

ALL HANDS VOLUNTEERS, INC.

Financial Statements
For the Years Ended
August 31, 2010 and 2009
with
Independent Auditors' Report

ALL HANDS VOLUNTEERS, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
All Hands Volunteers, Inc.
Carlisle, Massachusetts

We have audited the accompanying statements of financial position of All Hands Volunteers, Inc. (a non-profit organization) as of August 31, 2010 and 2009, 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 All Hands Volunteers, Inc. as of August 31, 2010 and 2009, 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.

Chiam pou Travis Besaw & Kershner LLP

June 14, 2011

ALL HANDS VOLUNTEERS, INC.

**STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2010 AND 2009**

	2010	2009
ASSETS		
Cash and cash equivalents	\$ 231,586	\$ 117,481
Accounts receivable	34,754	-
Prepaid expenses	44,747	6,550
Property and equipment, net of accumulated depreciation of \$21,146 and \$11,962, respectively	88,702	10,106
Other assets	10,062	-
	<u>\$ 409,851</u>	<u>\$ 134,137</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 13,920	\$ 10,225
 NET ASSETS:		
Unrestricted net assets	<u>395,931</u>	<u>123,912</u>
	<u>\$ 409,851</u>	<u>\$ 134,137</u>

See notes to financial statements.

ALL HANDS VOLUNTEERS, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED AUGUST 31, 2010 AND 2009

	2010	2009
UNRESTRICTED NET ASSETS		
REVENUE AND OTHER SUPPORT:		
Contributions	\$ 1,225,536	\$ 461,366
Grants	-	46,769
Rental income	36,699	-
Investment income	4,944	469
Other income	500	-
TOTAL REVENUE AND OTHER SUPPORT	1,267,679	508,604
EXPENSES:		
Program expenses	864,315	475,597
Management and general expenses	68,981	81,914
Fundraising expenses	62,364	43,189
TOTAL EXPENSES	995,660	600,700
CHANGE IN UNRESTRICTED NET ASSETS	272,019	(92,096)
UNRESTRICTED NET ASSETS, beginning of year	123,912	216,008
UNRESTRICTED NET ASSETS, end of year	\$ 395,931	\$ 123,912

See notes to financial statements.

ALL HANDS VOLUNTEERS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2010 AND 2009

	2010			2009				
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Disaster relief supplies and expenses	\$ 319,174	\$ -	\$ 159	\$ 319,333	\$ 276,782	\$ -	\$ -	\$ 276,782
Salary expense	147,724	11,733	33,054	192,511	53,167	55,166	23,462	131,795
Travel	102,593	10,012	14,395	127,000	52,690	-	7,043	59,733
Volunteer support	102,941	-	-	102,941	3,960	-	-	3,960
Outside services	61,069	-	250	61,319	-	4,792	-	4,792
Office expense	28,313	18,894	4,403	51,610	-	8,391	1,976	10,367
Telephone	29,407	3,630	927	33,964	3,099	-	14	3,113
Payroll taxes	9,169	4,242	3,597	17,008	4,067	4,220	1,604	9,891
Stipends/professional fees	16,040	-	-	16,040	46,019	5,000	-	51,019
Bad debts	16,000	-	-	16,000	-	-	-	-
Insurance	3,523	8,365	-	11,888	2,850	3,727	3,412	9,989
Depreciation and amortization	9,184	113	-	9,297	4,698	-	-	4,698
Dues and subscriptions	6,205	-	2,070	8,275	3,480	-	-	3,480
Advertising	50	6,800	1,382	8,232	-	-	195	195
Website expense	6,689	254	1,160	8,103	7,617	-	1,021	8,638
Bank and credit card fees	914	4,674	-	5,588	1,355	-	-	1,355
Rent	5,000	-	-	5,000	-	-	-	-
Fundraising	-	-	967	967	-	-	3,623	3,623
Printing	320	-	-	320	15,813	-	839	16,652
Other expenses	-	264	-	264	-	618	-	618
	\$ 864,315	\$ 68,981	\$ 62,364	\$ 995,660	\$ 475,597	\$ 81,914	\$ 43,189	\$ 600,700

ALL HANDS VOLUNTEERS, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2010 AND 2009**

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in unrestricted net assets	\$ 272,019	\$ (92,096)
Adjustments to reconcile change in unrestricted net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	9,297	4,698
Bad debts	16,000	-
Changes in operating assets and liabilities:		
Accounts receivable	(50,754)	-
Prepaid expenses	(38,197)	(6,550)
Accounts payable and accrued expenses	3,695	5,113
Net cash provided by (used in) operating activities	<u>212,060</u>	<u>(88,835)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(87,780)	-
Acquisition of trademark	(10,175)	-
Net cash used in investing activities	<u>(97,955)</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	114,105	(88,835)
CASH AND CASH EQUIVALENTS:		
Beginning of year	<u>117,481</u>	<u>206,316</u>
End of year	<u>\$ 231,586</u>	<u>\$ 117,481</u>

See notes to financial statements.

ALL HANDS VOLUNTEERS, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2010 AND 2009**

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – All Hands Volunteers, 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.

In August 2010, the Organization changed its name from Hands On Worldwide, Inc. to All Hands Volunteers, Inc.

Basis of Accounting – The financial statements of the Organization have been prepared on the accrual basis of accounting and according to current accounting standards, which require that all non-profit organizations provide a statement of financial position, a statement of activities, and a statement of cash flows. Classification of net assets and revenues, expenses, gains and losses is based on the existence or absence of donor-imposed restrictions. The standards also require that the amounts for each of three classes of net assets – permanently restricted, temporarily restricted and unrestricted – be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

Cash and Cash Equivalents – Cash and cash equivalents represent savings accounts, money market accounts and demand deposits with several 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.

Accounts Receivable – Management considers all accounts receivable outstanding for greater than the specified term to be past due, and uses factors such as customer history and existing economic conditions to determine the likelihood of collection and whether to establish an allowance for doubtful accounts. At August 31, 2010, management has determined that all accounts receivable are collectible.

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 (3-7 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).

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

Contributions – Contributions received are measured at their fair values and are reported as an increase in net assets in the period received. The Organization reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the contributed assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions. Donor unrestricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support in the statements of activities and changes in net assets.

During the years ended August 31, 2010 and 2009, \$250,000 and \$100,000 was provided to the Organization by one donor, respectively.

Donated Services – The Organization partners with other organizations that provide building materials or funds for supplies. The Organization also receives a substantial amount of services donated by their own volunteers and project managers. Volunteers on deployment for the Organization for less than one calendar year 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.

If volunteers are on deployment for more than one calendar year, they are entitled to receive a stipend. These costs are included in volunteer support expenses or stipend expenses in the accompanying statements of functional expenses.

Advertising – Advertising costs are expensed in the period in which the advertising takes place. Advertising expense for the years ended August 31, 2010 and 2009 was \$8,232 and \$195, respectively.

Subsequent Events – Management of the Organization has evaluated the effects of all subsequent events through June 14, 2011, the date the financial statements were available to be issued, to determine if events or transactions occurring through that date 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 at several banks, which, at times, may exceed insured limits, potentially subjecting the Organization to concentrations of credit risk. The Organization's management believes it is not exposed to any significant credit risk with respect to its cash and cash equivalents.

3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of August 31:

	2010	2009
Leasehold improvements	\$ 19,934	\$ -
Furniture and fixtures	<u>89,914</u>	<u>22,068</u>
	109,848	22,068
Less accumulated depreciation and amortization	<u>21,146</u>	<u>11,962</u>
	<u>\$ 88,702</u>	<u>\$ 10,106</u>

4. OTHER ASSETS

Other assets consisted of the following as of August 31:

	2010	2009
Trademark fees	\$ 10,175	\$ -
Less accumulated amortization	<u>113</u>	<u>-</u>
	<u>\$ 10,062</u>	<u>\$ -</u>

The trademark fees are being amortized on a straight-line basis over fifteen years. The estimated amortization expense for the five years subsequent to August 31, 2010, is \$678 for each year.

5. COMMITMENTS

The Organization has entered into an agreement to rent space for its operational base located in Haiti. The agreement, which became effective in August 2010, and expires on December 31, 2011, requires the Organization to pay a monthly fee of \$5,000 for use of the space. Future minimum payments required under this agreement are approximately \$60,000 for the year ended August 31, 2011, and \$20,000 for the year ended August 31, 2012.

The Organization also sub-leases space to other organizations that are assisting with the Haiti relief effort on an as-needed basis at varying terms and amounts.

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