

PREEMPTIVE LOVE COALITION

Financial Statements
With Independent Accountants' Review Report

December 31, 2015

PREEMPTIVE LOVE COALITION

Table of Contents

	<u>Page</u>
Independent Accountants' Review Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Preemptive Love Coalition
Hewitt, TX

We have reviewed the accompanying financial statements of Preemptive Love Coalition (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flow for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Capin Crouse LLP".

Atlanta, Georgia
September 15, 2016

PREEMPTIVE LOVE COALITION

Statement of Financial Position

December 31, 2015

ASSETS:

Cash and cash equivalents	\$ 2,816,120
Accounts receivable	109,051
Prepaid expenses and other assets	38,706
Property and equipment-net	<u>16,800</u>

Total Assets \$ 2,980,677

LIABILITIES AND NET ASSETS:

Liabilities:

Accounts payable \$ 7,109

Net assets:

Unrestricted:

Undesignated	2,206,768
Board designated	750,000
Equity in property and equipment	<u>16,800</u>
	<u>2,973,568</u>

Total Liabilities and Net Assets \$ 2,980,677

See accompanying notes and independent accountants' review report

PREEMPTIVE LOVE COALITION

Statement of Activities

Year Ended December 31, 2015

SUPPORT AND REVENUE:

Contributions	\$ 2,540,450
Merchandise sales	14,935
Interest income	81,471
Other	51,662
Total Support and Revenue	<u>2,688,518</u>

EXPENSES:

Program services	902,368
Supporting expenses:	
Management and general	152,488
Fund-raising	71,738
Total Expenses	<u>1,126,594</u>

Change in Net Assets 1,561,924

Net Assets, Beginning of Year 1,411,644

Net Assets, End of Year \$ 2,973,568

See accompanying notes and independent accountants' review report

PREEMPTIVE LOVE COALITION

Statement of Cash Flows

Year Ended December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 1,561,924
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	5,661
Change in operating assets and liabilities:	
Accounts receivable	(9,051)
Prepays and other assets	6,279
Accounts payable	(51,158)
Net Cash Provided by Operating Activities	<u>1,513,655</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of equipment	(21,000)
Net Cash Used by Investing Activities	<u>(21,000)</u>

Net Change in Cash and Cash Equivalents 1,492,655

Cash and Cash Equivalents, Beginning of Year 1,323,465

Cash and Cash Equivalents, End of Year \$ 2,816,120

See accompanying notes and independent accountants' review report

PREEMPTIVE LOVE COALITION

Notes to Financial Statements

December 31, 2015

1. NATURE OF ORGANIZATION:

Preemptive Love Coalition (the Organization) is a Texas nonprofit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and is not a private foundation under section 509(a) of the Code.

The Organization is a global community of peacemakers that are remaking the world by providing lifesaving heart surgeries for children, food and shelter for those persecuted, education for at risk children, and small business grants to help people put their lives back together.

Over the years the Organization has provided 1,350 lifesaving operations for children, 100,000 pounds of food aid to ISIS victims, 100,000 hours of training medical teams in conflict-zones, and has provided 30 small business grants to displaced widows.

Support and revenue is primarily received from the general public, private foundations, corporations, and partner organizations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of any contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash held in bank checking and savings accounts. These accounts may, at times, exceed federally insured limits. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk.

ACCOUNTS RECEIVABLE

In February 2015, the Organization entered in to an agreement with William Novick Global Cardiac Alliance (NCA). Under the terms of the agreement, the Organization shall provide up to \$500,000 in capital to identify, recruit, vet, and execute services with partners around the world toward the development of pediatric cardiac services. NCA agreed to pay the Organization eleven percent gross share of all contracts in which a non-charitable actor, its representatives or institutions pay all or any portion of the total contracted fees. For the year ended December 31, 2015, the Organization disbursed \$589,318, recorded \$81,471 in interest income, and received repayments of \$661,738.

PREEMPTIVE LOVE COALITION

Notes to Financial Statements

December 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY AND EQUIPMENT

Land, buildings, and equipment are stated at cost, or if donated, at fair value as of the date of the gift. Purchases or donations in excess of \$1,000 are capitalized with lesser amounts expensed. At December 31, 2015, the Organization owned one vehicle with a useful life of 5 years under straight-line depreciation.

CLASSES OF NET ASSETS

Net assets are classified in the financial statements as follows:

Unrestricted net assets are those currently available for operations under the direction of the board of directors and resources invested in property and equipment.

Temporarily restricted net assets are those which are stipulated by donors for specific operating purposes, including projects and support organizations, or acquisition of property and equipment.

SUPPORT, REVENUE, AND EXPENSES

Contributions are recorded when made, which may be when cash or other assets are received or unconditionally promised. The Organization reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization's policy is to record support and revenue restricted for specific purposes that were received and spent in the same year as unrestricted.

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long the long lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long lived assets are placed in service.

Other income is recorded when earned. Other income consists mainly of merchandise sales, and interest income.

Expenses are reported when costs are incurred. The cost of providing the various program services and supporting activities has been presented on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

PREEMPTIVE LOVE COALITION

Notes to Financial Statements

December 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

UNCERTAIN TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in general and administrative expenses in the statement of activities. As of December 31, 2015, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

3. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consist of:

Vehicles	\$ 21,000
Less accumulated depreciation	<u>(4,200)</u>
	<u>\$ 16,800</u>

4. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.