

BOTH HANDS FOUNDATION

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

DECEMBER 31, 2013

BOTH HANDS FOUNDATION

TABLE OF CONTENTS

Independent Accountants' Compilation Report	1
Financial Statements as of December 31, 2013 and for the Year then ended:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 7

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 statement of financial position of Both Hands Foundation (a nonprofit organization) as of December 31, 2013, and the related statements of activities, functional expenses and cash flows for the year 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 compilation 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 22, 2014

BOTH HANDS FOUNDATION

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 159,439
Total current assets	<u>159,439</u>

PROPERTY AND EQUIPMENT:

Automobile	3,000
Computer equipment	<u>3,143</u>
Total cost	6,143
Less accumulated depreciation	<u>(1,428)</u>
Property and equipment, net	<u>4,715</u>

TOTAL ASSETS	\$ 164,154
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accrued liabilities	\$ 3,609
Total current liabilities	<u>3,609</u>

NET ASSETS:

Unrestricted	59,396
Temporarily restricted	<u>101,149</u>
Total net assets	<u>160,545</u>

TOTAL LIABILITIES AND NET ASSETS	\$ 164,154
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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 Restricted</u>	<u>Total</u>
SUPPORT AND REVENUES:			
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>
EXPENSES:			
Program services	282,811	-	282,811
General and administrative	54,031	-	54,031
Development and fundraising	<u>78,180</u>	<u>-</u>	<u>78,180</u>
Total expenses	<u>415,023</u>	<u>-</u>	<u>415,023</u>
NET CHANGE IN NET ASSETS	26,760	101,149	127,909
NET ASSETS, BEGINNING	<u>32,636</u>	<u>-</u>	<u>32,636</u>
NET ASSETS, ENDING	<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, 2013**

	Program Services	Supporting Services		
	Widow and Orphan Projects	Management and General	Development and Fundraising	Total Expenses
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	937	468	4,685
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 information technology	1,645	470	235	2,351
Travel	1,280	854	2,134	4,268
Support provided to families	135,867	-	-	135,867
Donations to other ministries	100	-	-	100
Building and repair supplies	70,988	-	-	70,988
Total expenses before depreciation	282,021	53,805	78,068	413,894
Depreciation	790	226	113	1,129
Total expenses	\$ 282,811	\$ 54,031	\$ 78,180	\$ 415,023

See accompanying notes and independent accountants' compilation report.

BOTH HANDS FOUNDATION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013**

CASH FLOWS FROM OPERATING ACTIVITIES:

Net change in net assets	\$ 127,909
Adjustments to reconcile net change in net assets to net cash provided by operating activities:	
Depreciation	1,129
Net changes in other operating assets and liabilities:	
Accrued liabilities	<u>1,015</u>
Net cash provided by operating activities	<u>130,053</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of property and equipment	<u>(660)</u>
Net cash used in investing activities	<u>(660)</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS 129,393

CASH AND CASH EQUIVALENTS, BEGINNING 30,046

CASH AND CASH EQUIVALENTS, ENDING \$ 159,439

See accompanying notes and independent accountants' compilation report.

BOTH HANDS FOUNDATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 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 currently operates in Nashville, Tennessee.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Periods - All references to 2013 in these financial statements refer to the year ended December 31, 2013, 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 2013 was \$76,500.

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, 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, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Events Occurring after Reporting Date – Management has evaluated events and transactions that occurred through March 22, 2014, 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 statement of activities. Net assets released from restrictions during 2013 totaled \$135,867.

SEE INDEPENDENT ACCOUNTANTS' COMPILATION REPORT.