



**HOPE FOR KIDS, INC.
(d/b/a Camp HOPE for Kids)**

FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

HOPE FOR KIDS, INC.
(d/b/a Camp HOPE for Kids)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
HOPE for Kids, Inc.
(d/b/a Camp HOPE for Kids)

Report on the Financial Statements

We have audited the accompanying financial statements of HOPE for Kids, Inc. (d/b/a Camp HOPE for Kids), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and changes in net assets, and cash flows for each of the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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 the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HOPE for Kids, Inc. (d/b/a Camp HOPE for Kids) as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.



Jenkintown, Pennsylvania
April 24, 2015

HOPE FOR KIDS, INC.
(d/b/a Camp HOPE for Kids)

Statements of Financial Position

	December 31	
	2014	2013
ASSETS		
Cash	\$ 164,276	\$ 95,382
Receivables	-	15,000
Prepaid expenses and other assets	66,151	31,687
Property and equipment, net of accumulated depreciation of \$35,311 in 2014 and \$33,742 in 2013	5,760	3,190
Security deposits	1,545	1,545
	<u>\$ 237,732</u>	<u>\$ 146,804</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 51,970	\$ 40,826
Deferred revenue	104,168	80,530
	<u>156,138</u>	<u>121,356</u>
Commitment		
NET ASSETS		
Unrestricted	13,849	15,013
Temporarily restricted	67,745	10,435
	<u>81,594</u>	<u>25,448</u>
	<u>\$ 237,732</u>	<u>\$ 146,804</u>

HOPE FOR KIDS, INC.
(d/b/a Camp HOPE for Kids)

Statements of Activities and Changes in Net Assets

	Year Ended December 31					
	2014			2013		
	Unrestricted	Temporarily Restricted	Total Net Assets	Unrestricted	Temporarily Restricted	Total Net Assets
Public support and revenue:						
Contributions	\$ 164,693	\$ 57,310	\$ 222,003	\$ 229,974	\$ 10,435	\$ 240,409
Camp registration fees	562,911	-	562,911	488,450	-	488,450
Camp program fees	56,587	-	56,587	103,459	-	103,459
Camp facility rental fees	5,171	-	5,171	17,900	-	17,900
Other revenue	4,075	-	4,075	6,748	-	6,748
Total public support and revenue	793,437	57,310	850,747	846,531	10,435	856,966
Expenses:						
Program services:						
Facilities management	420,187	-	420,187	425,027	-	425,027
Camper related expenses	253,887	-	253,887	209,387	-	209,387
Total program services	674,074	-	674,074	634,414	-	634,414
Supporting services:						
Management and general	90,207	-	90,207	82,412	-	82,412
Fundraising and membership development	33,223	-	33,223	13,894	-	13,894
Total supporting services	123,430	-	123,430	96,306	-	96,306
Total expenses	797,504	-	797,504	730,720	-	730,720
Net increase (decrease) in net assets from operating activities	(4,067)	57,310	53,243	115,811	10,435	126,246
Other nonoperating (reimbursements) expenses:						
Storm damage	(2,903)	-	(2,903)	31,952	-	31,952
Net increase (decrease) in net assets	(1,164)	57,310	56,146	83,859	10,435	94,294
Net assets (deficiency) at beginning of year	15,013	10,435	25,448	(68,846)	-	(68,846)
Net assets at end of year	\$ 13,849	\$ 67,745	\$ 81,594	\$ 15,013	\$ 10,435	\$ 25,448

See notes to financial statements

HOPE FOR KIDS, INC.
(d/b/a Camp HOPE for Kids)

Statements of Cash Flows

	<u>Year Ended December 31</u>	
	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Net increase in net assets	\$ 56,146	\$ 94,294
Adjustments to reconcile net increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,569	21,566
(Increase) decrease in assets:		
Receivables	15,000	(15,000)
Prepaid expenses and other assets	(34,464)	(26,336)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	11,144	(57,182)
Deferred revenue	23,638	62,035
	<u>73,033</u>	<u>79,377</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Purchases of capital additions	<u>(4,139)</u>	<u>(1,001)</u>
Net increase in cash	68,894	78,376
Cash at beginning of year	<u>95,382</u>	<u>17,006</u>
Cash at end of year	<u><u>\$ 164,276</u></u>	<u><u>\$ 95,382</u></u>

HOPE FOR KIDS, INC.
(d/b/a Camp HOPE for Kids)

Notes to Financial Statements
December 31, 2014 and 2013

NOTE A - NATURE OF NONPROFIT ORGANIZATION

HOPE for Kids, Inc. (d/b/a Camp HOPE for Kids) (the "Organization") was founded in 2006 as a 501(c)(3) nonprofit organization, and has been Commonwealth 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 a 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.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Basis of presentation:

The financial statements of the Organization have been prepared utilizing the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to not-for-profit organizations. Resources in the financial statements are classified for accounting and reporting purposes into classes of net assets according to the existence or absence of donor-imposed restrictions. Restricted contributions whose restrictions are met in the same reporting period as when the contributions are received are reported as unrestricted support in the statements of activities and changes in net assets. Permanently restricted net assets are to be held in perpetuity, with no restriction on the use of income. There were no permanently restricted net assets as of December 31, 2014 or 2013.

The accompanying financial statements include the following classes of net assets:

- ***Unrestricted***

Unrestricted net assets are used to account for funds which have not been restricted by donors, and over which the Board of Directors has discretionary control.

- ***Temporarily Restricted***

Temporarily restricted net assets represent those resources that have been restricted by donors for specific purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the accompanying statements of activities and changes in net assets as net assets released from restrictions.

[2] 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.

[3] Prepaid expenses and other assets:

Included in prepaid expenses and other assets are prepaid operating expenses and costs relating to the Organization's effort to obtain financing (see Note D). If the Organization is able to secure financing, these costs will be amortized over the term of the associated note.

HOPE FOR KIDS, INC.
(d/b/a Camp HOPE for Kids)

Notes to Financial Statements
December 31, 2014 and 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[4] Property and equipment:

Property and equipment are stated at cost. Significant purchases of all property and equipment are capitalized and recognized in the statements of financial position. Depreciation is provided on the straight-line method based upon the estimated useful lives of the assets. Office equipment and furniture are depreciated over five years. Leasehold improvements are amortized on the straight-line method over the term of the lease.

Depreciation and amortization for the years ended December 31, 2014 and 2013 was \$1,569 and \$21,566, respectively.

[5] Revenue recognition:

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

[6] 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. The total amount of donated goods and services received during the years ended December 31, 2014 and 2013 was \$1,230 and \$10,083, respectively.

[7] 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 services costs incurred are recorded as management and general expenses or fundraising, as determined by management.

[8] Federal tax status:

The Internal Revenue Service ("IRS") has classified the Organization as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("Code"); as an organization, contributions to which are deductible under Section 170(c) of the Code; and as an organization that is not a private foundation as defined in Section 509(a) of the Code.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken and recognize a tax liability, if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by a government authority. Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2014 and 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

The Organization recognizes accrued interest and penalties associated with uncertain tax positions, if any. There were no income tax related interest and penalties recorded for the years ended December 31, 2014 and 2013. The tax returns of the Organization for the years ended December 31, 2011 through 2013 are subject to examination by the IRS and other various taxing authorities, generally for three years after they were filed.

HOPE FOR KIDS, INC.
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Notes to Financial Statements
December 31, 2014 and 2013

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2014 and 2013 consisted of the following:

	<u>2014</u>	<u>2013</u>
Leasehold improvements	\$ 31,351	\$ 31,351
Office equipment and furniture	<u>9,720</u>	<u>5,581</u>
	41,071	36,932
Less accumulated depreciation	<u>35,311</u>	<u>33,742</u>
	<u>\$ 5,760</u>	<u>\$ 3,190</u>

NOTE D - OPERATING LEASE

The Organization is obligated under a lease arrangement with an expiration date of December 31, 2015 for the camp premises known as Camp HOPE for Kids (the "Camp").

Rent expense for each of the years ended December 31, 2014 and 2013 was \$300,000. Real estate tax expense under this lease was \$48,695 and \$47,396 for the years ended December 31, 2014 and 2013, respectively.

The minimum future obligation under the lease arrangement for the year ending December 31, 2015 is \$300,000. The lease provides the Organization with an option to purchase the Camp which, if exercised, would terminate the lease as of the date of settlement. The Organization is currently in the process of attempting to secure financing to purchase the Camp.

NOTE E - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Activities related to obtaining potential financing for the purchase of the Camp (see Note D)	\$ 57,745	\$ 10,435
Purchase of specified kitchen equipment	<u>10,000</u>	<u>-</u>
Total temporarily restricted net assets	<u>\$ 67,745</u>	<u>\$ 10,435</u>

NOTE F - CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in financial institutions with insurance provided by the Federal Deposit Insurance Corporation. At times, these accounts may exceed the insurable limit. Management believes the credit risk at these financial institutions is minimal.

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Notes to Financial Statements
December 31, 2014 and 2013

NOTE G - RELATED PARTY TRANSACTIONS

As of December 31, 2014 and 2013, the Organization had reimbursable operating expenses due to related parties, including members of management and board members, of \$6,120 and \$663, respectively.

NOTE H - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 24, 2015, which is the date the financial statements were available to be issued.