

HAILEY'S HOPE FOUNDATION

FINANCIAL STATEMENTS

APRIL 30, 2013

HAILEY'S HOPE FOUNDATION

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*Certified Public Accountants*

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Gary L. Rank, CPA

Gary R. Smith, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Hailey's Hope Foundation  
Goshen, NY

We have audited the accompanying financial statements of Hailey's Hope Foundation (a nonprofit corporation), which comprise the statements of financial position as of April 30, 2013, and the related statements of activities 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the in making those risks of material misstatement of the financial statement, 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 propose 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 statement.

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 Hailey's Hope Foundation as of April 30, 2013 and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Rank & Smith*

Cornwall- on- Hudson, NY  
September 14, 2013

HAILEY'S HOPE FOUNDATION  
STATEMENT OF FINANCIAL POSITION

APRIL 30, 2013

ASSETS

Current Assets:	
Cash	<u>\$ 127,516</u>
Total Assets	<u>\$ 127,516</u>

LIABILITIES AND NET ASSETS

Liabilities	\$ 0
Net Assets	
Unrestricted	<u>127,516</u>
Total Liabilities and Net Assets	<u>\$ 127,516</u>

See Accompanying Notes.

HAILEY'S HOPE FOUNDATION.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED APRIL 30,2013

Public Support and Revenue

Public Contributions	\$ 127,448
In Kind Contribution	19,671
Special Event Revenue	127,270
Investment Income	<u>28</u>

Total Revenues and Other Support \$ 274,417

Expenses

Program Services	\$ 129,688
Fund Raising Event Expenditures	62,385
Utilization- In Kind Contributions	19,671
General and Administrative	<u>5,916</u>

Total Expenses 217,660

Changes in Net Assets 56,757

Net Assets- Beginning 70,759

Net Assets- Ending \$ 127,516

See Accompanying Notes.

HAILEY'S HOPE FOUNDATION

STATEMENT OF CASH FLOWS

APRIL 30,2013

Cash Flows from Operating Activities:

Change in Net Assets	<u>\$ 56,757</u>
Total Cash Provided by Operating Activities	56,757
Total Cash Provided by Investing Activities	0
Total Cash Provided by Financing Activities	<u>0</u>
Increase/Decrease in Cash	56,757
Cash- Beginning of Year	<u>70,759</u>
Cash- End of Year	<u>\$ 127,516</u>

See Accompanying Notes.

HAILEY'S HOPE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2013

**Note 1- Nature of Activities and Mission Statement**

**Hailey's Hope Foundation** (HHF) is dedicated to helping families in need when their babies are born prematurely or critically ill and are hospitalized in the Neonatal Intensive Care Unit (NICU). Many families struggle emotionally, physically and financially with NICU stays which can last weeks or months, and they are unsupported at this crucial time. Through financial and emotional support, education, funding neonatal research, and purchasing state-of-the-art NICU equipment, HHF is creating a unique support system for NICU families to cope with these difficult challenges and the overwhelming special needs of their babies.

Currently, we are partnered with the Regional NICU at Maria Fareri Children's Hospital at Westchester Medical Center in Valhalla, NY and the NICU at Orange Regional Medical Center in Middletown, NY. We are working to expand our programs to reach more NICU families in other local NICU's.

Hailey's Hope Foundation is a New York 501 (c) (3) non- profit organization established in December 2007 to honor the memory of our little angel, Hailey Zion, and our eight NICU graduates. Hailey is the baby daughter of Board Members Isaac and Donna Zion who was born prematurely at 21 weeks in 2003 and passed away shortly after birth. It consists of a Board of Directors and Members who volunteer their time and talents to carry out its mission. There are no paid positions. We work diligently to keep expenses low and to direct as much money as possible to fund our programs.

No baby or family should have to spend time in the NICU, but we realize that many will follow in our footsteps. Hailey's Hope Foundation is working hard to comfort and support them, to give a voice to their needs, and to make their paths a little easier to walk.

**Note 2- Summary of Significant Accounting Policies**

**Legal and Tax Status**

Hailey's Hope Foundation is incorporated under Section 402 of the not-for-profit corporation law in the State of New York. Also, they are exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code. Donors contributions are tax deductible under Section 170 of the Internal Revenue Code.

HAILEY'S HOPE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2013

2. Summary of Significant Accounting Policies: (cont'd)

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles required 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.

**Financial Statement Presentation**

The Organization has adopted the Statement of Financial Accounting Standards (SFAS) No 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Organizations are required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

These classes are defined as follows:

**PERMANENTLY RESTRICTED**-Net assets resulting from contributions and other inflows of assets whose use by the Agency is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the actions of the Agency.

**TEMPORARILY RESTRICTED**-Net assets resulting from contributions and other inflows of assets whose use by the Agency is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Agency pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets.

**UNRESTRICTED**-The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

The financial statements have been prepared on the accrual basis.



HAILEY'S HOPE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2013

Summary of Significant Accounting Policies: (cont'd)

**Contributions**

Contributions are recorded as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contribution revenue is recorded when received. Pledges are not recognized until received.

**Donated Materials and Services**

Donated materials, equipment, and other non-cash gifts are reflected as contributions in the accompanying statements at their fair market value. Additionally, no amounts have been reflected in the statements for donated services in as much as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time.

No Salaries or Wages are Taken by Anyone Connected to the Organization

**Investments**

All investments are reported at fair market value and gains and losses whether realized or unrealized are recognized when they occur.

HAILEY'S HOPE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2013

**Note 3- Functional Expenses**

	<b>All Unrestricted</b>	
	<u>Program Services</u>	<u>Management &amp; Fund Raising</u>
Advertising	\$ 0	\$ 500
Website and Hosting	0	618
Professional Fees	0	470
Telephone & Utilities	0	518
Postage	0	243
Office Expenses	0	2,135
Printing	0	813
Fundraising Expenses	0	82,056
Assistance to Individuals	129,688	0
Insurance	<u>0</u>	<u>619</u>
Total	<u>\$ 129,688</u>	<u>\$ 87,972</u>