

***BOTH HANDS FOUNDATION***

**FINANCIAL STATEMENTS &  
INDEPENDENT ACCOUNTANTS'  
COMPILATION REPORT**

**DECEMBER 31, 2014 and 2013**

## **BOTH HANDS FOUNDATION**

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# MULLINS CLEMMONS & MAYES, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors of  
Both Hands Foundation:

We have compiled the accompanying statements of financial position of Both Hands Foundation (a nonprofit organization) as of December 31, 2014 and 2013, and the related statements of activities, functional expenses and cash flows for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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.

Our responsibility is to conduct the compilations in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. 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.

*Mullins Clemmons & Mayes, PLLC*

Brentwood, Tennessee  
March 13, 2015

**BOTH HANDS FOUNDATION****STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2014 AND 2013**

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| <u>ASSETS</u>                     | <u>2014</u>       | <u>2013</u>       |
|-----------------------------------|-------------------|-------------------|
| CURRENT ASSETS:                   |                   |                   |
| Cash and cash equivalents         | \$ 276,834        | \$ 159,439        |
| Total current assets              | <u>276,834</u>    | <u>159,439</u>    |
| PROPERTY AND EQUIPMENT:           |                   |                   |
| Automobile                        | 3,000             | 3,000             |
| Computer equipment                | <u>4,502</u>      | <u>3,143</u>      |
| Total cost                        | 7,502             | 6,143             |
| Less accumulated depreciation     | <u>(2,719)</u>    | <u>(1,428)</u>    |
| Property and equipment, net       | <u>4,783</u>      | <u>4,715</u>      |
| TOTAL ASSETS                      | <u>\$ 281,617</u> | <u>\$ 164,154</u> |
| <u>LIABILITIES AND NET ASSETS</u> |                   |                   |
| CURRENT LIABILITIES:              |                   |                   |
| Accounts payable                  | \$ 180            | \$ -              |
| Accrued liabilities               | <u>4,072</u>      | <u>3,609</u>      |
| Total current liabilities         | <u>4,252</u>      | <u>3,609</u>      |
| NET ASSETS:                       |                   |                   |
| Unrestricted                      | 123,150           | 59,396            |
| Temporarily restricted            | <u>154,215</u>    | <u>101,149</u>    |
| Total net assets                  | <u>277,365</u>    | <u>160,545</u>    |
| TOTAL LIABILITIES AND NET ASSETS  | <u>\$ 281,617</u> | <u>\$ 164,154</u> |

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**See accompanying notes and independent accountants' compilation report.**

**BOTH HANDS FOUNDATION****STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

|                                               | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Total</u>      |
|-----------------------------------------------|---------------------|-----------------------------------|-------------------|
| SUPPORT AND REVENUES:                         |                     |                                   |                   |
| Contributions                                 | \$ 412,518          | \$ 617,610                        | \$ 1,030,128      |
| Net assets released from restrictions         | 564,544             | (564,544)                         | -                 |
| Other unrestricted revenue                    | 2,548               | -                                 | 2,548             |
| Total support, revenues and reclassifications | <u>979,610</u>      | <u>53,066</u>                     | <u>1,032,676</u>  |
| EXPENSES:                                     |                     |                                   |                   |
| Program services                              | 760,864             | -                                 | 760,864           |
| General and administrative                    | 63,045              | -                                 | 63,045            |
| Development and fundraising                   | 91,947              | -                                 | 91,947            |
| Total expenses                                | <u>915,856</u>      | <u>-</u>                          | <u>915,856</u>    |
| NET CHANGE IN NET ASSETS                      | 63,754              | 53,066                            | 116,820           |
| NET ASSETS, BEGINNING                         | <u>59,396</u>       | <u>101,149</u>                    | <u>160,545</u>    |
| NET ASSETS, ENDING                            | <u>\$ 123,150</u>   | <u>\$ 154,215</u>                 | <u>\$ 277,365</u> |

See accompanying notes and independent accountants' compilation report.

**BOTH HANDS FOUNDATION****STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|                                               | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Total</u>      |
|-----------------------------------------------|---------------------|-----------------------------------|-------------------|
| <b>SUPPORT AND REVENUES:</b>                  |                     |                                   |                   |
| Contributions                                 | \$ 303,653          | \$ 237,016                        | \$ 540,669        |
| Net assets released from restrictions         | 135,867             | (135,867)                         | -                 |
| Other unrestricted revenue                    | <u>2,263</u>        | <u>-</u>                          | <u>2,263</u>      |
| Total support, revenues and reclassifications | <u>441,783</u>      | <u>101,149</u>                    | <u>542,932</u>    |
| <b>EXPENSES:</b>                              |                     |                                   |                   |
| Program services                              | 282,811             | -                                 | 282,811           |
| General and administrative                    | 54,029              | -                                 | 54,029            |
| Development and fundraising                   | <u>78,183</u>       | <u>-</u>                          | <u>78,183</u>     |
| Total expenses                                | <u>415,023</u>      | <u>-</u>                          | <u>415,023</u>    |
| <b>NET CHANGE IN NET ASSETS</b>               | 26,760              | 101,149                           | 127,909           |
| <b>NET ASSETS, BEGINNING</b>                  | <u>32,636</u>       | <u>-</u>                          | <u>32,636</u>     |
| <b>NET ASSETS, ENDING</b>                     | <u>\$ 59,396</u>    | <u>\$ 101,149</u>                 | <u>\$ 160,545</u> |

See accompanying notes and independent accountants' compilation report.

**BOTH HANDS FOUNDATION****STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

|                                       | <b>Program<br/>Services</b>              | <b>Supporting Services</b>            |                                            |                           |
|---------------------------------------|------------------------------------------|---------------------------------------|--------------------------------------------|---------------------------|
|                                       | <b>Widow and<br/>Orphan<br/>Projects</b> | <b>Management<br/>and<br/>General</b> | <b>Development<br/>and<br/>Fundraising</b> | <b>Total<br/>Expenses</b> |
| Salaries                              | \$ 78,585                                | \$ 33,310                             | \$ 54,655                                  | \$ 166,550                |
| Employee benefits                     | 1,512                                    | 432                                   | 216                                        | 2,160                     |
| Payroll taxes                         | 6,012                                    | 2,548                                 | 4,181                                      | 12,741                    |
| Total personnel costs                 | 86,109                                   | 36,290                                | 59,052                                     | 181,451                   |
| Legal and professional                | -                                        | 13,900                                | 681                                        | 14,581                    |
| Dues and memberships                  | -                                        | 1,483                                 | -                                          | 1,483                     |
| Office expenses                       | 1,431                                    | 973                                   | 5,814                                      | 8,218                     |
| Fundraising                           | 22                                       | 50                                    | 8,392                                      | 8,464                     |
| Automobile                            | 1,552                                    | 1,034                                 | 2,586                                      | 5,172                     |
| Dining and entertainment              | 704                                      | 463                                   | 1,368                                      | 2,535                     |
| Donor development                     | -                                        | -                                     | 2,129                                      | 2,129                     |
| Education                             | -                                        | 938                                   | 90                                         | 1,028                     |
| Taxes                                 | -                                        | 320                                   | -                                          | 320                       |
| Occupancy                             | 795                                      | 530                                   | 1,325                                      | 2,650                     |
| Gifts given                           | 119                                      | 1,036                                 | 169                                        | 1,324                     |
| Insurance                             | 1,286                                    | 367                                   | 184                                        | 1,837                     |
| Marketing                             | 2,991                                    | 498                                   | 2,489                                      | 5,978                     |
| Website and<br>information technology | 9,837                                    | 3,279                                 | 3,279                                      | 16,395                    |
| Travel                                | 2,439                                    | 1,626                                 | 4,066                                      | 8,131                     |
| Support provided to<br>families       | 564,544                                  | -                                     | -                                          | 564,544                   |
| Donations to other<br>ministries      | 550                                      | -                                     | -                                          | 550                       |
| Building and repair<br>supplies       | 87,582                                   | -                                     | 194                                        | 87,776                    |
| Total expenses before<br>depreciation | 759,961                                  | 62,787                                | 91,818                                     | 914,566                   |
| Depreciation                          | 903                                      | 258                                   | 129                                        | 1,290                     |
| Total expenses                        | \$ 760,864                               | \$ 63,045                             | \$ 91,947                                  | \$ 915,856                |

**See accompanying notes and independent accountants' compilation report.**

# **BOTH HANDS FOUNDATION**

## **STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2013**

|                                       | <b>Program<br/>Services</b>              | <b>Supporting Services</b>            |                                            |                           |
|---------------------------------------|------------------------------------------|---------------------------------------|--------------------------------------------|---------------------------|
|                                       | <b>Widow and<br/>Orphan<br/>Projects</b> | <b>Management<br/>and<br/>General</b> | <b>Development<br/>and<br/>Fundraising</b> | <b>Total<br/>Expenses</b> |
| Salaries                              | \$ 58,635                                | \$ 33,690                             | \$ 50,258                                  | \$ 142,583                |
| Employee benefits                     | 672                                      | 192                                   | 96                                         | 960                       |
| Payroll taxes                         | 4,486                                    | 2,577                                 | 3,845                                      | 10,908                    |
| Total personnel costs                 | 63,793                                   | 36,459                                | 54,199                                     | 154,451                   |
| Legal and professional                | -                                        | 10,175                                | -                                          | 10,175                    |
| Dues and memberships                  | -                                        | 721                                   | -                                          | 721                       |
| Office expenses                       | 3,279                                    | 935                                   | 468                                        | 4,682                     |
| Fundraising                           | -                                        | -                                     | 4,300                                      | 4,300                     |
| Automobile                            | 2,037                                    | 1,358                                 | 3,396                                      | 6,791                     |
| Dining and entertainment              | 677                                      | 451                                   | 1,129                                      | 2,257                     |
| Donor development                     | -                                        | -                                     | 3,477                                      | 3,477                     |
| Education                             | -                                        | 1,191                                 | -                                          | 1,191                     |
| Taxes                                 | -                                        | 161                                   | -                                          | 161                       |
| Occupancy                             | 934                                      | 622                                   | 1,556                                      | 3,112                     |
| Gifts given                           | 604                                      | 173                                   | 86                                         | 863                       |
| Insurance                             | 817                                      | 233                                   | 117                                        | 1,167                     |
| Marketing                             | -                                        | -                                     | 6,972                                      | 6,972                     |
| Website and<br>information technology | -<br>1,645                               | -<br>470                              | -<br>235                                   | -<br>2,350                |
| Travel                                | 1,280                                    | 854                                   | 2,135                                      | 4,269                     |
| Support provided to<br>families       | -<br>135,867                             | -<br>-                                | -<br>-                                     | -<br>135,867              |
| Donations to other<br>ministries      | -<br>100                                 | -<br>-                                | -<br>-                                     | -<br>100                  |
| Building and repair<br>supplies       | -<br>70,988                              | -<br>-                                | -<br>-                                     | -<br>70,988               |
| Total expenses before<br>depreciation | 282,021                                  | 53,803                                | 78,070                                     | 413,894                   |
| Depreciation                          | 790                                      | 226                                   | 113                                        | 1,129                     |
| Total expenses                        | <u>\$ 282,811</u>                        | <u>\$ 54,029</u>                      | <u>\$ 78,183</u>                           | <u>\$ 415,023</u>         |

**See accompanying notes and independent accountants' compilation report.**



**BOTH HANDS FOUNDATION****STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

|                                                                                                    | <u>2014</u>       | <u>2013</u>       |
|----------------------------------------------------------------------------------------------------|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:                                                              |                   |                   |
| Net change in net assets                                                                           | \$ 116,820        | \$ 127,909        |
| Adjustments to reconcile net change in net assets<br>to net cash provided by operating activities: |                   |                   |
| Depreciation                                                                                       | 1,290             | 1,129             |
| Net changes in other operating assets and liabilities:                                             |                   |                   |
| Accrued liabilities                                                                                | 643               | 1,015             |
| Net cash provided by operating activities                                                          | <u>118,753</u>    | <u>130,053</u>    |
| CASH FLOWS FROM INVESTING ACTIVITIES:                                                              |                   |                   |
| Purchases of property and equipment                                                                | (1,358)           | (660)             |
| Net cash used in investing activities                                                              | <u>(1,358)</u>    | <u>(660)</u>      |
| NET CHANGE IN CASH AND CASH EQUIVALENTS                                                            | 117,395           | 129,393           |
| CASH AND CASH EQUIVALENTS, BEGINNING                                                               | <u>159,439</u>    | <u>30,046</u>     |
| CASH AND CASH EQUIVALENTS, ENDING                                                                  | <u>\$ 276,834</u> | <u>\$ 159,439</u> |

See accompanying notes and independent accountants' compilation report.

## **BOTH HANDS FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013**

#### **NOTE 1 – THE ENTITY**

Both Hands Foundation, (the "Foundation") was incorporated under the Tennessee Nonprofit Corporation Act on January 31, 2008. The Foundation is qualified as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. The purpose of the Foundation, as stated in its mission statement, is to help people raise funds for orphans while serving widows through home improvement projects. The Foundation is located in Nashville, Tennessee.

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Accounting Periods** - All references to 2014 and 2013 in these financial statements refer to the years ended December 31, 2014 and December 31, 2013, respectively, unless otherwise noted.

**Basis of Accounting** - The financial records of the Foundation are maintained on the accrual basis of accounting.

**Cash and Cash Equivalents** - Cash and cash equivalents consist of cash on hand, cash in various bank accounts, and all highly liquid investments with an original maturity of three months or less. The Foundation may, at times, maintain bank accounts whose balances exceed federally insured limits. However, the Foundation has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

**Property and Equipment** - Expenditures for additions, major renewals and betterment of property and equipment are capitalized. The fair value of donated property and equipment is similarly capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed by using the straight-line method over the estimated useful lives of the assets.

**Donated Materials and Services** - Donated materials are recognized as contributions at their estimated fair values at date of receipt. The value of donated services and goods meeting the requirements for recognition in the financial statements for 2014 and 2013 was \$97,632 and \$76,500, respectively.

**Income Taxes** - As mentioned in Note 1, the Foundation is a tax-exempt organization; accordingly, no provision for income taxes is included in the accompanying financial statements.

**Estimates** - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Financial Statement Presentation** - The Foundation 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. At December 31, 2014 and December 31, 2013 the Foundation had no permanently restricted net assets. See Note 3 for further details.

**SEE INDEPENDENT ACCOUNTANTS' COMPILATION REPORT.**

**BOTH HANDS FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2014 AND 2013**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Events Occurring after Reporting Date** – Management has evaluated events and transactions that occurred through March 13, 2015, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

**NOTE 3 – NET ASSET RESTRICTIONS**

Temporarily restricted net assets consist entirely of contributions for adoption assistance. Once the contributions are used for adoption assistance, net assets are reclassified from temporarily restricted to unrestricted, and reported as net assets released from restrictions in the statements of activities. Net assets released from restrictions during 2014 and 2013 totaled \$564,544 and \$135,867, respectively.

**SEE INDEPENDENT ACCOUNTANTS' COMPILATION REPORT.**