
HANOVER CHARITIES USA, INC.

FINANCIAL STATEMENTS-CASH BASIS
Years ended October 31, 2016 and 2015

HANOVER CHARITIES USA, INC.

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Years ended October 31, 2016 and 2015

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Trustees
Hanover Charities USA, Inc.
Marblehead, Massachusetts

We have reviewed the accompanying financial statements of Hanover Charities USA, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets—cash basis as of October 31, 2016 and 2015, and the related statements of revenues, expenses, and other changes in net assets—cash basis for the years 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 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 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 these financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountants' Responsibility

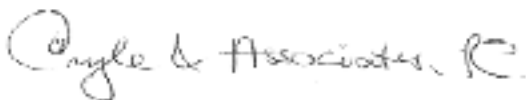
Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures 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 the cash basis of accounting. 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 the cash basis of accounting.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.



June 12, 2017

HANOVER CHARITIES USA, INC.

Statements of Assets, Liabilities and Net Assets-Cash Basis

Years ended October 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash	<u>\$ 63,803</u>	<u>70,786</u>
Total assets	<u><u>63,803</u></u>	<u><u>70,786</u></u>
Net assets:		
Unrestricted	<u>63,803</u>	<u>70,786</u>
Total liabilities and net assets	<u><u>\$ 63,803</u></u>	<u><u>\$ 70,786</u></u>

HANOVER CHARITIES USA, INC.Statements of Revenues, Expenses and Other Changes in Net Assets-Cash Basis
Years ended October 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenue and other support		
Donations received	\$ 329,369	\$ 261,259
Interest income	<u>222</u>	<u>\$ 310</u>
Total revenue and other support	<u>329,591</u>	261,569
 General and administrative expenses		
Donations to Hanover Charities, Inc.	320,000	157,074
Donation to Rise Life Management	10,000	29,050
Professional fees	4,295	5,071
Supplies	1,024	-
Miscellaneous expense	<u>1,255</u>	<u>1,664</u>
Total general and administrative expenses	<u>336,574</u>	<u>192,859</u>
 (Decrease) increase in net assets - cash basis	 (6,983)	 68,710
 Net assets - prior year	 <u>70,786</u>	 <u>2,076</u>
 Net assets - end of year	 <u>\$ 63,803</u>	 <u>\$ 70,786</u>

HANOVER CHARITIES USA, INC.

Notes to Financial Statements

Year Ended October 31, 2016

1. NATURE OF BUSINESS

Hanover Charities USA, Inc. (the "Organization") raises money to support Hanover Charities ("Hanover"), a non-profit organization located in Jamaica. Hanover has been serving the needy in Jamaica by offering food for the hungry; help for schools, libraries, and health facilities; and assistance to deserving Hanovarian students through the Morris-Watkins Scholarship.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The accompanying financial statements have been prepared on the cash basis of accounting which the Organization uses for federal income tax reporting purposes. Revenues are reported as donations are received. Expenses are recorded as expenses are paid.

Classification and Reporting of Net Asset

The Center has adopted FASB ASC 958-210-45, formerly Statement of Financial Accounting Standards ("SFAS") No. 117, which establishes standards for external financial reporting purposes into three net asset categories according to donor-imposed restrictions. A description of the three net asset categories is as follows:

- Unrestricted net assets represent the portion of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for support of the Organization.
- Temporarily restricted net assets represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Center pursuant to those stipulations.
- Permanently restricted net assets represent contributions and other inflows of assets whose use by Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Center.

The Center's net assets are all unrestricted as of October 31, 2016 and 2015.

Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents represents cash in banks and cash on hand.

Use of Estimates

The preparation of financial statements in conformity with the cash basis of accounting 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 reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status

The Company is qualified under Section 501(c) (3) of the Internal Revenue Code and is exempted from federal and state income taxes.

HANOVER CHARITIES USA, INC.

Notes to Financial Statements...continued

Years ended October 31, 2016 and 2015

3. IN-KIND CONTRIBUTIONS

The Organization receives support from many individuals who contribute their time, without charge, to enable the Organization to accomplish its purpose. In-kind contributions of this nature have not been reflected in the statement of revenues, expenses, and other changes in net assets, as they are not susceptible to objective measurement or valuation.

4. SUBSEQUENT EVENTS

The Center has evaluated all subsequent events through June 12, 2017, the date the financial statements were available to be issued.