

Hope for the Children of Haiti, Inc.

(A Non-Profit Corporation)

Annual Financial Statements

(Audit)

December 31, 2012

DRAFT

**Hope for the Children of Haiti, Inc.  
Woburn, Massachusetts**

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# Cocio & Richardson

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To the Board of Directors of  
Hope for the Children of Haiti, Inc.  
Woburn, Massachusetts

**DRAFT**  
FOR DISCUSSION  
PURPOSES ONLY  
**INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of Hope for the Children of Haiti, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2012 and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain 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 entity'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 entity'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 financial statement presentation.

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 the Children of Haiti, Inc. as of December 31, 2012 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Cocio & Richardson  
February 21, 2014

**DRAFT**  
FOR DISCUSSION  
PURPOSES ONLY

HOPE FOR THE CHILDREN OF HAITI, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2012

Assets

	<u>2012</u>
Current Assets:	
Cash	\$ 149,098
Cash - restricted	83,913
Cash Total (Note 1 & 3)	<u>233,011</u>
Other current assets	<u>22,029</u>
Total Current Assets	255,040
Net Property, Plant and Equipment (Note 1 & 2)	<u>315,438</u>
Total Assets	<u><u>\$ 570,478</u></u>

Liabilities and Net Assets

Current Liabilities:	
Accounts payable	\$ 19,270
Total Current Liabilities	<u>19,270</u>
Concentrations and Contingencies (Note 6)	
Net Assets (Note 1 & 3):	
Temporarily Restricted	83,913
Unrestricted	467,295
Total Net Assets	<u>551,208</u>
Total Liabilities and Net Assets	<u><u>\$ 570,478</u></u>

The accompanying Notes are an integral part of the financial statements.

HOPE FOR THE CHILDREN OF HAITI, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Earned Revenue (Note 1 & 4):			
School Tuition & Fees	\$ 43,492	\$ 0	\$ 43,492
Investment Income	12	0	12
Total Earned Revenue	<u>43,504</u>	<u>0</u>	<u>43,504</u>
Contributed Support (Note 1, 4, 5 & 6):			
Contributed Services	8,000	0	8,000
Mission Teams	0	17,429	17,429
Donations	154,933	25,780	180,713
Child Sponsorship	0	74,382	74,382
Total Contributed Support	<u>162,933</u>	<u>117,591</u>	<u>280,524</u>
Net Assets Released from Restrictions (Note 3):			
Satisfaction of Program Restrictions	<u>110,766</u>	<u>(110,766)</u>	<u>0</u>
Total Revenues	317,203	6,825	324,028
Expenses:			
Program Expense	325,121	0	325,121
Fundraising Expense	1,486	0	1,486
Management and General Expense	72,833	0	72,833
Total Expenses	<u>399,440</u>	<u>0</u>	<u>399,440</u>
Change in Net Assets	(82,237)	6,825	(75,412)
Net Assets - January 1, 2012	<u>549,532</u>	<u>77,088</u>	<u>626,620</u>
Net Assets - December 31, 2012	<u>\$ 467,295</u>	<u>\$ 83,913</u>	<u>\$ 551,208</u>

The accompanying Notes are an integral part of the financial statements.

HOPE FOR THE CHILDREN OF HAITI, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2012

	<u>Program</u>	<u>Fundraising</u>	<u>General &amp; Management</u>	<u>Total</u>
Salaries, Wages, & Payroll Taxes	\$ 160,016		\$ 37,731	\$ 197,747
Occupancy / Facilities	19,087		3,141	22,228
Supplies - General	32,468			32,468
Supplies - School	5,792			5,792
Post Secondary Program	14,609			14,609
Mission Teams (Note 4)	14,050			14,050
Depreciation (Note 1)	11,476			11,476
Food, Water & Medical	32,339			32,339
Office Expense	17,902		8,816	26,718
Professional Fees			5,900	5,900
Travel & Transportation	5,500	\$ 629		6,129
Administrative - Other			6,622	6,622
Currency Conversion Cost			3,263	3,263
Print & Publications		857	7,360	8,217
Special Events	<u>11,882</u>			<u>11,882</u>
<b>TOTAL EXPENSES</b>	<u>\$ 325,121</u>	<u>\$ 1,486</u>	<u>\$ 72,833</u>	<u>\$ 399,440</u>

The accompanying Notes are an integral part of the financial statements.

HOPE FOR THE CHILDREN OF HAITI, INC.

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2012

Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Change in Net Assets	\$ (75,412)
Adjustments needed to reconcile net cash flows:	
Non-cash items included in income	
Depreciation	11,476
Change in current assets and liabilities:	
Change in other current assets	(12,803)
Change in accounts payable	<u>8,829</u>
Net Cash Flows (Used in) Operations	(67,910)
Cash Flows from Investing Activities	
Purchase of fixed assets	<u>(36,832)</u>
Net Cash Flows (Used in) Investing	(36,832)
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(104,742)</u>
Cash and Cash Equivalents - January 1, 2012	<u>337,753</u>
Cash and Cash Equivalents - December 31, 2012	<u>\$ 233,011</u>

The accompanying Notes are an integral part of the financial statements.

