



**FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

INDEPENDENT AUDITOR'S REPORT

Board of Directors
New Hope for Kids, Inc.
Maitland, Florida

I have audited the accompanying statement of financial position of New Hope for Kids, Inc. (the "Organization") as of December 31, 2021 and 2020, and the related statements of activities, cash flows, functional expenses, and related notes for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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


My responsibility is to express an opinion on these financial statements based on my audit. I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 Company'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 Company's internal control. Accordingly, I 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. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Hope for Kids, Inc. as of December 31, 2021 and 2020, and changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.


Lake Mary, FL
March 22, 2022

NEW HOPE FOR KIDS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
CASH AND CASH EQUIVALENTS	\$ 814,606	\$ 810,912
GRANTS RECEIVABLE	25,000	50,000
INVESTMENTS: Marketable Securities	407,007	371,973
PROPERTY AND EQUIPMENT, net	2,907,556	3,035,627
ENDOWMENT FUND	<u>1,983,298</u>	<u>1,801,305</u>
	<u>\$ 6,137,467</u>	<u>\$ 6,069,817</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 15,593	\$ 12,820
Paycheck protection program loan advance	<u>-</u>	<u>113,600</u>
TOTAL LIABILITIES	<u>15,593</u>	<u>126,420</u>
COMMITMENTS		
NET ASSETS		
Net assets without donor restrictions	4,098,430	4,082,739
Net Assets with donor restrictions	<u>2,023,444</u>	<u>1,860,658</u>
TOTAL NET ASSETS	<u>6,121,874</u>	<u>5,943,397</u>
	<u>\$ 6,137,467</u>	<u>\$ 6,069,817</u>

The accompanying notes are an integral part of these financial statements.

NEW HOPE FOR KIDS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
(With Comparative Totals for 2020)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2021 Totals	2020 Totals
<u>REVENUE AND OTHER SUPPORT</u>				
Grants	\$ -	\$ 240,065	\$ 240,065	\$ 431,517
Gifts, memorials and donations	111,780	-	111,780	240,242
Special events (less direct expenses of \$28,515 and \$21,589 for 2021 and 2020, respectively)	250,623	-	250,623	201,683
Donated services and in-kind contributions	177,851	-	177,851	280,319
Participant service revenue	40,986	-	40,986	37,056
Interest and dividend income	8,296	-	8,296	11,836
Other income: government grants	-	-	-	10,000
Net assets released from restrictions (NOTE 7)	259,272	(259,272)	-	-
TOTAL REVENUE AND OTHER SUPPORT	848,808	(19,207)	829,601	1,212,653
<u>EXPENSES</u>				
Program services				
New Hope Center for Grieving Children	710,742	-	710,742	771,774
New Hope Wishes for Kids	235,519	-	235,519	243,700
Total Program Expenses	946,261	-	946,261	1,015,474
General and administrative	138,036	-	138,036	135,748
TOTAL EXPENSES	1,084,297	-	1,084,297	1,151,222
Change in Net Assets from Operations	(235,489)	(19,207)	(254,696)	61,431
Other Income (Expenses)				
Net realized gain (loss) in endowment fund	-	181,993	181,993	135,623
PPP Forgiveness of debt	212,146	-	212,146	-
Net realized gain investment securities	4,000	-	4,000	6,310
Net unrealized gain (loss) investment securities	35,034	-	35,034	(7,920)
Net Other Income (Expense)	251,180	181,993	433,173	134,013
Change in Net Assets	15,691	162,786	178,477	195,444
NET ASSETS, beginning of year	4,082,739	1,860,658	5,943,397	5,747,953
NET ASSETS, end of year	\$ 4,098,430	\$ 2,023,444	\$ 6,121,874	\$ 5,943,397

The accompanying notes are an integral part of these financial statements.

NEW HOPE FOR KIDS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from contributors and special events	\$ 1,049,370	\$ 1,043,911
Cash paid to employees and suppliers	(705,372)	(726,549)
Interest income	8,296	11,836
Interest paid	-	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>352,294</u>	<u>329,198</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Net (increase) decrease in endowment fund	(181,993)	(135,623)
Investment in Marketable Securities	(35,034)	(83,631)
Acquisitions of fixed assets and leasehold improvements	<u>(17,973)</u>	<u>(287,160)</u>
NET CASH (USED IN) INVESTING ACTIVITIES	<u>(235,000)</u>	<u>(506,414)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Funding: Paycheck Protection Program advance	<u>(113,600)</u>	<u>113,600</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(113,600)</u>	<u>113,600</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,694	(63,616)
CASH AND CASH EQUIVALENTS, beginning of year	<u>810,912</u>	<u>874,528</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 814,606</u>	<u>\$ 810,912</u>
<u>Non Cash Investing activities</u>		
Donated landscape structures	<u>\$ -</u>	<u>\$ 10,800</u>

The accompanying notes are an integral part of these financial statements.

NEW HOPE FOR KIDS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(With Comparative Totals for 2020)

PROGRAM SERVICES

	New Hope Center for Grieving Children	New Hope Wishes for Kids	TOTAL	General and Administrative	2021 TOTAL EXPENSES	2020 TOTAL EXPENSES
Wages and payroll taxes	\$ 337,764	\$ 72,378	\$ 410,142	\$ 72,378	\$ 482,520	\$ 472,267
Program expense - group programs	106,902	10,956	117,858	-	117,858	192,480
Program expense - direct wish costs	-	117,125	117,125	-	117,125	47,310
Employee benefits	75,498	10,066	85,564	15,100	100,664	90,054
Insurance	12,692	1,692	14,384	2,538	16,922	8,662
Contract services	7,767	3,600	11,367	3,760	15,127	65,220
Office expenses and miscellaneous	10,160	805	10,965	3,139	14,104	11,408
Utilities	10,746	672	11,418	2,015	13,433	10,447
Repairs and maintenance	9,980	624	10,604	1,871	12,475	9,495
Bank charges and credit card fees	4,134	591	4,725	7,087	11,812	6,725
Professional fees	8,042	1,537	9,579	1,715	11,294	5,750
Program expense - scholarship funding	8,000	-	8,000	-	8,000	35,600
Travel and local transportation	2,781	278	3,059	2,502	5,561	6,952
Telephone	2,205	221	2,426	1,985	4,411	6,521
Advertising	2,587	370	2,957	739	3,696	28,791
Dues, fees, and subscriptions	1,951	-	1,951	1,300	3,251	3,775
Meetings and conferences	-	-	-	-	-	1,740
Equipment rental	-	-	-	-	-	2,356
Total Expenses Before Depreciation	601,209	220,915	822,124	116,129	938,253	1,005,553
Depreciation	109,533	14,604	124,137	21,907	146,044	145,669
TOTAL EXPENSES	\$ 710,742	\$ 235,519	\$ 946,261	\$ 138,036	\$ 1,084,297	\$ 1,151,222

The accompanying notes are an integral part of these financial statements.

NEW HOPE FOR KIDS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

NOTE 1 ORGANIZATION AND NATURE OF ACTIVITIES

Since 1996, New Hope for Kids, Inc. ("New Hope") has been helping Central Florida children in need. Their purpose is to bring hope, healing and happiness to these children and their families.

New Hope's mission is to provide a specialized support to the children and families grieving the loss of a loved one and to grant wishes to children with life-challenging illnesses in Central Florida. The New Hope is comprised of two programs that work together to meet such mission.

CENTER FOR GRIEVING CHILDREN

The Center helps children and families cope with the feelings of grief and loss after the death of a loved one. It provides support and assistance to children and their families during some of life's most difficult challenges. The groups are open to grieving children ages 3 to 18 who reside in the Central Florida area.

WISHES FOR KIDS

The program grants wishes to children under age 19 who have been diagnosed with life-threatening illnesses. The program is not affiliated with a national organization. It is independent and locally based.

In addition, both programs provide support services such as family events, resource information, and referral to other agencies for assistance when necessary.

Funding comes primarily through charitable donations by individuals, corporations, foundations and community service organizations in Central Florida. With the exception of government grants received in 2020 during the Covid-19 pandemic, New Hope does not receive any other funding from government agencies.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets are classified based on the existence or absence of donor imposed designation. Accordingly, net assets of the New Hope are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor imposed stipulations. Included in unrestricted net assets are amounts that may be designated by the Board of Directors for specific purposes.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations in perpetuity, restricted for specified purposes, satisfaction of program restrictions, or restricted by the passage of time.

NEW HOPE FOR KIDS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF PRESENTATION (continued)

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

DONATED MATERIALS AND SERVICES

Donations of materials are recorded as in-kind contributions at their estimated fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. In such a case, the recording is handled in the same manner as donor restricted funds.

New Hope recognizes donated services that create or enhance non financial assets or that require specialized skills, are provided by individuals possessing those skills, would typically need to be purchased if not provided by donation, and are subject to objective valuation. These services are recorded at their estimated fair market value at the date of donation.

In addition, New Hope receives a significant amount of donated services from unpaid volunteers who assist in program activities and supporting services. No amounts have been recognized in the statements of activities because the criteria for recognition under the Statement of Financial Accounting Standards ("SFAS") No. 116 have not been satisfied. However, these volunteers did contribute almost 5,600 and 5,700 hours respectively for the years ended December 31, 2021 and 2020 in support of program activities and supporting services.

GRANTS RECEIVABLE

Grants receivable is comprised of unrestricted grants from a nonprofit (NOTE 3) and from an unrelated third party. The grants were collected subsequent to the end of the year.

SCHOLARSHIP FUNDING

New Hope provides scholarship funding to all participants. Scholarship funding represents \$8,000 and \$35,600 (20% and 96% respectively) of total support services provided during the years ended December 31, 2021 and 2020, respectively.

GIFTS, MEMORIALS, AND DONATIONS

Under SFAS No. 116, "Accounting for Contributions Received and Contributions Made," contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

NEW HOPE FOR KIDS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PARTICIPANT SERVICES REVENUE

Participant services revenue represent the estimated net realizable amounts from participants, third-party payors, and others for services rendered through the New Hope Center for Grieving Children.

FUNCTIONAL ALLOCATION OF EXPENSE

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statement of Activities. Building and overhead related expenses have been allocated on a reasonable basis consistently applied based on square footage and usage of the space. Program expenses have been allocated on a reasonable basis consistently applied based on the expense benefit to each corresponding program. Personnel, professional fees and services have been allocated on a reasonable basis consistently applied based on estimates of time and effort among the programs and supporting services benefited.

PROPERTY AND EQUIPMENT

Property and equipment are carried at cost. It is New Hope's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Property and equipment is being depreciated on the straight-line method over estimated useful lives as follows:

Building and leasehold improvements	25 years
Furniture and Equipment	5 to 7 years

INCOME TAXES

New Hope is exempt from Federal income taxes under the Internal Revenue Code Section 501c(3) and therefore has made no provision for Federal income taxes.

ESTIMATES

The preparation of financial statements in accordance with accounting principles and generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from estimates.

Significant estimates used in preparing these financial statements include those assumed in computing net participant service revenues, donated services, and contingent liabilities.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, New Hope considers all short-term high liquid investments purchased with a maturity of ninety (90) days or less to be cash and/or cash equivalents.

SUMMARIZED FINANCIAL INFORMATION FOR 2020

The statement of activities for 2020 includes summarized comparative information in total but not by net asset class. In addition, the statement of functional expenses for 2020 includes summarized comparative information in total but not by functional activity. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

NEW HOPE FOR KIDS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FAIR VALUES OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by New Hope in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, and current liabilities - fair value approximates carrying amounts due to the short maturities of the instruments.

Investment securities – fair value calculated based on the value designated by the brokerage.

CONCENTRATIONS OF CREDIT RISK

New Hope's financial instruments that are exposed to concentrations of credit risk include cash and cash equivalents, which are held with various financial institutions. Such accounts do at times exceed federally insured limits. Management believes these institutions have strong credit ratings and that the credit risk related to these deposits is minimal. New Hope has not experienced any losses on such accounts.

As of December 31, 2021, New Hope exceeded the federally insured amount by approximately \$230,000.

New Hope relies on a nonprofit to support its operations (NOTE 3). Total contributions from the nonprofit during the years ended December 31, 2021 and 2020 were \$158,425 and \$207,433, respectively, representing 19% and 18%, respectively, of total revenue and other support.

RECLASSIFICATIONS

Certain reclassifications were made to the 2020 financial statements to conform to the current year presentation.

NOTE 3 NONPROFIT SUPPORT – CENTRAL FLORIDA FOUNDATION, INC.

ENDOWMENT FUND

In 2004 New Hope established a New Hope for Kids Endowment Fund as a component fund in the Central Florida Foundation, Inc. (the "Foundation"), a nonprofit.

The Foundation's Board of Directors shall have the power to modify or eliminate any restriction, limitation, or condition on the distribution of funds, including their use for any specified purposes or their distribution to specific organizations, if the Foundation's Board of Directors determines that such restriction, limitation or condition becomes by material and significant change of circumstances in effect unnecessary, incapable of fulfillment, or inconsistent with various uses and purposes of the Central Florida area.

Due to the Foundation being the legal owner of all assets contributed to any of its component funds as well as their ability to redirect any of the Endowment Fund balance as noted in the paragraph above, New Hope has deferred the recognition of the contribution. The New Hope will recognize the revenue as it receives a return of this investment.

NEW HOPE FOR KIDS INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

NOTE 3 NONPROFIT SUPPORT – CENTRAL FLORIDA FOUNDATION, INC. (continued)

ENDOWMENT FUND (continued)

The New Hope for Kids Endowment Fund balance as of December 31, 2021 and 2020 was \$1,983,298 and \$1,801,305, respectively.

GRANTS AND DONATIONS

The Foundation approves grants annually with the amount and terms to be determined by the Foundation's Board of Directors. During the years ended December 31, 2021 and 2020, grants and donations from the Foundation to New Hope were \$158,425 and \$207,433 respectively.

NOTE 4 INVESTMENTS: MARKETABLE SECURITIES

Since 2019, New Hope's invested funds are held in professionally managed portfolios that may include various types of variable and fixed income investments. Even though investments are held are deemed to be low risk, these investments are exposed to various risks, such as fluctuations in market value, interest rate, or credit risk. Therefore, New Hope's investments may be subject to significant fluctuations in fair value. As a result, the investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

Investments are recorded at net realizable value. Investments include stock and mutual funds. Investments in Marketable Securities was \$407,007 and \$371,973 for the years ended December 31, 2021 and 2020.

Net unrealized gain (loss) for the years ended December 31, 2021 and 2020 was \$35,034 and (\$7,920), respectively.

NOTE 5 PROOPERTY AND EQUIPMENT

	2021	2020
Buildings and leasehold improvements	\$ 2,346,629	\$ 2,346,629
Land	742,000	742,000
Land improvements	251,508	251,508
-		
Furniture and equipment	368,078	350,105
	3,708,215	3,690,242
Less accumulated depreciation and amortization	800,659	654,615
	\$ 2,907,556	\$ 3,035,627

Depreciation expense was \$146,044 and \$145,669 for the years ended December 31, 2021 and 2020.

NEW HOPE FOR KIDS INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021 and 2020

NOTE 6 COMMITMENTS - OPERATING LEASES

New Hope began leasing a copier in 2018 under a 60 month operating lease. Minimum future lease payments under the operating lease are as follows:

Years ended December 31,	
2022	\$ 3,449
2023	<u>2,299</u>
	<u>\$ 5,748</u>

NOTE 7 NET ASSETS

New Hope received donations which were subject to donor restrictions. The following net assets were released from donor restrictions when expenses satisfying the restricted purposes were incurred, by passage of time, or by occurrence of other events specified by donors:

	<u>2021</u>	<u>2020</u>
Program restrictions met	\$ 100,000	\$ 150,000
Grants - specific purpose	<u>159,272</u>	<u>239,388</u>
	<u>\$ 259,272</u>	<u>\$ 389,388</u>

A summary of Net Assets without Donor Restrictions as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Undesignated	<u>\$ 4,098,430</u>	<u>\$ 4,082,739</u>

A summary of Net Assets with Donor Restrictions as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Perpetual in nature:		
Endowment fund (NOTE 3)	\$ 1,983,298	\$ 1,801,305
Wish costs	22,734	50,741
Scholarships: participant services	<u>17,412</u>	<u>8,612</u>
	<u>\$ 2,023,444</u>	<u>\$ 1,860,658</u>

NEW HOPE FOR KIDS INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

NOTE 8 PAYCHECK PROTECTION PROGRAM LOAN ADVANCE

In 2020 and 2021, New Hope obtained was granted loans pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title 1 of the CARES Act. Funds from the Loan may only be used for payroll costs, group health care benefits, utilities as well as other specified expenses. New Hope was able to use the entire Loan amounts for qualifying expenses. The two Loans were subsequently forgiven in 2021.

NOTE 9 LIQUIDITY AND AVAILABILITY

New Hope has approximately \$1,247,000 of financial assets which are available within 1 year of the balance sheet date to meet cash needs for general expenditure. This total is comprised of cash and cash equivalents of \$815,000, grants receivable of \$25,000, and marketable securities of \$407,000. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. Grants receivable is subject to matching restrictions and were subsequently collected.

New Hope has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet at minimum 6 months days of normal operating expenses, which in 2021 averaged, approximately \$76,000 monthly. New Hope has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, New Hope management routinely meets to review its investments and strategy.