

FINANCIAL STATEMENTS

HOPE FOR HENRY FOUNDATION

FOR THE YEAR ENDED DECEMBER 31, 2015

HOPE FOR HENRY FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hope for Henry Foundation
Washington, D.C.

We have audited the accompanying financial statements of the Hope for Henry Foundation (HFH), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and change in net assets 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 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 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 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 HFH as of December 31, 2015, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

May 9, 2016

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HOPE FOR HENRY FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents \$ 220,859

TOTAL ASSETS \$ **220,859**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued liabilities \$ 7,587

NET ASSETS

Unrestricted 213,272

TOTAL LIABILITIES AND NET ASSETS \$ **220,859**

HOPE FOR HENRY FOUNDATION

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>
REVENUE	
Contributions	\$ 605,956
In-kind contributions	<u>69,152</u>
Total revenue	<u>675,108</u>
EXPENSES	
Program Services	<u>568,941</u>
Supporting Services:	
Fundraising	116,543
Management and general	<u>18,228</u>
Total supporting services	<u>134,771</u>
Total expenses	<u>703,712</u>
Change in net assets	(28,604)
Net assets at beginning of year	<u>241,876</u>
NET ASSETS AT END OF YEAR	\$ <u>213,272</u>

HOPE FOR HENRY FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (28,604)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Increase in:	
Accounts payable and accrued liabilities	<u>2,029</u>
Net cash used by operating activities	<u>(26,575)</u>
Net decrease in cash and cash equivalents	(26,575)
Cash and cash equivalents at beginning of year	<u>247,434</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 220,859</u>

HOPE FOR HENRY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Hope for Henry Foundation (HFH) is a non-profit organization, incorporated in the District of Columbia and located in Washington D.C. HFH's mission is to improve outcomes for D.C.'s sickest children. HFH brings smiles, laughter and joy to kids with cancer and other serious illnesses at Children's National and MedStar Georgetown University Hospital. Its year-round programming, including gifts, parties and events, promote comfort, care and recovery for these kids and their families. Founded in 2003 and led by social innovator, patient advocate and author Laurie Strongin, HFH honors the legacy of Henry Strongin Goldberg, a Washington, D.C. resident who died at age seven of a rare, fatal disease.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

Cash and cash equivalents -

HFH considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, HFH maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Income taxes -

HFH is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. HFH is not a private foundation.

Uncertain tax positions -

For the year ended December 31, 2015, HFH has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Net asset classification -

The net assets are reported in three self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of HFH and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of HFH and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions.
- **Permanently restricted net assets** represent funds restricted by the donor to be maintained in perpetuity by HFH.

HOPE FOR HENRY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Net asset classification (continued) -

There were no temporarily or permanently restricted net assets as of December 31, 2015.

Contributions -

Unrestricted and temporarily restricted contributions are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

In-kind contributions -

In-kind contributions consist of items for hospital parties, silent auction items, and gifts for kids. In-kind contributions are recorded at their fair market value as of the date of the gift.

Use of estimates -

The preparation of the 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

2. SUBSEQUENT EVENTS

In preparing these financial statements, HFH has evaluated events and transactions for potential recognition or disclosure through May 9, 2016, the date the financial statements were issued.