

Hands of Love Foundation

Financial Statements

For the Year Ended April 30, 2016

(With Summarized Financial Information for the Year Ended April 30, 2015)

Hands of Love Foundation
Financial Statements

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GIULIANI FINANCIAL PLANNING

Independent Accountant's Compilation Report

Hands of Love Foundation
1932 Bennetts Point Drive
Marietta, GA 30068

I have compiled the accompanying Statements of Assets, Liabilities and Net Assets of Hands of Love Foundation as of April 30, 2016 and April 30, 2015 and the related Statements of Revenues, Expenses, and Changes in Net Assets, and Cash Flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. A compilation is limited to presenting in the form of financial statements information that is the representation of management.

The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

James Giuliani, CPA, CFP®, CFA

James Giuliani

November 24, 2016

Hands of Love Foundation
 Statements of Assets, Liabilities, and Net Assets
 at April 30, 2016 and 2015

	April 30	
Assets:	2016	2015
Cash	\$ 203,908	\$ 142,266
Total Assets	<u>203,908</u>	<u>142,266</u>
Liabilities and Net Assets:		
Total Liabilities	<u>0</u>	<u>0</u>
Commitments and Contingencies (See Note 3)		
Net Assets:		
Temporarily Restricted:		
Purpose Restricted (See Note 2)	<u>119,358</u>	<u>107,294</u>
Total Temporarily Restricted	<u>119,358</u>	<u>107,294</u>
Unrestricted:		
Undesignated	<u>84,550</u>	<u>34,972</u>
Total Unrestricted	<u>84,550</u>	<u>34,972</u>
Total Net Assets	<u>203,908</u>	<u>142,266</u>
Total Liabilities and Net Assets	<u>\$ 203,908</u>	<u>\$ 142,266</u>

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

Hands of Love Foundation

Statements of Revenues, Expenses, and Changes in Net Assets

Years ended April 30, 2016 and 2015

	<u>2016</u>	<u>2016</u>	<u>2016</u>	<u>2015</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
Revenue:				
Contributions	\$ 52,522	\$ 1,115,880	\$ 1,168,402	\$ 996,235
Fundraising		18,827	18,827	35,343
Net Assets Released from Restrictions	<u>1,122,643</u>	<u>(1,122,643)</u>	<u>0</u>	<u>0</u>
Total Revenue	<u>1,175,165</u>	<u>12,064</u>	<u>1,187,229</u>	<u>1,031,578</u>
Expenses:				
Program Services:				
Program (See Note 1)	965,157		965,157	884,716
Supporting Activities:				
Management and general	142,741		142,741	131,485
Fundraising	<u>17,689</u>		<u>17,689</u>	<u>36,810</u>
Total Expenses	<u>1,125,587</u>		<u>1,125,587</u>	<u>1,053,011</u>
Change in Net Assets				
Unrestricted	49,578	0	49,578	21,528
Temporarily restricted	<u>0</u>	<u>12,064</u>	<u>12,064</u>	<u>(42,961)</u>
	49,578	12,064	61,642	(21,433)
Net Assets, Beginning of Year	<u>34,972</u>	<u>107,294</u>	<u>142,266</u>	<u>163,699</u>
Net Assets, End of Year	<u>\$ 84,550</u>	<u>\$ 119,358</u>	<u>\$ 203,908</u>	<u>\$ 142,266</u>

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

Hands of Love Foundation

Statements of Cash Flows

Years ended April 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 61,642	\$ (21,433)
Adjustments to reconcile change in net assets to net cash (used in)/provided by operating activities	<u>0</u>	<u>0</u>
Net cash (used in)/provided by operating activities	<u>61,642</u>	<u>(21,433)</u>
Net change in cash	61,642	(21,433)
Cash, beginning of year	<u>142,266</u>	<u>163,699</u>
Cash, end of year	<u>\$ 203,908</u>	<u>\$ 142,266</u>

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

Hands of Love Foundation

Schedules of Functional Expenses

Years ended April 30, 2016 and 2015

	<u>2016</u>	<u>2016</u>	<u>2016</u>	<u>2016</u>	<u>2015</u>
	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>	<u>Total</u>
Assistance given to an organization outside the USA	\$ 775,680	\$ 0	\$ 0	\$ 775,680	\$ 695,870
Salaries and wages	0	90,533	0	90,533	73,431
Travel	189,477	18,340	0	207,817	199,750
General and administrative	0	33,318	0	33,318	46,600
Professional services	<u>0</u>	<u>550</u>	<u>17,689</u>	<u>18,239</u>	<u>37,360</u>
Totals	<u>\$ 965,157</u>	<u>\$ 142,741</u>	<u>\$ 17,689</u>	<u>\$ 1,125,587</u>	<u>\$1,053,011</u>

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

Hands of Love Foundation
Notes to Financial Statements

1. Nature of Entity

Hands of Love Foundation (“The Foundation”) is a not-for-profit organization which provides assistance to orphans in Uganda. Revenue is generated primarily through donations to the Foundation.

The Foundation is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (“the Code”) and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Foundation is classified as a publicly supported organization which is not a private foundation under Section 509(a) of the Code.

During 2016, the Foundation’s program related expenses included:

- Meeting the basic needs of destitute children in Uganda (\$601,294) compared to expenses of \$535,952 in 2015;
- Sponsoring conferences and outreach programs in Uganda (\$189,477) compared to expenses of \$188,846 in 2015;
- Contributing to education and housing related facilities in Uganda (\$81,220) compared to expenses of \$77,994 in 2015; and
- Sponsoring staff in Uganda who help educate and care for orphans in Uganda (\$93,166) compared to expenses of \$81,924 in 2015.

2. Significant Accounting Policies

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting

The financial statements of the organization are prepared on the accrual basis of accounting. All revenues that were earned and all expenses that were incurred as of April 30, 2016 were accounted for on our Statement of Assets, Liabilities and Net Assets, Statement of Revenue, Expenses and Changes in Net Assets, and Statement of Cash Flows as of April 30, 2016 and for the year then ended (as well as prior year comparable periods).

Revenues and Expenses

Unrestricted contributions are recognized as contribution revenues in the Statement of Revenues, Expenses, and Changes in Net Assets when cash or ownership of donated assets is earned by the organization. These contributions are neither permanently restricted nor temporarily restricted by donor imposed stipulations.

Temporarily restricted contributions are recognized as contribution revenues in the Statement of Revenues, Expenses, and Changes in Net Assets when cash or ownership of donated assets is earned by

the organization. These contributions are subsequently released from temporary restrictions when expenses have been incurred in satisfaction of those restrictions.

Classes of Revenue and Net Assets

The financial statements report amounts separately by class of net assets:

- a) Unrestricted amounts are those currently available at the discretion of the board of directors for use in the organization's operations and have no designated purpose.
- b) Temporarily restricted amounts are those which are stipulated by donors for specific operating purposes. All of these funds are either transferred to Uganda or used for administrative expenses in the U.S. pursuant to the stipulations of the donor.

Temporarily restricted net assets as of April 30, 2016 and 2015 were restricted for the following purposes:

	<u>2016</u>	<u>2015</u>
Basic needs of destitute children in Uganda	\$ 53,652	\$ 35,965
Conferences and outreach programs in Uganda	8,030	0
Education and housing related facilities in Uganda	23,179	7,948
Staff sponsorship in Uganda	7,785	6,250
Administrative	<u>26,712</u>	<u>57,131</u>
Total	<u>\$ 119,358</u>	<u>\$ 107,294</u>

All contributions are considered available for unrestricted use, unless restricted by the donor or subject to other legal restrictions.

Cash

Cash consists of cash held in checking accounts and does not bear interest.

3. Commitments and Contingencies

We may be party to various claims, legal actions and complaints arising in the ordinary course of our program activities. There are currently no probable matters outstanding that, in the opinion of management, will have a material effect on our Statements of Assets, Liabilities and Net Assets, Statements of Revenues, Expenses and Changes in Net Assets and Statements of Cash Flows. There are also currently no reasonably possible matters outstanding that, in the opinion of management, will have a material effect on our Statements of Assets, Liabilities and Net Assets, Statements of Revenues, Expenses and Changes in Net Assets and Statements of Cash Flows.

4. Subsequent Events

No events subsequent to April 30, 2016, were material to the financial statements herein.