

Hands of Love Foundation

Financial Statements

For the Year Ended April 30, 2017

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

Hands of Love Foundation
Financial Statements

Index

	PAGE
Independent Accountant’s Compilation Report.....	2
Financial Statements (Unaudited)	3
Statements of Assets, Liabilities and Net Assets at April 30, 2017 and 2016.....	3
Statements of Revenues, Expenses and Changes in Net Assets for the Years Ended April 30, 2017 and 2016.....	4
Statements of Cash Flows for the Years Ended April 30, 2017 and 2016	5
Schedules of Functional Expenses for the Years Ended April 30, 2017 and 2016.....	6
Notes to Financial Statements.....	7

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, 2017 and April 30, 2016, the related Statements of Revenues, Expenses and Changes in Net Assets, Cash Flows and Schedules of Functional Expenses for the years then ended, and the footnotes to these financial statements, in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of 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



Atlanta, Georgia
September 29, 2017

Hands of Love Foundation
 Statements of Assets, Liabilities and Net Assets
 at April 30, 2017 and 2016

	April 30	
Assets:	2017	2016
Cash	<u>\$ 191,261</u>	<u>\$ 203,908</u>
Total Assets	<u>191,261</u>	<u>203,908</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>149,976</u>	<u>119,358</u>
Total Temporarily Restricted	<u>149,976</u>	<u>119,358</u>
Unrestricted:		
Undesignated	<u>41,285</u>	<u>84,550</u>
Total Unrestricted	<u>41,285</u>	<u>84,550</u>
Total Net Assets	<u>191,261</u>	<u>203,908</u>
Total Liabilities and Net Assets	<u>\$ 191,261</u>	<u>\$ 203,908</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, 2017 and 2016

	<u>2017</u>	<u>2017</u>	<u>2017</u>	<u>2016</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
Revenue:				
Contributions	\$ 7,729	\$ 1,615,843	\$ 1,623,572	\$ 1,168,402
Fundraising	0	6,016	6,016	18,827
Net Assets Released from Restrictions	<u>1,591,241</u>	<u>(1,591,241)</u>	<u>0</u>	<u>0</u>
Total Revenue	<u>1,598,970</u>	<u>30,618</u>	<u>1,629,588</u>	<u>1,187,229</u>
Expenses:				
Program Services:				
Program (See Note 1)	1,485,277		1,485,277	965,157
Supporting Activities:				
Management and general	150,942		150,942	142,741
Fundraising	<u>6,016</u>		<u>6,016</u>	<u>17,689</u>
Total Expenses	<u>1,642,235</u>		<u>1,642,235</u>	<u>1,125,587</u>
Change in Net Assets				
Unrestricted	(43,265)	0	(43,265)	49,578
Temporarily restricted	<u>0</u>	<u>30,618</u>	<u>30,618</u>	<u>12,064</u>
	(43,265)	30,618	(12,647)	61,642
Net Assets, Beginning of Year	<u>84,550</u>	<u>119,358</u>	<u>203,908</u>	<u>142,266</u>
Net Assets, End of Year	<u>\$ 41,285</u>	<u>\$ 149,976</u>	<u>\$ 191,261</u>	<u>\$ 203,908</u>

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

Hands of Love Foundation

Statements of Cash Flows

Years ended April 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (12,647)	\$ 61,642
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>(12,647)</u>	<u>61,642</u>
Net change in cash	(12,647)	61,642
Cash, beginning of year	<u>203,908</u>	<u>142,266</u>
Cash, end of year	<u>\$ 191,261</u>	<u>\$ 203,908</u>

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

Hands of Love Foundation
Schedules of Functional Expenses
Years ended April 30, 2017 and 2016

	<u>2017</u>	<u>2017</u>	<u>2017</u>	<u>2017</u>	<u>2016</u>
	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>	<u>Total</u>
Assistance to an organization outside the USA	\$ 1,161,477	\$ 0	\$ 0	\$ 1,161,477	\$ 775,680
Payroll related expenses	0	99,801	0	99,801	90,533
Travel	323,800	10,536	0	334,336	207,817
General and administrative	0	40,055	0	40,055	33,318
Professional services	<u>0</u>	<u>550</u>	<u>6,016</u>	<u>6,566</u>	<u>18,239</u>
Totals	<u>\$ 1,485,277</u>	<u>\$ 150,942</u>	<u>\$ 6,016</u>	<u>\$ 1,642,235</u>	<u>\$1,125,587</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 the current period, the Foundation’s program related expenses included:

- Meeting the basic needs of destitute children in Uganda (\$521,596) compared to expenses of \$601,294 in the prior period;
- Sponsoring conferences and outreach programs in Uganda (\$323,800) compared to expenses of \$189,477 in the prior period;
- Contributing to education and infrastructure in Uganda (\$528,716) compared to expenses of \$81,220 in the prior period; and
- Sponsoring staff in Uganda who help educate and care for orphans in Uganda (\$111,165) compared to expenses of \$93,166 in the prior period.

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, 2017 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, 2017 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, 2017 and 2016 were restricted for the following purposes:

	<u>2017</u>	<u>2016</u>
Basic needs of destitute children in Uganda	\$ 45,587	\$ 53,652
Conferences and outreach programs in Uganda	0	8,030
Education and infrastructure needs in Uganda	52,345	23,179
Staff sponsorship in Uganda	13,725	7,785
Administrative	<u>38,319</u>	<u>26,712</u>
Total	<u>\$ 149,976</u>	<u>\$ 119,358</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, 2017, up to the issuance date of these financial statements, which was September 29, 2017, were material to the financial statements herein.