

**HANDS ON WORLDWIDE, INC.**

Financial Statements  
For the Years Ended  
August 31, 2009 and 2008  
with  
Independent Auditors' Report

**HANDS ON WORLDWIDE, INC.**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Hands on Worldwide, Inc.  
Carlisle, Massachusetts

We have audited the accompanying statements of financial position of Hands on Worldwide, Inc. (a non-profit organization) as of August 31, 2009 and 2008, and the related statements of activities and changes in net assets, of functional expenses, and of cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hands on Worldwide, Inc. as of August 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Chiampou Travis Besaw & Kershner LLP*

January 12, 2010



**HANDS ON WORLDWIDE, INC.**

**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2009 AND 2008**

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	2009	2008
<b>ASSETS</b>		
Cash and cash equivalents	\$ 117,481	\$ 206,316
Prepaid expenses	6,550	-
Equipment, net of accumulated depreciation of \$11,962 and \$7,264, respectively	<u>10,106</u>	<u>14,804</u>
	<u>\$ 134,137</u>	<u>\$ 221,120</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 10,225	\$ 5,112
 <b>NET ASSETS:</b>		
Unrestricted net assets	<u>123,912</u>	<u>216,008</u>
	<u>\$ 134,137</u>	<u>\$ 221,120</u>

See notes to financial statements.



**HANDS ON WORLDWIDE, INC.**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED AUGUST 31, 2009 AND 2008**

	2009	2008
<b>UNRESTRICTED NET ASSETS</b>		
REVENUE AND OTHER SUPPORT:		
Contributions	\$ 461,366	\$ 502,947
Grants	46,769	-
Interest income	469	-
	<hr/>	<hr/>
TOTAL REVENUE AND OTHER SUPPORT	508,604	502,947
EXPENSES:		
Program expenses	475,597	411,749
Management and general expenses	81,914	37,565
Fund raising expenses	43,189	-
	<hr/>	<hr/>
TOTAL EXPENSES	600,700	449,314
CHANGE IN UNRESTRICTED NET ASSETS	(92,096)	53,633
UNRESTRICTED NET ASSETS, beginning of year	<hr/> 216,008	<hr/> 162,375
UNRESTRICTED NET ASSETS, end of year	<hr/> <u>\$ 123,912</u>	<hr/> <u>\$ 216,008</u>

See notes to financial statements.



# HANDS ON WORLDWIDE, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES FOR THE YEARS ENDED AUGUST 31, 2009 AND 2008

	2009				2008			
	Program	Management and General	Fund Raising	Total	Program	Management and General	Total	
Disaster relief supplies and expenses	\$ 276,782	\$ -	\$ -	\$ 276,782	\$ 160,831	\$ -	\$ 160,831	
Salary expense	53,167	55,166	23,462	131,795	115,879	17,578	133,457	
Travel	52,690	-	7,043	59,733	59,493	-	59,493	
Stipends/professional fees	46,019	5,000	-	51,019	21,400	-	21,400	
Printing	15,813	-	839	16,652	13,605	-	13,605	
Office expense	-	8,391	1,976	10,367	-	12,155	12,155	
Insurance	2,850	3,727	3,412	9,989	4,196	1,851	6,047	
Payroll taxes	4,067	4,220	1,604	9,891	8,865	1,345	10,210	
Website expense	7,617	-	1,021	8,638	3,675	-	3,675	
Outside services	-	4,792	-	4,792	-	3,927	3,927	
Depreciation	4,698	-	-	4,698	6,332	-	6,332	
Volunteer support	3,960	-	-	3,960	-	-	-	
Fundraising	-	-	3,623	3,623	-	-	-	
Dues and subscriptions	3,480	-	-	3,480	-	-	-	
Telephone	3,099	-	14	3,113	3,216	-	3,216	
Bank and credit card fees	1,355	-	-	1,355	2,115	-	2,115	
Publicity	-	-	195	195	12,142	-	12,142	
Other expenses	-	618	-	618	-	709	709	
	<u>\$ 475,597</u>	<u>\$ 81,914</u>	<u>\$ 43,189</u>	<u>\$ 600,700</u>	<u>\$ 411,749</u>	<u>\$ 37,565</u>	<u>\$ 449,314</u>	

See notes to financial statements.



HANDS ON WORLDWIDE, INC.

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED AUGUST 31, 2009 AND 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in unrestricted net assets	\$ (92,096)	\$ 53,633
Adjustments to reconcile change in unrestricted net assets to net cash provided by (used in) operating activities:		
Depreciation expense	4,698	6,332
Changes in operating assets and liabilities:		
Prepaid expenses	(6,550)	-
Accounts payable and accrued expenses	5,113	(6,872)
Net cash provided by (used in) operating activities	<u>(88,835)</u>	<u>53,093</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of equipment	<u>-</u>	<u>(6,157)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(88,835)	46,936
CASH AND CASH EQUIVALENTS:		
Beginning of year	<u>206,316</u>	<u>159,380</u>
End of year	<u>\$ 117,481</u>	<u>\$ 206,316</u>

See notes to financial statements.



## HANDS ON WORLDWIDE, INC.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2009 AND 2008

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#### 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

*Nature of Activities* – Hands on Worldwide, Inc. (the “Organization”) is a non-profit corporation incorporated in the Commonwealth of Massachusetts, whose mission is to provide aid and relief efforts for victims of natural disasters such as floods, hurricanes, disaster recovery and other humanitarian projects around the world.

*Basis of Accounting* – The accounts of the Organization are prepared on the accrual basis of accounting. The Organization’s financial statements are presented in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*.

SFAS No. 117 requires classification of net assets and revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. It requires that the amount for each of the three classes of net assets – permanently restricted, temporarily restricted, and unrestricted – be displayed in the statements of activities and changes in net assets. Management has determined that all of the Organization’s net assets are currently unrestricted, as defined by SFAS No. 117.

*Cash and Cash Equivalents* – Cash and cash equivalents represent demand deposits with financial institutions. For the purpose of the statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

*Property and Equipment* – Property and equipment is stated at cost at the date of acquisition or, if donated, at the approximate fair value at the date of the donation. Depreciation is provided by using the straight line method over the estimated useful lives of the related assets (5-7 years) for financial statement purposes. Maintenance and repairs are charged to operations as incurred; significant renewals and betterments that exceed \$1,000 and materially extend the life of the assets are capitalized.

*Income Taxes* – The Organization qualifies as an organization exempt from income tax as provided under Section 501(c)(3) of the Internal Revenue Code, and therefore, has no provision for income taxes. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(a) and has been classified as an Organization that is not a private foundation under Section 509(a)(2).

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*. FASB Interpretation No. 48 provides guidance on measurement, derecognition, classification and disclosure of tax positions and is effective for fiscal years beginning after December 15, 2008. The Organization has not determined the impact, if any, that this interpretation will have on its financial statements upon implementation.

*Contributions* – The Organization accounts for contributions under Statement of Financial Accounting Standards No. 116, *Accounting for Contributions Received and Contributions Made*. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted net assets, depending on the existence and/or nature of any donor imposed restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. As of August 31, 2009, the Organization did not have any restricted contributions.



1. **NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Donated Services* – The Organization partners with other organizations that provide building materials or funds for supplies. The Organization utilizes their own volunteers and project managers. Partners on past projects have included: the Salvation Army, Caritas, Oxfam, UNICEF, Save the Children UK, Scandinavian Children's Mission, and the US Interagency Assessment Team, as well as local non-governmental organizations in the various countries of operation. The Organization receives a substantial amount of services donated by volunteers. The volunteers on deployment for the Organization are unpaid, and are responsible for their own transportation expenses. No amounts have been reflected in the financial statements for these services, since no objective basis is available to measure their value.

*Advertising* – Advertising costs are expensed in the period in which advertising takes place. Advertising expense for the years ended August 31, 2009 and 2008 were \$195 and \$12,142, respectively.

*Subsequent Events* – Management of the Organization has evaluated the effects of all subsequent events through January 12, 2010 to determine if events or transactions occurring through January 12, 2010 require potential adjustment or disclosure in the financial statements.

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

2. **CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash balances with a bank, which is insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization's management believes it is not exposed to any significant credit risk with respect to its cash and cash equivalents.

One donor provided the Organization with a donation of \$100,000 for the year ended August 31, 2008. There were no donor concentrations for the year ended August 31, 2009.

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