

MAMA HOPE, INC.
FINANCIAL STATEMENTS

MAY 31, 2016

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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, 2016 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, 2016, 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,
January 16, 2017

MAMA HOPE, INC.

STATEMENT OF FINANCIAL POSITION

MAY 31, 2016

ASSETS

Cash	\$165,390
Other assets	2,500
Total assets	<u>\$167,890</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$30,576
Unrestricted net assets	137,314
Total liabilities and net assets	<u>\$167,890</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, 2016

SUPPORT AND OTHER REVENUES:

Foundation Grants	\$445,007
Individual Donations	303,544
Advocate Fundraising	223,962
Corporate Donations	60,615
Special Events	23,380
Online Campagins	1,108
Other	14,833
Total support and other revenues	<u>1,072,449</u>

EXPENSES:

Program expenses	528,616
General and administrative costs	570,656
Total expenses	<u>1,099,272</u>

CHANGE IN NET ASSETS (26,822)

BEGINNING NET ASSETS 164,136

ENDING NET ASSETS \$137,314

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, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	(\$26,822)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Change in other assets	(2,500)
Change in accounts payable	23,680
Net cash used by operating activities	<u>(5,642)</u>
 NET DECREASE IN CASH	 <u>(5,642)</u>
 CASH, beginning of year	 <u>171,032</u>
CASH, end of year	<u><u>\$165,390</u></u>

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

MAMA HOPE, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2016

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 our Global Advocate Program. Their Advocates partner with visionary leaders in rural African and Central American communities and in partnership they unlock human potential by taking a collaborative approach to global development. They provide training and funding to build locally-led, sustainable projects that impact our partner communities worldwide while challenging mainstream perceptions of poverty.

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, 2016.

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 2013 through 2015.

3. CONCENTRATION:

A substantial portion of the Organization's support comes from foundations, advocate fundraising and individual donations. For the year ended May 31, 2016, the Organization received approximately \$378,000 from three donors which represents approximately 35% of the total support and other income recognized.

4. SUBSEQUENT EVENTS:

Events and transactions occurring after May 31, 2016 have been evaluated to determine proper recognition and disclosure in the financial statements. Subsequent events and transactions were evaluated through January 16, 2017, which represents the date the financial statements were available to be issued.