

**MAMA HOPE, INC.**  
**FINANCIAL STATEMENTS**

**MAY 31, 2017**

**TABLE OF CONTENTS**

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT.....	1
FINANCIAL STATEMENTS:	
Statement of Financial Position.....	3
Statement of Activities and Change in Net Assets.....	4
Statement of Cash Flows.....	5
Notes to Financial Statements.....	6



## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
of Mama Hope, Inc.:

We have audited the accompanying statement of financial position of Mama Hope, Inc. (a nonprofit organization) as of May 31, 2017 and the related statements of activities and changes in net assets and cash flows for the year then ended and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mama Hope, Inc. as of May 31, 2017, and the changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

*BGW CPA, PLLC*

Charlotte, North Carolina,  
December 19, 2017

**MAMA HOPE, INC.**

**STATEMENT OF FINANCIAL POSITION**

**MAY 31, 2017**

**ASSETS**

Cash	\$229,440
Accounts Receivable	12,623
Total assets	<u>\$242,063</u>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$8,390
Unrestricted net assets	233,673
Total liabilities and net assets	<u>\$242,063</u>

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

**MAMA HOPE, INC.**

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**

**FOR THE YEAR ENDED MAY 31, 2017**

SUPPORT AND OTHER REVENUES:

Foundations and Corporations	\$617,069
Individual and Family Foundations	442,079
Events	62,403
Global Advocates	237,168
Other	2,029
Total support and other revenues	<u>1,360,748</u>

EXPENSES:

Fundraising expenses	278,760
Program expenses	874,059
General and administrative costs	111,570
Total expenses	<u>1,264,389</u>

CHANGE IN NET ASSETS 96,359

BEGINNING NET ASSETS 137,314

ENDING NET ASSETS \$233,673

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

**MAMA HOPE, INC.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED MAY 31, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$96,359
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Change in accounts receivable	(12,623)
Change in other assets	2,500
Change in accounts payable	(22,186)
Net cash provided by operating activities	<u>64,050</u>
NET INCREASE IN CASH	<u>64,050</u>
CASH, beginning of year	<u>165,390</u>
CASH, end of year	<u><u>\$229,440</u></u>

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

# MAMA HOPE, INC.

## NOTES TO FINANCIAL STATEMENTS

MAY 31, 2017

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

**Organization** – Mama Hope, Inc. (the Organization), a California 501(c) (3) nonprofit corporation, located in San Francisco, was established in 2011 as a peer-run organization that trains impact entrepreneurs from around the world through their Global Advocate Program. Their Advocates partner with visionary leaders in rural communities in Africa, Asia and the Americas and in partnership they fund and build community-identified sustainable projects using 100% local resources. Their goal is that each of the communities worked with will become financially sustainable, generating enough income to operate independent of foreign aid.

**Public support** - Contributions are generally available for unrestricted use in the year received unless specifically restricted by the donor.

Contributions of cash and other assets are reported as temporarily restricted if they have donor stipulations that limit the use of the donated assets

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

**Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Net assets** – The Organization reports 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. The Organization has no temporarily or permanently restricted net assets as of May 31, 2017.

## **2. INCOME TAXES:**

The Organization is a not-for-profit corporation that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes is required. The Organization has implemented the provisions of the Financial Accounting Standards Board Codification (FASB ASC 740-10). FASB ASC 740-10 prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of income tax uncertainties with respect to positions, including tax-exempt status, taken or expected to be taken in income tax returns. The use of FASB ASC 740-10 has not had any impact on the Organization's results of operations or financial condition. The Organization has open tax years for its reporting periods ended during the years 2014 through 2016.

## **3. SUBSEQUENT EVENTS:**

Events and transactions occurring after May 31, 2017 have been evaluated to determine proper recognition and disclosure in the financial statements. Subsequent events and transactions were evaluated through December 19, 2017, which represents the date the financial statements were available to be issued.