

HERE I AM ORPHAN MINISTRIES, INC.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

AND

FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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THOMPSON, DERRIG & CRAIG, P.C.
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of
Here I Am Orphan Ministries, Inc.

We have reviewed the accompanying financial statements of Here I Am Orphan Ministries, Inc. (a non-profit organization), which comprise the statement of financial position as of September 30, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

THOMPSON, DERRIG & CRAIG, PC

March 4, 2017

Woody Thompson, CPA/CFP | Ronnie Craig, CPA | Dillard Leverkusuhn, CPA | Lyn Kuciemba, CPA | James Larkin, CPA
Peggy Adcock, CPA | Sandy Beavers, CPA | Alline Briers, CPA | Priscilla Butler, CPA | Gay Vick Craig, CPA | Kay Dobbins, CPA | Harrison Fox, CPA
Emily Hogan, CPA | Logan Kendrick, CPA | Alice Monroe, CPA | Esther Parra, CPA | A.J. Taylor, CPA | Marian Rose Varisco, CPA

HERE I AM ORPHAN MINISTRIES, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2016

ASSETS

Current assets:	
Cash and cash equivalents	\$ 35,478
TOTAL ASSETS	<u><u>\$ 35,478</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 9,136
Credit card payable	2,733
Accrued payroll expenses	1,954
Total current liabilities	<u>13,823</u>
Total liabilities	<u>13,823</u>
Net assets:	
Unrestricted	13,580
Temporarily restricted	8,075
Total net assets	<u>21,655</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 35,478</u></u>

See independent accountant's review report and notes to financial statements.

HERE I AM ORPHAN MINISTRIES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support			
Fundraising:			
Project hope golf tournament	\$ 5,220	\$ -	\$ 5,220
Spring concert	25,492	-	25,492
ACE dinner	8,551	-	8,551
Total support and fundraising income	<u>39,263</u>	<u>-</u>	<u>39,263</u>
Support:			
Contributions	<u>120,845</u>	<u>8,075</u>	<u>128,920</u>
Net assets released from restrictions	<u>15,000</u>	<u>(15,000)</u>	<u>-</u>
Total Revenue and Support	<u>175,108</u>	<u>(6,925)</u>	<u>168,183</u>
Expenses			
Fundraising:			
Project hope golf tournament	3,703	-	3,703
Spring concert	8,414	-	8,414
ACE dinner	6,767	-	6,767
Total fundraising expenses	<u>18,884</u>	<u>-</u>	<u>18,884</u>
Program:			
Adoption grants	58,200	-	58,200
Mission trips	34,426	-	34,426
Total program expenses	<u>92,626</u>	<u>-</u>	<u>92,626</u>
Management and general:			
Payroll and related expenses	37,106	-	37,106
Other operating expenses	27,299	-	27,299
Total management and general expenses	<u>64,405</u>	<u>-</u>	<u>64,405</u>
Total Expenses	<u>175,915</u>	<u>-</u>	<u>175,915</u>
Change in Net Assets	(807)	(6,925)	(7,732)
Net Assets at Beginning of Year	<u>14,387</u>	<u>15,000</u>	<u>29,387</u>
Net Assets at End of Year	<u>\$ 13,580</u>	<u>\$ 8,075</u>	<u>\$ 21,655</u>

See independent accountant's review report and notes to financial statements.

HERE I AM ORPHAN MINISTRIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (7,732)
Change in:	
Accounts receivable	425
Accounts payable	9,136
Credit card payable	2,733
Accrued payroll expenses	<u>1,954</u>
Net cash provided by operating activities	<u>6,516</u>
Net change in cash and cash equivalents	6,516
Cash and cash equivalents at beginning of year	<u>28,962</u>
Cash and cash equivalents at end of year	<u><u>\$ 35,478</u></u>

See independent accountant's review report and notes to financial statements.

HERE I AM ORPHAN MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Note 1 – Summary of Significant Accounting Policies

Nature of Activities

Here I Am Orphan Ministries, Inc. (the Organization) is a not-for-profit corporation chartered by the State of Texas. The Organization was founded in 2005 to care for orphans domestically and abroad through advocacy, missions, adoption awareness, education and prayer. The Organization's major programs include providing hosting grants to families hosting children, providing adoption grants to families adopting children, increasing orphan care and adoption awareness through education and church outreach, and supporting Forever Families with events and training. During the 2016 fiscal year, hosting and adoption grants helped bring home 21 children and 29 additional children were in the process of being adopted at fiscal year-end. As of September 30, 2016, there were over 100 members in the Forever Families group.

The Organization is governed by a volunteer Board of Directors and Advisory Council. All significant policies and program decisions are voted on by the Board of Directors, and the day-to-day management is completed by the Executive Director hired by the Board.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: unrestricted and temporarily restricted.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, and reported revenue and expenses. Actual results could differ from those estimates.

See independent accountant's review report.

HERE I AM ORPHAN MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Note 1 – Summary of Significant Accounting Policies (Continued)

Contributions

The Organization accounts for contributions as unrestricted or temporarily restricted support depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Fixed Assets and Depreciation

The Organization capitalizes, at cost, all expenditures for fixed assets in excess of \$500. Donated property and equipment are carried at the appropriate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The Organization currently does not own any fixed assets.

Donated Assets and Services

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. During the year ended September 30, 2016, the Organization recorded 100 volunteers including host families, mission trip participants, and event volunteers. These services are not recognized as contributions in the financial statements since the recognition criteria described below are not met.

Donated services are recognized if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Note 2 – Tax Status

The Organization is a not-for-profit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) except on net income derived from unrelated business activities. There were no income taxes incurred for such unrelated business income for the year ended September 30, 2016. The Organization believes it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization's information and tax returns are subject to examination by taxing jurisdictions for up to three years after being filed.

See independent accountant's review report.

HERE I AM ORPHAN MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Note 3 – Temporarily Restricted Net Assets

Restricted net assets at September 30, 2016 consist entirely of host and adoption grants allocated to be paid to various adoption agencies on behalf of specific families and the child(ren) they are adopting. As of September 30, 2016, temporarily restricted net assets amounted to \$8,075.

Note 4 – Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 5 – Operating Lease Commitments

The Organization leases its office space under a month-to-month lease agreement for \$425 per month. Rent expense for the year ended September 30, 2016 amounted to \$5,925.

Note 6 – Subsequent Events

Management has evaluated subsequent events through March 4, 2017, the date that the financial statements were available to be issued.

See independent accountant's review report.