Human Capital International grant (\$21,615) were used 68% for medical services for Syedpur Health Clinic and 32% for the construction of water projects. The medical services were for cataract surgery, a mobile dental clinic and maternal care programs. Grant requests are prepared by Saima Hassan, Director of Development. HCI requiresf updates are provided once the project are implemented. All updates are provided by Saima Hassan. The details of the reports are kept in the files at the OBAT Helpers office.

Matching Gifts:

Matching gifts and donations for a total of \$9,624 were received from Benevity, Salesforce, and DST Systems.

Contributed Services

Contributed services revenue is recognized as the value of the service at the expected cost at time the services are performed.

Income Tax Status

The Organization is a not-for-profit, private foundation, exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision is made for federal or state income tax effects.

Accounting Standards for Income Taxes provide detailed guidance from financial recognition, measurements and disclosure of uncertain tax positions recognized in an enterprise's financial statements. The Organization's management does not believe it has engaged in any activities that would create uncertain tax positions.

The Organization's policy is to recognize penalties and interest as incurred in its statements of activities and changes in net assets, which totaled \$0 for the year ended December 31, 2016.

The Organization's federal and state information returns for 2012 through 2016 are subject to examination by the applicable tax authorities, generally for three years after the later of the original or extended due date.

Cash Flows

For the purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with original maturities of three months or less of an instrument's original maturity date to be cash and cash equivalents.

Contributions

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are classified to unrestricted net assets and reported to the statements of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. A description of the unrestricted, temporarily and permanently restricted net assets in the next paragraph:

Unrestricted net assets represent the portion of net assets of OBAT Helpers, Inc. that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for the support of the Organization.

Temporarily restricted net assets represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulation that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. Temporarily restricted net assets also include, pursuant to Indiana law, cumulative appreciation and reinvested gains on permanently restricted net assets, which has not been appropriated by the Board of Directors.

Permanently restricted net assets represent contributions and other inflows of assets whose use by OBAT Helper, Inc. is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

The organization does not have any permanently restricted net assets. As of December 31, 2016, the temporarily restricted net assets were: \$39,364.46.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Income Statement. Accordingly, certain costs have been allocated among the programs benefited.

Operating Lease Commitment

The Organization leases its office space with monthly lease payments of \$590.42 through The Center for Interfaith Cooperation. The lease is annual with a provision for cancellation of 30 day written notice and is renewed every year at the end of March. Future minimum lease payments on leases having non-cancelable terms beyond March 2017, as are follows:

<u>YEAR ENDING MARCH 31,</u>	<u>AMOUNT</u>
2017	\$1,771.26

Concentration of Credit Risk:

The Organization may at times maintain cash balances in excess of the federally insured limits of \$250,000 for the year ended December 31, 2016. The Organization's management monitors the financial ratings of such financial institutions and believes the risk of loss is minimal.

The Organization receives 99 % of its total support from private donations and 1% of its total support from grants.

The Organization's major supporters for the year ended, December 31, 2016 are:

DONOR	2016 CONTRIBUTIONS
Abdul and Saima Yaqub	\$35,000
Abdul R and Zeena Chaudhry	\$5,000
Adeel and Naila Ahmad/Sadia Humayon	\$7,000
Aqueel & Hina Kouser	\$7,500
Eijez Samad	\$10,000
Ejazur and Aziza R Rahman	\$5,000
Husam U and Uzma Ahmad	\$10,000
Iqbal A Khan	\$15,000
Jawaid and Yasmeen Ekram Charitable Fund	\$8,000
M. A. Nayer	\$5,000
Matloob & Mahjabeen Khan	\$10,000
Niaz and Shiba Haider, MD	\$19,000
Rabia Halim and Javaad A Khan	\$5,000

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Rezwan & Kiran Khan	\$5,000
Sajid Hussain	\$6,500
Shadia Jalal	\$5,000
Shahid Hussain	\$5,000
Syed M Oqail	\$10,000
Zafar and Unbareen M Imam	\$6,000

Changes in Accounting Practice

There were no significant changes to the accounting practices. General Ledger account titles were updated to provide a clear description to the reader of the financial statements and for a better understanding by the Board of Directors.