

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

Financial Statements
Year Ended December 31, 2017



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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, 2017, and the related statements of activities, 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 LLP

**Philadelphia, Pennsylvania
October 26, 2018**

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

STATEMENT OF FINANCIAL POSITION

December 31, 2017

ASSETS

CURRENT ASSETS

Cash	\$ 122,407
Prepaid expenses and other assets	37,353
Property and equipment, net	<u>89,483</u>
	<u>\$ 249,243</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$ 42,794
Deferred revenue	<u>127,580</u>
Total liabilities	<u>170,374</u>

NET ASSETS

Unrestricted	78,869
Temporarily restricted	<u>-</u>
Total net assets	<u>78,869</u>
	<u>\$ 249,243</u>

See accompanying notes and independent accountant's review report

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

STATEMENT OF ACTIVITIES

Year ended December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Contributions	\$ 113,560	\$ 7,163	\$ 120,723
Camp registration fees	575,436	-	575,436
Camp program fees	63,325	-	63,325
Camp facility rental fees	580	-	580
Other revenue	2,619	-	2,619
Releases from restriction	101,584	(101,584)	-
Total public support and revenue	857,104	(94,421)	762,683
EXPENSES			
Program services			
Facilities management	447,063	-	447,063
Camper related expenses	256,853	-	256,853
Total program services	703,916	-	703,916
Supporting services			
Management and general	128,678	-	128,678
Fundraising and membership development	9,550	-	9,550
Total supporting services	138,228	-	138,228
Total expenses	842,144	-	842,144
CHANGE IN NET ASSETS	14,960	(94,421)	(79,461)
NET ASSETS			
Beginning of year	63,909	94,421	158,330
End of year	\$ 78,869	\$ -	\$ 78,869

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, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (79,461)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities	
Depreciation and amortization	14,074
(Increase) decrease in Prepaid expenses and other assets	(2,752)
Increase (decrease) in Accounts payable and accrued expenses	38,178
Deferred revenue	<u>(7,117)</u>
Net cash used for operating activities	(37,078)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	<u>(50,140)</u>
Net increase (decrease) in cash	(87,218)

CASH

Beginning of year	<u>209,625</u>
End of year	<u>\$ 122,407</u>

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

(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 three classes of net assets:

Unrestricted net assets

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

Temporarily restricted net assets

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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "**net assets released from restrictions.**"

Permanently restricted net assets

Net assets that are subject to donor-imposed restrictions that such assets be maintained indefinitely.

There were no permanently restricted net assets as of December 31, 2017.

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, 2017

Depreciation and amortization for the year ended December 31, 2017 was \$14,074.

Public Support and Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted net assets 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 unrestricted.

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 \$11,989 for the year ended December 31, 2017 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.

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.

Concentration of Revenue

The Organization received approximately 34% of its camp registration fees from campers from one geographic location for the year ended December 31, 2017.

HOPE FOR KIDS, INC.
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NOTES TO FINANCIAL STATEMENTS

December 31, 2017

(3) PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2017 consisted of the following:

Leasehold improvements	\$ 129,688
Office equipment and furniture	<u>30,205</u>
	159,893
Less accumulated depreciation and amortization	<u>70,410</u>
	<u>\$ 89,483</u>

(4) 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 \$248,000 for the year ended December 31, 2017.

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

2018	\$ 222,000
2019	222,000
2020	222,000
2021	222,000
2022	222,000
Thereafter	<u>3,182,000</u>
	<u>\$ 4,292,000</u>

(5) TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of December 31, 2017 :

	Balance 12/31/2016	Additions	Releases	Balance 12/31/2017
Obtaining potential financing for purchase of the Camp	\$70,372	\$ -	\$ (70,372)	\$ -
Property improvements	<u>24,049</u>	<u>7,163</u>	<u>(31,212)</u>	<u>-</u>
	<u>\$94,421</u>	<u>\$7,163</u>	<u>\$ (101,584)</u>	<u>\$ -</u>

(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 October 26, 2017, the date on which the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2017 that would require recognition or disclosure in the financial statements.