

# **HOPE for Kids, Inc.** **(d/b/a Camp HOPE for Kids)**

Financial Statements  
Year Ended December 31, 2018



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

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## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

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

We have reviewed the accompanying financial statements of HOPE for Kids, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows 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 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 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.

### **Accountant's 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 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.

### **Accountant's 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 conformity with accounting principles generally accepted in the United States of America.

BBD 2LP

**Philadelphia, Pennsylvania  
January 27, 2020**

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

**STATEMENT OF FINANCIAL POSITION**

**December 31, 2018**

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**ASSETS**

**ASSETS**

Cash	\$ 84,495
Prepaid expenses and other assets	12,851
Property and equipment, net	<u>140,257</u>
	<u>\$ 237,603</u>

**LIABILITIES AND NET ASSETS (DEFICIT)**

**LIABILITIES**

Accounts payable and accrued expenses	\$ 118,350
Deferred revenue	<u>156,957</u>
<b>Total liabilities</b>	<u>275,307</u>

**NET ASSETS (DEFICIT)**

Without donor restrictions	<u>(37,704)</u>
	<u>\$ 237,603</u>

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

**STATEMENT OF ACTIVITIES**

**Year ended December 31, 2018**

	<b><u>Without Donor Restrictions</u></b>
<b>PUBLIC SUPPORT AND REVENUE</b>	
Contributions	\$ 379,639
Camp registration fees	404,355
Camp program fees	50,000
Other revenue	<u>118</u>
<b>Total public support and revenue</b>	<u>834,112</u>
<b>EXPENSES</b>	
Program services	
Facilities management	513,691
Camper related expenses	<u>273,464</u>
<b>Total program services</b>	<u>787,155</u>
Supporting services	
Management and general	157,335
Fundraising and membership development	<u>6,195</u>
<b>Total supporting services</b>	<u>163,530</u>
<b>Total expenses</b>	<u>950,685</u>
<b>CHANGE IN NET ASSETS (DEFICIT)</b>	(116,573)
<b>NET ASSETS (DEFICIT)</b>	
Beginning of year	<u>78,869</u>
<b>End of year</b>	<u><u>\$ (37,704)</u></u>

**See accompanying notes and independent accountant's review report**

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

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year ended December 31, 2018**

	<b>Program Services</b>		<b>Supporting Services</b>		<b>Total</b>
	<b><u>Facilities Management</u></b>	<b><u>Camper Related</u></b>	<b><u>Management and General</u></b>	<b><u>Fundraising</u></b>	
Payroll and payroll related expenses	\$ 28,831	\$ 82,431	\$ 2,841	\$ -	\$ 114,103
Rent	222,000	-	330	-	222,330
Utilities	38,958	-	7,138	-	46,096
Maintenance and repairs	125,492	-	-	-	125,492
Insurance and taxes	80,156	1,457	51,341	-	132,954
Equipment	1,823	-	-	-	1,823
Depreciation	16,431	-	-	-	16,431
Supplies	-	12,645	5,167	3,491	21,303
Activities expense	-	48,182	-	-	48,182
Food and kitchen expenses	-	60,938	-	-	60,938
Travel and transportation	-	49,418	2,534	1,275	53,227
Contracted services	-	16,822	63,132	617	80,571
Equipment rental	-	1,571	-	-	1,571
Office expenses	-	-	5,557	-	5,557
Fees and charges	-	-	19,295	812	20,107
	<u>\$513,691</u>	<u>\$273,464</u>	<u>\$ 157,335</u>	<u>\$ 6,195</u>	<u>\$ 950,685</u>

**See accompanying notes and independent accountant's review report**

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

**STATEMENT OF CASH FLOWS**

**Year ended December 31, 2018**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

<b>Change in net assets</b>	<b>\$(116,573)</b>
<b>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</b>	
Depreciation and amortization	16,431
(Increase) decrease in Prepaid expenses and other assets	24,502
Increase (decrease) in Accounts payable and accrued expenses	75,556
Deferred revenue	<u>29,377</u>
<b>Net cash provided by (used for) operating activities and change in cash</b>	<b>29,293</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment	<u>(67,205)</u>
<b>Net change in cash</b>	<b>(37,912)</b>

**CASH**

Beginning of year	<u>122,407</u>
<b>End of year</b>	<b><u>\$ 84,495</u></b>

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

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2018**

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**(1) 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 be a faith-fueled camp empowering lives through mentoring. Camp Hope for Kids is a faith-based, but not faith-biased program that strives to bring privileged, at-risk and challenged youth together. Its compassionate and dedicated volunteers aim to strengthen campers spiritually, emotionally and physically. Its vision is to nurture and sustain spiritual growth, healthy relationships and environmental stewardship by bringing together an international community of diverse youth and adults in a safe camp setting.

**(2) SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

**Basis of Presentation**

The Organization reports information regarding its financial position and activities according to the following classes of net assets:

***Without donor restrictions***

Net assets that are not subject to donor-imposed restrictions.

***With donor restrictions***

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of the Organization and/or the passage of time. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as "**net assets released from restrictions.**"

Also included in this category are net assets that are subject to donor-imposed restrictions that require the net assets to be maintained indefinitely while permitting the Organization to expend the income generated in accordance with the provision of the contribution.

The Organization did not have net assets with donor restrictions at December 31, 2018.

**Estimates**

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America ("**GAAP**") 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Property and Equipment and Depreciation**

Property and equipment are stated at cost. Significant purchases of all property and equipment are capitalized and recognized in the statement 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 to seven years. Leasehold improvements are amortized on the straight-line method over the term of the lease.



**HOPE FOR KIDS, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2018**

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Depreciation and amortization for the year ended December 31, 2018 was \$16,431.

**Public Support and Revenue Recognition**

Contributions received are recorded as net assets with or without donor restrictions depending on the absence or existence and nature of any donor restrictions. Donor-restricted contributions whose restrictions are satisfied in the same period are reported as net assets without donor restrictions.

Unconditional contributions are recognized as revenue when the related promise to give is received. Conditional contributions are recognized as revenue when the conditions are satisfied.

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.

**In-Kind Contributions and Donated Services**

The Organization records the value of contributed goods when there is an objective basis available to measure their value. Contributed goods of \$ 17,000 for the year ended December 31, 2018 are included as contributions in the accompanying statement of activities at their estimated values at the time received.

The Organization also receives significant amounts of time from individuals who perform various functions for the Organization without compensation. The financial statements do not reflect the value of these contributed services since the services do not meet the criteria for recognition.

**Functional Expenses**

The costs of providing various programs and other activities have been presented on a functional basis in the statement of activities. Accordingly, certain costs have been allocated based upon the program and supporting services benefitted.

Certain of the fundraising and management and general services are provided by members of the Organization's Board of Directors without compensation. The financial statements do not reflect the value of these contributed services because they do not meet the criteria for recognition.

**Income Tax Status**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(c) and has been classified as an organization other than a private foundation under Section 509(a).

GAAP requires entities to evaluate, measure, recognize and disclose any uncertain income tax positions taken on their tax returns. GAAP prescribes a minimum threshold that a tax position is required to meet in order to be recognized in the financial statements. The Organization believes that it had no uncertain tax positions as defined in GAAP.

**Concentration 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.

**HOPE FOR KIDS, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2018**

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**Accounting Pronouncements Adopted**

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addressed the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and adjusted the presentation in these financial statements accordingly.

**(3) LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Organization's financial assets as of the statement of financial position date consist of cash in the amount of \$84,495.

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and money market funds. In 2019, the Organization hires an on-site camp director to increase camp registration fees and the board of directors continues to raise contributions to support operations.

**(4) PROPERTY AND EQUIPMENT**

Property and equipment as of December 31, 2018 consisted of the following:

Leasehold improvements	\$ 159,934
Office equipment and furniture	<u>67,165</u>
	227,099
Less accumulated depreciation and amortization	<u>86,842</u>
	<u>\$ 140,257</u>

**(5) COMMITMENTS**

In May 2017, the Organization entered into a new lease of its premises known as Camp HOPE for Kids (the "**Camp**") located in Schwenksville, Pennsylvania expiring in May 2037. Rental expense under the operating lease was \$222,000 for the year ended December 31, 2018.

Scheduled future minimum rental payments under the noncancelable operating leases are as follows:

2019	\$ 222,000
2020	222,000
2021	222,000
2022	222,000
2023	222,000
Thereafter	<u>2,960,000</u>
	<u>\$ 4,070,000</u>

**HOPE FOR KIDS, INC.**  
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***NOTES TO FINANCIAL STATEMENTS***

**December 31, 2018**

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**(6) RELATED PARTY TRANSACTIONS**

In May 2017, the Organization has entered into a lease of its camp with a foundation that was established by a current board member.

**(7) SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 27, 2020, the date on which the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2018 that would require recognition or disclosure in the financial statements.