

WELLS BRING HOPE
FINANCIAL STATEMENTS
AND
ACCOUNTANTS' COMPILATION REPORT

YEAR ENDED DECEMBER 31, 2011

Ostiller and Hung
ACCOUNTANCY CORPORATION
Pasadena, CA

WELLS BRING HOPE

TABLE OF CONTENTS

<u>DESCRIPTION</u>	<u>PAGE</u>
ACCOUNTANTS' COMPILATION REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 7

Ostiller and Hung

ACCOUNTANCY CORPORATION

Steven J. Ostiller, CPA

Luke Hung, CPA

James A. Ostiller, CPA

MEMBERS: CALIFORNIA SOCIETY OF CPAS

595 E. Colorado Blvd.

Suite 716

Pasadena, CA 91101

Tel: (626) 432-5891

Fax: (626) 432-4891

www.ostillerandhung.com

ACCOUNTANT'S COMPILATION REPORT

Board of Directors of
Wells Bring Hope
16563 Park Lane Circle
Los Angeles, CA 90049

We have compiled the accompanying statement of financial position of Wells Bring Hope (a nonprofit corporation) as of December 31, 2011, 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.

My 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.

June 13, 2012
Pasadena, California



FINANCIAL STATEMENTS

**WELLS BRING HOPE
STATEMENT OF FINANCIAL POSITION**

YEAR ENDED DECEMBER 31, 2011

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 13,151
Grants receivable, net of allowance for doubtful accounts of \$0 (2011) and \$0 (2010)	<u>14,000</u>

TOTAL ASSETS **\$ 27,151**

LIABILITIES AND NET ASSETS

NET ASSETS

Unrestricted:	
Undesignated	<u>\$ 27,151</u>
Total unrestricted	27,151
Temporarily restricted	-
Permanently restricted	-
Total net assets	<u>27,151</u>

TOTAL LIABILITIES AND NET ASSETS **\$ 27,151**

The accompanying notes are an integral part of these statements.

WELLS BRING HOPE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

	FOR THE YEAR ENDED DECEMBER 31, 2011			
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
SUPPORT AND REVENUE				
Contributions	\$ 472,162	\$ -	\$ -	\$472,162
Net assets released from restrictions:				
Satisfaction of program restrictions	-	-	-	-
Total support and revenue	472,162	-	-	472,162
EXPENSES				
Program services:				
Drilling wells	441,383	-	-	441,383
Supporting services:				
General and administrative	10,989	-	-	10,989
Total expenses	452,372	-	-	452,372
INCREASE IN NET ASSETS	19,790	-	-	19,790
NET ASSETS AT BEGINNING OF YEAR	7,361	-	-	7,361
NET ASSETS AT END OF YEAR	27,151	-	-	27,151

The accompanying notes are an integral part of these statements.

**WELLS BRING HOPE
STATEMENT OF FUNCTIONAL EXPENSES**

FOR THE YEAR ENDED DECEMBER 31, 2011

	PROGRAM SERVICES -- DRILLING WELLS	SUPPORTING SERVICES GENERAL AND ADMINISTRATIVE	TOTAL
Advertising and promotion	\$ 202	\$ 201	\$ 403
Consulting	-	1,052	1,052
General office expenses	-	1,979	1,979
Insurance	-	2,600	2,600
Postage	-	623	623
Printing and copying	-	610	610
Travel	2,318	-	2,318
Video expense	-	1,862	1,862
Web site design and maintainai	2,063	2,062	4,125
Well drilling expense	436,800	-	436,800
	\$ 441,383	\$ 10,989	\$ 452,372

The accompanying notes are an integral part of these statements.

**WELLS BRING HOPE
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED DECEMBER 31, 2011

CASH FLOW FROM OPERATING ACTIVITIES

Net assets - end of year	\$ 27,151
Net assets - beginning of year	(7,361)
Increase/<Decrease> in Net Assets	<u>19,790</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Decrease/<Increase> in Grants Receivable, net	<u>(14,000)</u>

NET CASH PROVIDED/<USED> BY OPERATING ACTIVITIES

5,790

CASH FLOW FROM INVESTING ACTIVITIES

NET CASH PROVIDED/<USED> BY INVESTING ACTIVITIES

-

CASH FLOW FROM FINANCING ACTIVITIES

NET CASH PROVIDED/<USED> BY FINANCING ACTIVITIES

-

INCREASE/<DECREASE> IN CASH AND CASH EQUIVALENTS

5,790

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR

7,361

CASH AND CASH EQUIVALENTS AT END OF YEAR

\$ 13,151

The accompanying notes are an integral part of these statements.

**WELLS BRING HOPE
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: Wells Bring Hope (WBH) is incorporated as a nonprofit under the laws of California. WBH is an organization that raises money from the public, and is committed to drilling wells to bring safe water and good sanitation to rural villages in Niger and Mali, West Africa – saving lives with safe water. Why does Wells Bring Hop drill wells in Africa? Niger is one of the three poorest countries in the world, according to the 2010 United Nations Development Index, and one of many places where contaminated water kills innocent victims, most often infants and young children. There is more to this sad story. The burden of getting water falls upon women and girls, who walk back-breaking miles every day to find and carry water back to their villages. The result? Girls are not able to go to school and women have no time to work productively to generate income for their families. This doesn't have to happen. WBH can drill a well deep into the ground and transform lives instantly:

- Child mortality is reduced by 65%
- Girls go to school
- Women get micro-loans and start small businesses, feeling pride in their accomplishment

Wells Bring Hope partners with World Vision, Inc. to drill wells and continues working with villages where wells are drilled for 15-20 years after a well is drilled. WBH educates villagers on good sanitation & proper hygiene. Being partnered with World Vision guarantees Well Bring Hope the highest and most consistent quality work in well drilling and maintenance.

Method of Accounting: Assets and Liabilities and Revenue and Expenses are recognized on the accrual basis of accounting. Income is recorded when earned and expenses are recorded when incurred.

Basis of Presentation: WBH reports information regarding its financial position and activities according to three classes of net assets dependent on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of WBH, and changes therein, are classified and reported in one of the following classes:

- Unrestricted – Net assets representing expendable funds available for operations, which are not otherwise limited by donor restrictions.
- Temporarily Restricted – Net assets consisting of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before WBH may spend the funds. There were no temporarily restricted assets as of December 31, 2011.
- Permanently Restricted – Net assets subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations. There were no permanently restricted assets as of December 31, 2011.

**WELLS BRING HOPE
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates: Generally accepted accounting principles require management to make estimates and assumptions that affect assets and liabilities, contingent assets and liabilities, and revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents: WBH considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Income Taxes: WBH is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, WBH may be subject to tax on income which is unrelated to its exempt purpose. For the year ended December 31, 2011, WBH had no unrelated business taxable income. Therefore, no provision for income taxes has been made. WBH is not a private foundation.

Interest Expense: WBH had no outstanding notes or bonds, and incurred no debt during the year. Therefore, no provision for interest expense has been made.

Support and Revenue: Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the presence or absence of any donor-imposed restrictions. For the year ended December 31, 2011, there were no donations that were either temporarily or permanently restricted.

Contributed Services: A substantial number of volunteers have donated their time to WBH in various capacities. The services do not meet the criteria for recognition as a contribution and are not reflected in the accompanying financial statements.

NOTE 2 – MAJOR DONORS

Five separate donors accounted for approximately 52% of total revenue for the year ended December 31, 2011.

NOTE 3 – CONCENTRATION OF CREDIT RISK

WBH holds deposits in a financial institution, wherein such deposits, at times, may be in excess of the amount insured by the Federal Depository Insurance Corporation. No losses have been experienced on these accounts. WBH manages the risk by using only quality financial institutions.

NOTE 4 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs may have been allocated among the programs and supporting services that benefited from those costs.