



# HOPE FOR KIDS, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2009

# HOPE FOR KIDS, INC.

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## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

Board of Directors  
HOPE for Kids, Inc.

We have reviewed the accompanying statement of financial position of HOPE for Kids, Inc. as of December 31, 2009, and the related statements of activities and changes in net assets and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company 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 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.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 conformity with accounting principles generally accepted in the United States of America.



Jenkintown, Pennsylvania  
November 3, 2011

**HOPE FOR KIDS, INC.**

**Statement of Financial Position  
(See Independent Accountants' Review Report)  
December 31, 2009**

**ASSETS**

Cash and cash equivalents \$ 118,211

**LIABILITIES**

Accounts payable and accrued expenses \$ 364  
Deferred revenue 12,236

12,600

**NET ASSETS**

Unrestricted 105,611

\$ 118,211

## HOPE FOR KIDS, INC.

### Statement of Activities and Changes in Net Assets (See Independent Accountants' Review Report) Year Ended December 31, 2009

	<u>Unrestricted</u>
<b>Public support and revenue:</b>	
Contributions	\$ 55,193
Camp registration fees	293,460
Camp program fees	114,350
Camp facility rental fees	10,775
Other revenue	<u>2,719</u>
Total public support and revenue	<u>476,497</u>
<b>Expenses:</b>	
Program services:	
Facilities management	264,986
Camper related expenses	<u>132,310</u>
Total program services	<u>397,296</u>
Supporting services:	
Management and general	39,850
Fund-raising and membership development	<u>560</u>
Total supporting services	40,410
Total expenses	<u>437,706</u>
<b>Changes in net assets</b>	38,791
<b>Net assets at beginning of year</b>	<u>66,820</u>
<b>Net assets at end of year</b>	<u><u>\$ 105,611</u></u>

**HOPE FOR KIDS, INC.**

**Statement of Cash Flows**  
**(See Independent Accountants' Review Report)**  
**Year Ended December 31, 2009**

**Cash flows from operating activities:**

Changes in net assets	\$ 38,791
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Increase in accounts receivable	41,552
Increase in liabilities:	
Accounts payable and accrued liabilities	174
Deferred revenue	<u>12,236</u>
Net cash provided by operating activities and net increase in cash and cash equivalents	92,753
<b>Cash and cash equivalents at beginning of year</b>	<u>25,458</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>\$ 118,211</u></u>

## HOPE FOR KIDS, INC.

### Notes to Financial Statements (See Independent Accountants' Review Report) December 31, 2009

#### NOTE A - NATURE OF NONPROFIT ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### [1] Nature of nonprofit organization:

HOPE for Kids, Inc. (the "Organization") was founded in 2006 as a 501(c)(3) nonprofit organization, as well as State of Pennsylvania Educational Improvement Tax Credit (EITC) approved as an Innovative Environment Educator since 2009. Its mission is to change the lives of privileged (typical) and underprivileged (atypical) youth by harnessing the compassion and commitment of dedicated staff and volunteers to deliver environmental, character, health awareness, mentoring and leadership training through year round programs including summer camping. Camp HOPE for Kids is a place where lives are changed as participants connect with one another and with nature's miracles.

##### [2] Basis of presentation:

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

##### [3] Use of 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

##### [4] Income taxes:

U.S. GAAP requires entities to evaluate, measure, recognize and disclose any uncertain income tax positions taken on their income tax returns. Management has evaluated the impact of this standard on its financial statements and believes that there are no uncertain tax positions and the effects of adopting this standard are not material to the Organization's financial position or results of operations.

The Organization recognizes accrued interest and penalties associated with uncertain tax positions, if any, as part of general and administrative expenses. There was no income tax related interest and penalties recorded for the year ended December 31, 2009.

The income tax returns of the Organization for the years ended December 31, 2006, 2007 and 2008 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

##### [5] Revenue recognition:

The Organization receives its support from corporations, foundations and individuals. Contributions and registration fees are recognized as revenue when the contributions are given or committed. Deferred revenue includes amounts received for camp registrations that have not yet been earned.

## HOPE FOR KIDS, INC.

### Notes to Financial Statements (See Independent Accountants' Review Report) December 31, 2009

#### NOTE A - NATURE OF NONPROFIT ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [6] Restricted and unrestricted revenue:

The Organization reports gifts of cash and other assets as 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 accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions. Gifts for which the donor restriction expires in the same year as the receipt of the gift are included in unrestricted support.

All contributions are considered available for unrestricted use unless specifically restricted by donor request.

##### [7] Donated goods and services:

Donated goods and services are recorded as contributions at their estimated fair values at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills and are performed by people with those skills, and would otherwise be purchased by the Organization.

##### [8] Functional expenses:

Costs are allocated between program and supporting services based on an evaluation of the related benefits. Expenses allocated to program services are based on direct charges for those items specifically identified. Supporting service costs incurred are recorded as management and general expenses or fund-raising as determined by management.

##### [9] New accounting pronouncements:

In January 2010, the Financial Accounting Standards Board ("FASB") issued new guidance and additional clarification related to fair value measurements and disclosures. Specifically, this new guidance requires the disclosure of significant transfers in and out of Level 1 and Level 2 fair value measurements and the reasons for such transfers and requires that the roll forward of Level 3 activity include gross purchases, sales, issuances and settlements. The new guidance also clarifies that an organization should provide fair value measurements for each class of assets and liabilities and the valuation techniques and inputs used to measure fair value for Levels 1 and 2. There was no impact on the Organization's financial statements as a result of the adoption of this pronouncement.

##### [10] Subsequent events:

The Organization evaluated subsequent events through November 3, 2011, which is the date the financial statements were available to be issued.

**HOPE FOR KIDS, INC.**

**Notes to Financial Statements  
(See Independent Accountants' Review Report)  
December 31, 2009**

**NOTE B - OPERATING LEASE**

The Organization is obligated under long-term lease arrangements for the camp premises known as Camp HOPE for Kids with an expiration date of December 31, 2013. Total rent expense for the year ended December 31, 2009 totaled \$200,000.

Approximate annual minimum future obligations under the long-term lease arrangements are as follows:

<u>Year Ending December 31</u>	
2010	\$ 300,000
2011	300,000
2012	300,000
2013	<u>300,000</u>
	<u>\$ 1,200,000</u>

**NOTE C - CONCENTRATIONS OF CREDIT RISK**

The Organization maintains its cash in accounts with federally insured banks. At times, the balances in these accounts may be in excess of federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.