HANDS ON ATLANTA, INC.

FINANCIAL REPORT

JULY 31, 2023

HANDS ON ATLANTA, INC.

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MAULDIN & JENKINS

CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hands On Atlanta, Inc.
Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of Hands On Atlanta, Inc. (a nonprofit organization), which comprise the statement of financial position as of July 31, 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hands On Atlanta, Inc. as of July 31, 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hands On Atlanta, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hands On Atlanta, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Hands On Atlanta, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hands On Atlanta, Inc.'s ability to continue as a going concern for a reasonable period of time.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2023, on our consideration of Hands On Atlanta, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hands on Atlanta, Inc's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hands On Atlanta, Inc.'s internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 18, 2023

HANDS ON ATLANTA, INC.
STATEMENTS OF FINANCIAL POSITION
JULY 31, 2023 AND 2022

ASSETS	2023	2022
Current assets		
Cash	$ 1,047,762	$ 1,688,565
Promises to give, net	238,473	582,720
Prepaid expenses	77,284	84,981
Investments	3,331,912	2,446,620
Total current assets	4,695,431	4,802,886
Property and equipment		
Furniture and equipment	291,585	284,998
Vehicles	37,687	37,687
Less accumulated depreciation	(289,640)	(270,262)
Total property and equipment, net	39,632	52,423
Noncurrent assets		
Right of use assets	31,929	-
Total noncurrent assets	31,929	-
Total assets	$ 4,766,992	$ 4,855,309
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 71,107	$ 65,329
Deferred revenue	273,414	868,553
Accrued expenses	5,212	34,195
Current portion of operating lease liability	13,900	-
Total current liabilities	363,633	968,077
Noncurrent liabilities		
Operating lease liability, less current portion	19,062	-
Total noncurrent liabilities	19,062	-
Total liabilities	382,695	968,077
Net assets		
Without donor restrictions	4,192,810	3,547,872
With donor restrictions	191,487	339,360
Total net assets	4,384,297	3,887,232
Total liabilities and net assets	$ 4,766,992	$ 4,855,309

See Notes to Financial Statements.

HANDS ON ATLANTA, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JULY 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT						
Contributions	**$ 1,359,600**	**$ 225,139**	**$ 1,584,739**	$ 973,847	$ 688,607	$ 1,662,454
Contributed nonfinancial assets	**40,984**	**-**	**40,984**	167,780	-	167,780
Government grants	**1,576,905**	**4,530**	**1,581,435**	1,561,487	-	1,561,487
Program revenue	**604,641**	**-**	**604,641**	381,764	2,000	383,764
Special event income	**63,777**	**-**	**63,777**	136,739	-	136,739
Investment income (loss)	**81,336**	**-**	**81,336**	(21,310)	-	(21,310)
Employer retention credit	**340,362**	**-**	**340,362**	-	-	-
Other income	**25,782**	**-**	**25,782**	19,840	-	19,840
Interest income	**17,399**	**-**	**17,399**	3,099	-	3,099
Total revenues and support	**4,110,786**	**229,669**	**4,340,455**	3,223,246	690,607	3,913,853
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	**377,542**	**(377,542)**	**-**	549,557	(549,557)	-
EXPENSES						
School-based and youth programs	**1,733,164**	**-**	**1,733,164**	1,647,844	-	1,647,844
General programs	**1,146,930**	**-**	**1,146,930**	1,177,920	-	1,177,920
Total programs	**2,880,094**	**-**	**2,880,094**	2,825,764	-	2,825,764
Supporting services:						
Fundraising	**382,205**	**-**	**382,205**	332,226	-	332,226
General and administrative	**582,540**	**-**	**582,540**	423,418	-	423,418
Total operating expenses	**3,844,839**	**-**	**3,844,839**	3,581,408	-	3,581,408
OTHER INCOME (EXPENSE)						
Gain on lease buyout	**-**	**-**	**-**	858,535	-	858,535
Gain (loss) on disposal of property and equipment	**1,449**	**-**	**1,449**	(163,531)	-	(163,531)
(Loss) on sale of donated materials	**-**	**-**	**-**	(1,151)	-	(1,151)
Total other income	**1,449**	**-**	**1,449**	693,853	-	693,853
CHANGE IN NET ASSETS	**644,938**	**(147,873)**	**497,065**	885,248	141,050	1,026,298
NET ASSETS						
Beginning of year	**3,547,872**	**339,360**	**3,887,232**	2,662,624	198,310	2,860,934
NET ASSETS						
End of year	**$ 4,192,810**	**$ 191,487**	**$ 4,384,297**	$ 3,547,872	$ 339,360	$ 3,887,232

See Notes to Financial Statements.

HANDS ON ATLANTA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JULY 31, 2023

	Program Services			Supporting Services		
	School-based and Youth Programs	General Programs	Total Programs	Fundraising	General and Administrative	Totals
Salaries and stipends	$ 1,238,498	$ 477,383	$ 1,715,881	$ 205,147	$ 230,240	$ 2,151,268
Payroll taxes	93,257	35,176	128,433	15,105	14,606	158,144
Employee benefits	220,727	56,082	276,809	18,937	23,237	318,983
Program supplies	22,751	306,412	329,163	-	-	329,163
Printing	-	7,641	7,641	909	48	8,598
Transportation	14,786	13,153	27,939	777	2,386	31,102
Administrative	19,261	34,128	53,389	48,885	50,791	153,065
Bad debt expense	4,530	-	4,530	-	-	4,530
Consulting fees/contract labor	35,244	71,131	106,375	59,229	148,272	313,876
Depreciation	2,264	7,910	10,174	8,556	1,353	20,083
Insurance	6,479	13,043	19,522	2,453	5,359	27,334
Occupancy	7,070	2,249	9,319	-	-	9,319
Office supplies	48	256	304	56	5,557	5,917
Postage and delivery	255	488	743	465	386	1,594
Professional fees	-	-	-	-	43,825	43,825
Program expense	36,255	56,259	92,514	1,090	49,132	142,736
Project expense	1,835	45,984	47,819	1,975	2,665	52,459
Recruitment	637	-	637	15,683	719	17,039
Rent	36	12,032	12,068	13	1,712	13,793
Telephone and utilities	4,196	4,569	8,765	1,589	2,124	12,478
Training	25,035	3,034	28,069	1,336	128	29,533
	$ 1,733,164	$ 1,146,930	$ 2,880,094	$ 382,205	$ 582,540	$ 3,844,839

See Notes to Financial Statements.

HANDS ON ATLANTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2022

	Program Services			Supporting Services		
	School-based and Youth Programs	General Programs	Total Programs	Fundraising	General and Administrative	Totals
Salaries and stipends	$ 1,169,557	$ 437,089	$ 1,606,646	$ 178,257	$ 206,848	$ 1,991,751
Payroll taxes	86,921	32,004	118,925	12,727	15,600	147,252
Employee benefits	211,108	52,487	263,595	19,389	17,508	300,492
Program supplies	18,016	147,323	165,339	361	-	165,700
Printing	202	1,330	1,532	930	867	3,329
Transportation	11,025	5,551	16,576	1,517	2,344	20,437
Administrative	10,788	33,411	44,199	26,350	24,584	95,133
Bad debt	-	-	-	500	10,000	10,500
Consulting fees/contract labor	14,345	54,173	68,518	52,915	58,905	180,338
Depreciation	9,734	22,886	32,620	9,852	4,904	47,376
Insurance	8,098	14,975	23,073	2,816	5,655	31,544
Interest	-	-	-	-	238	238
Occupancy	-	1,104	1,104	-	-	1,104
Office supplies	-	47	47	1,137	6,398	7,582
Postage and delivery	621	910	1,531	499	398	2,428
Professional fees	-	-	-	-	15,950	15,950
Program expense	42,799	206,687	249,486	1,253	31,638	282,377
Project expense	-	32,340	32,340	-	-	32,340
Recruitment	-	655	655	9,977	2,362	12,994
Rent	28,876	117,181	146,057	10,169	14,109	170,335
Telephone and utilities	7,016	7,625	14,641	2,538	3,486	20,665
Training	28,738	10,142	38,880	1,039	1,624	41,543
	$ 1,647,844	$ 1,177,920	$ 2,825,764	$ 332,226	$ 423,418	$ 3,581,408

See Notes to Financial Statements.

HANDS ON ATLANTA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JULY 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	**$ 497,065**	$ 1,026,298
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized/unrealized (gain) on investments	**(24,249)**	(2,612)
Depreciation	**20,083**	47,374
(Gain) loss on disposal of property and equipment	**(1,449)**	163,539
Proceeds from lease buyout	**-**	2,078,243
(Gain) on lease buyout	**-**	(858,535)
Amortization of prepaid rent	**-**	70,830
Decrease (increase) in promises to give	**344,247**	(165,224)
Decrease (increase) in prepaid expenses	**7,697**	(3,314)
Increase in accounts payable	**5,778**	6,563
(Decrease) increase in deferred revenue	**(595,139)**	674,509
(Decrease) in accrued expenses	**(28,983)**	(21,763)
Increase in operating lease liability	**1,033**	-
Net cash provided by operating activities	**226,083**	3,015,908
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	**(861,043)**	(2,038,444)
Purchases of property and equipment	**(5,843)**	(43,035)
Net cash (used in) investing activities	**(866,886)**	(2,081,479)
Net (decrease) increase in cash	**(640,803)**	934,429
Cash, beginning of year	**1,688,565**	754,136
Cash, end of year	**$ 1,047,762**	$ 1,688,565

See Notes to Financial Statements.

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of business

Hands On Atlanta, Inc. ("HOA") was incorporated in 1989 under the Georgia Nonprofit Corporation Act and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has classified HOA as a publicly supported charitable organization as described in Section 509(a) of the Internal Revenue Code which allows donors to take the maximum charitable contribution deduction.

HOA is a service organization that promotes direct community and civic engagement by individuals interested in tackling the most pressing needs in Atlanta, Georgia. HOA has established a large base of volunteers by offering a diversity of community service projects and the ability to flexibly schedule service time. HOA also develops and coordinates service projects for corporations or groups by acting as an intermediary between the group and the many Atlanta nonprofit agencies in need of assistance. HOA offers its volunteers an array of projects, including tutoring and mentoring under-resourced children, promoting family literacy, providing food assistance for low income families, and renovating schools and community centers. In addition, HOA provides advisory and consultation services to more than 100 nonprofit organizations to help them execute their missions.

HOA's largest program is supported by a federal grant funded through the Georgia Department of Community Affairs using AmeriCorps USA funds. The grant represented 22% and 19% of total revenue for the years ended July 31, 2023 and 2022, respectively. AmeriCorps members work in Atlanta schools as math and literacy tutors or social emotional learning (SEL) coaches. The program provides children living in under-resourced communities cultural and educational opportunities as well as role models. AmeriCorps members also lead, develop, and participate in service projects to improve the communities surrounding the schools. The grant received and costs incurred for this program are based on the number of members working each grant period.

Significant accounting policies

Basis of accounting and presentation

The accompanying financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

Classification of net assets

HOA presents its financial statements in accordance with the Financial Accounting Standards Board (FASB) ASC 958, *Financial Statements for Not-For-Profit Organizations*. Under this guidance, HOA is required to report information regarding its financial position and activities according to two categories of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor or grantor restrictions. It is the policy of the board of directors to review their financial standing from time to time and to designate sums of net assets without donor restrictions for specific efforts.

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (Continued)

Classification of net assets (continued)

Net assets with donor restriction - Net assets subject to donor-imposed stipulations that are expected to be met either by actions of HOA and/or the passage of time and net assets subject to donor-imposed stipulations that are required to be maintained permanently by HOA. Generally, the donors of these assets permit HOA to use all or part of the income earned on related investments for general or specific purposes. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. There were $191,487 and $339,360 in net assets with donor restrictions as of July 31, 2023 and 2022, respectively

Fair value of financial instruments

The carrying value of financial instruments such approximate fair value because of the terms and relative short maturity of the financial instruments. HOA believes the carrying values of its financial instruments are reasonable estimates of their values, unless otherwise noted.

In determining fair value, HOA uses various valuation approaches. The fair value hierarchy for inputs used in measuring fair value maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of HOA. Unobservable inputs reflect the HOA's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is classified in one of the following three levels based on the inputs:

Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges.

Level 2: Financial instruments valued using inputs that include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Financial instruments that are not actively traded on a market exchange and require using significant unobservable inputs in determining fair value.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (Continued)

Fair value of financial instruments (continued)

Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by HOA in determining fair value is greatest for securities categorized in Level 3.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined by the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, HOA's own assumptions are set to reflect those that the market participants would use in pricing the asset or liability at the measurement date. HOA uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

Contributions and promises to give

HOA records contributions of cash and other assets as income without donor restrictions unless specifically restricted by the donor. Restricted contributions are recorded as an increase in net assets with donor restrictions, depending on the nature of the donor restriction. When the donor stipulation expires, net assets with donor restrictions are reclassified to net assets without donor restriction and are reported as net assets released from donor restrictions.

HOA records promises to give if the promise is unconditional. Additionally, promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows if material. Provision for uncollectible accounts are provided by using the allowance method based on management estimates and past experience.

Functional expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

HOA allocates administrative costs such as rent, office supplies, printing, insurance, and telephone to various programs based on direct salaries and stipends charged to the program compared to total salaries and stipends charged to all programs.

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (Continued)

Contributed nonfinancial assets

HOA records donated materials if the fair market value of the donated items is readily available. HOA recorded donated materials and advertising of $40,984 and $167,780 for the years ended July 31, 2023 and 2022, respectively.

HOA receives contributed services from individuals and companies in the form of clerical work, legal, computer, marketing and communications, and other services relating to most programs. Contributed services are only recorded if the service is specialized and HOA would have purchased the service had it not been contributed.

Investments

All investments in debt and equity securities with a readily determinable market value are reported at fair value with gains and losses included in the consolidated statements of activities based on quotations obtained from national securities exchanges. Alternative investments, which are not readily marketable, are carried at estimated fair values as provided by external investment managers. HOA reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in estimating the fair value of the alternative investments. The estimated fair values may differ significantly from the values that would have been used had ready markets for these securities existed.

Deferred revenue

Revenue is recognized when earned. Deferred revenue represents revenue received in advance. There was deferred revenue of $273,414 and $868,553 as of July 31, 2023 and 2022, respectively.

Property and equipment

Purchased property and equipment are recorded at cost, and donated assets are recorded at their estimated fair market value at the date of donation. Property and equipment are depreciated over the estimated useful lives of the related assets using the straight-line method. Estimated useful lives of the assets range from three to fifteen years. Depreciation expense for the years ended July 31, 2023 and 2022 was $20,083 and $47,374, respectively.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reporting amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (Continued)

Income taxes

HOA is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and is classified as an organization which is not a private foundation under Section 509(a) of the U.S. Internal Revenue Code.

HOA accounts for uncertain tax positions in accordance with accounting standards that provide guidance on when uncertain tax positions are recognized in an entity's financial statements and how the values of these positions are determined. No liability has been recorded as of July 31, 2023 and 2022, due to uncertain tax positions.

Recently issued accounting pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements.

Effective July 1, 2022, HOA adopted FASB ASC 842, Leases. HOA determines if an arrangement contains a lease at inception based on whether HOA has the right to control the asset during the contract period and other facts and circumstances. The Organization elected the package of practical expedients permitted under the transitional guidance with the new standard, which among other things, allowed it to carry forward the historical lease classification.

Results for periods beginning prior to July 1, 2022, continue to be reported in accordance with previous ASC 840, Leases, accounting treatment. The adoption of FASB ASC 842 did not have a material impact on HOA's results of operations or cash flows. See Note 10.

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprise of the following at July 31, 2023 and 2022:

	2023	2022
Cash	**$ 1,047,762**	$ 1,688,565
Promises to give	**238,473**	582,720
Investments	**3,331,912**	2,446,620
	$ 4,618,147	$ 4,717,905

HOA manages its liquidity by developing annual budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due.

NOTE 3. CONCENTRATIONS OF CASH

HOA maintains deposit accounts at a bank that is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Balances exceed insured amounts from time to time. Management does not believe it is exposed to significant credit risk on cash and cash equivalents.

NOTE 4. PROMISES TO GIVE

Promises to give consisted of the following at July 31, 2023 and 2022:

	2023	2022
Promises to give due in less than one year	**$ 253,473**	$ 597,720
Less allowance for uncollectible accounts	**(15,000)**	(15,000)
Promises to give, net	**$ 238,473**	$ 582,720

NOTE 5. INVESTMENTS

In certain cases, the inputs used to measure fair value may fall into multiple levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. HOA's assessment of the significance of the particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The following table sets forth by level, within the fair value hierarchy, HOA's investments at fair value as of July 31, 2023:

	Fair Value Measurements at July 31, 2023				
	Level 1	**Level 2**	**Level 3**	**NAV**	**Total**
Equity investments:					
Mutual funds	**$ 326,006**	**$ -**	**$ -**	**$ -**	**$ 326,006**
Common stocks	**1,020,275**	**-**	**-**	**-**	**1,020,275**
Total equity investments	**1,346,281**	**-**	**-**	**-**	**1,346,281**
Debt investments:					
Corporate bonds	**580,482**	**-**	**-**	**-**	**580,482**
Mortgage backed obligations	**93,080**	**-**	**-**	**-**	**93,080**
US treasury obligations	**1,312,069**	**-**	**-**	**-**	**1,312,069**
Total debt investments	**1,985,631**	**-**	**-**	**-**	**1,985,631**
Total investments at fair value	**$ 3,331,912**	**$ -**	**$ -**	**$ -**	**$ 3,331,912**

NOTE 5. INVESTMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, HOA's investments at fair value as of July 31, 2022:

	Fair Value Measurements at July 31, 2022				
	Level 1	Level 2	Level 3	NAV	Total
Equity investments:					
Common stocks	$ 1,197,557	$ -	$ -	$ -	$ 1,197,557
Total equity investments	1,197,557	-	-	-	1,197,557
Debt investments, trading:					
Corporate bonds	1,249,063	-	-	-	1,249,063
Total debt investments, trading	1,249,063	-	-	-	1,249,063
Total investments at fair value	$ 2,446,620	$ -	$ -	$ -	$ 2,446,620

NOTE 6. PENSION PLAN

HOA offers a 403(b) salary reduction plan that covers all employees who work a minimum of 1,000 hours per year. After one year of service, HOA will match 50% of the participant's salary reduction contributions up to a maximum of 2.5% of the participant's annual salary. HOA's contributions for the years ended July 31, 2023 and 2022 were $13,489 and $15,651, respectively.

NOTE 7. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors as follows for the years ended July 31, 2023 and 2022.

	2023	2022
Family support & self sufficiency	**$ 244,159**	$ 205,672
Volunteer services	**-**	64,911
Nonprofit capacity building	**87,872**	175,734
Youth education	**67**	318
Management and general services	**45,444**	102,922
	$ 377,542	$ 549,557

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	2023	2022
Subject to expenditure for specified purpose:		
Family support & self sufficiency	**$ 60,454**	$ 251,000
Nonprofit capacity building	**81,033**	45,350
Youth education	**-**	67
Management and general services	**50,000**	42,943
	$ 191,487	$ 339,360

Net assets with donor restrictions as of July 31, 2023 and 2022 consisted of cash.

NOTE 9. IN-KIND CONTRIBUTIONS

In-kind contributions were received as follows for the year ended July 31:

	2023	2022
Professional services	**$ 40,984**	$ 167,300
Supplies	**-**	480
	$ 40,984	$ 167,780

HOA recognized contributed nonfinancial assets within revenue, including contributed professional services and supplies. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed supplies and professional services were used in program and general and administrative support.

In valuing contributed supplies, HOA estimated the fair value based on established value for comparable goods by national organizations. In valuing contributed services, HOA estimated fair value based on current rates for similar services.

NOTE 10. LEASES

HOA currently leases certain buildings and equipment under operating leases. In May 2022, the HOA entered into an agreement with a company for a non-cancellable operating lease for warehouse spaces. In August 2022, HOA entered into an agreement with a company for a non-cancellable operating lease for office equipment. The lease payments began in July 2022 and August 2022.

During the year ended July 31, 2023, HOA adopted FASB Accounting Standards Update (ASU) No. 2016-02, ASC 842, Leases, which requires the recognition of a right-of-use asset and a lease liability based on the present value of the remaining lease payments. HOA elected to adopt the standard using the optional transition method that allows HOA to initially apply the new leases standard at the adoption date and recognize a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption. As a result, the Organization reporting for the comparative period presented in the financial statements is in accordance with FASB ASC 840.

NOTE 10. LEASES (Continued)

HOA elected to adopt the package of practical expedients available under the transition guidance with the new standard. HOA's incremental borrowing rate of 4.092% at the date of adoption was used as the discount rate in order to determine present value for each lease. The following is a schedule by years of minimum future rentals on non-cancelable operating leases and the amortization of the net present value (NPV) of the lease liability as of July 31, 2023:

	Minimum annual lease payments	Amortization of right-to-use asset	Amortization of operating lease liability
For the year ending July 31:			
2024	$ 14,990	$ 10,980	$ 13,900
2025	9,852	10,281	9,282
2026	9,852	10,668	9,780
Total	$ 34,694	$ 31,929	$ 32,962

Lease expense for the year ended July 31, 2023 and 2022 was approximately $13,793 and $170,335 respectively.

NOTE 11. LINE OF CREDIT

During the year ended July 31, 2022, HOA entered into a line of credit agreement with a bank. During the year ended July 31, 2023, the line of credit agreement was renewed and subsequently extended until after the fiscal year end. Under the agreement, as renewed, HOA may borrow up to $250,000. The line of credit agreement matures on July 20, 2024 with interest due monthly at the Bank Prime Rate (8.00% as of July 31, 2023). There were no outstanding borrowings on the line of credit at July 31, 2023 and 2022.

NOTE 12. EMPLOYEE RETENTION CREDIT

HOA was eligible for and participated in the Employee Retention Credit program initially established under the CARES ACT of 2020. This credit is based on qualifying wages paid to employees and is received through a reduction of federal employment tax. HOA has claimed through the original and amended quarterly Form 941 returns credits totaling $340,362. This income has been recognized on the statement of activities for the year ended July 31, 2023.

NOTE 13. SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through December 18, 2023, which represents the date the financial statements were available to be issued.

HANDS ON ATLANTA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JULY 31, 2023

	Assistance Listing Number	Federal Expenditures
Corporation for National Service		
Americorps		
Passthrough: Georgia Department of Community Affairs	94.006	$ 776,085
Volunteer Generation Fund		
Passthrough: Georgia Commission for Service and Volunteerism	94.021	164,258
Total Corporation for National Service		$ 940,343

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Hands On Atlanta, Inc. under programs of the federal government for the year ended July 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Hands On Atlanta, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Hands On Atlanta, Inc., which comprise the statement of financial position as of July 31, 2023, and the related statements of activities, changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hands On Atlanta, Inc.'s internal control over financial reporting (internal control) as a basis for determining audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hands On Atlanta, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Hands On Atlanta, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hands On Atlanta, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 18, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Hands On Atlanta, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hands On Atlanta, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Hands On Atlanta, Inc.'s major federal programs for the year ended July 31, 2023. Hands On Atlanta, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Hands On Atlanta, Inc.'s complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended July 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Hands On Atlanta, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Hands On Atlanta, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Hands On Atlanta, Inc.'s federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Hands On Atlanta, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Hands On Atlanta, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Hands On Atlanta, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Hands On Atlanta, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Hands On Atlanta, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 18, 2023

HANDS ON ATLANTA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JULY 31, 2023

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS:

Financial Statements:

Type of auditors' report issued	**Unmodified**	
	Yes	**No**
Internal control over financial reporting:		
Material weaknesses identified?		**X**
Significant deficiencies identified not considered to be material weaknesses?		**None Reported**
Noncompliance material to the financial statements noted?		**X**

Federal Awards:

Internal controls over major programs:		
Material weaknesses identified?		**X**
Significant deficiencies identified not considered to be material weaknesses?		**None Reported**
Type of auditor's report issued on compliance for major programs	**Unmodified**	
Audit findings required to be reported in accordance with 2 CFR Section 200.516(a)		**X**

Identification of Major Programs:

94.006 Americorps

Dollar threshold used to distinguish between Type A and Type B programs	$ 750,000	
	Yes	**No**
Auditee qualified as low-risk auditee?		**X**
Financial Statement Findings?		**X**
Federal Award Findings Questioned Costs?		**X**

II. FINANCIAL STATEMENT FINDINGS:

NONE

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

NONE

HANDS ON ATLANTA, INC.
SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JULY 31, 2023

II. FINANCIAL STATEMENT FINDINGS:

NONE

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

NONE