

HOSPICE AND PALLIATIVE NURSES FOUNDATION

A NON-PROFIT CHARITABLE ORGANIZATION

REVIEWED FINANCIAL STATEMENTS

DECEMBER 31, 2006

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## Accountants' Review Report

To the Board of Directors  
Hospice and Palliative Nurses Foundation  
Penn Center West, Suite 229  
Pittsburgh, PA 15276

Members of the Board:

We have reviewed the accompanying statement of financial position of Hospice and Palliative Nurses Foundation, (a non-profit charitable corporation) as of December 31, 2006, and the related statement of activities, cash flows, and functional expenses for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Hospice and Palliative Nurses Foundation.

A review consists principally of inquiries of organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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 State of America.

*Michalik & Daniels, LLC*

Pittsburgh, Pennsylvania  
August 23, 2007

**HOSPICE AND PALLIATIVE NURSES FOUNDATION**  
**(A Non-Profit Charitable Corporation)**

STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2006

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**Assets**

**Current assets**

Cash and cash equivalents		\$	303,921
Short-term investments			8,501
Prepaid expenses			<u>1,092</u>
<b>Total current assets</b>			<b>313,514</b>

**Fixed assets**

Equipment	\$	8,893	
Less accumulated depreciation		<u>(3,705)</u>	5,188

**Other assets**

Long-term investments			<u>174,520</u>
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<b>Total assets</b>		\$	<u><u>493,222</u></u>
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**Liabilities and Net Assets**

**Current liability**

Accounts payable			2,892
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**Net assets**

Net assets - unrestricted		\$	221,437
Net assets – board designated			24,000
Net assets – temporarily restricted			<u>244,893</u>
<b>Total net assets</b>			<b>490,330</b>

<b>Total liability and net assets</b>		\$	<u><u>493,222</u></u>
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See accompanying notes and accountants' report.

**HOSPICE AND PALLIATIVE NURSES FOUNDATION**  
**(A Non-Profit Charitable Corporation)**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2006

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and revenues</b>			
Grant	\$ -0-	\$ 30,000	\$ 30,000
Contributions	116,989	90,000	206,989
Interest and dividend income	9,657		9,657
Miscellaneous	2,653		2,653
Net assets released from restrictions	<u>74,355</u>	<u>(74,355)</u>	<u>-0-</u>
<b>Total support and revenues</b>	203,654	45,645	249,299
<b>Expenses</b>			
Program services			
Educational and research	43,199		43,199
Supporting services			
Management and general	21,839		21,839
Fundraising	<u>35,444</u>		<u>35,444</u>
<b>Total support services</b>	57,283		57,283
<b>Total expenses</b>	100,482		100,482
Unrealized gain on investments	781		781
<b>Excess of support and revenue over expenses</b>	103,953	45,645	149,598
	<u>141,484</u>	<u>199,248</u>	<u>340,732</u>
<b>Net assets at beginning of year</b>	\$ <u>245,437</u>	\$ <u>244,893</u>	\$ <u>490,330</u>
<b>Net assets at end of year</b>			

See accompanying notes and accountants' report.

**HOSPICE AND PALLIATIVE NURSES FOUNDATION**  
**(A Non-Profit Charitable Corporation)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER, 31, 2006**

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**Cash Flow from Operating Activities:**

Net excess of support and revenue over expenses	\$ 149,598
Adjustments to reconcile excess support over expenses:	
Unrealized gain on investment	(781)
Decrease in prepaid expenses	223
Increase in accounts payable	1,450
Depreciation	<u>1,778</u>
<b>Net Cash Provided by Operating Activities</b>	<b>2,670</b>

**Cash Flows From Investing Activities:**

Purchase of investments	(133,337)
Sales of investments	<u>100,000</u>
<b>Net Cash (Used) in Investing Activities</b>	<b>(33,337)</b>

**Net Increase (Decrease) in Cash**

118,931

**Cash at Beginning of the Year**

184,990

**Cash at End of the Year**

\$ 303,921

**Supplemental Disclosure of Cash Flow Information:**

Cash paid during the year for:	
Interest	\$ -0-
Income taxes	\$ -0-

See accompanying notes and accountants' report.

**HOSPICE AND PALLIATIVE NURSES FOUNDATION**  
**(A Non-Profit Charitable Corporation)**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Program</u>	<u>Support Services</u>			<u>Total</u>
	<u>Services</u>	<u>Management</u>	<u>Fundraising</u>	<u>Total</u>	
	<u>Education &amp;</u>	<u>and</u>		<u>Support</u>	<u>Total</u>
	<u>Research</u>	<u>General</u>	<u>Fundraising</u>	<u>Services</u>	<u>Expenses</u>
Board meeting	\$ 467	\$ 0	\$ 0	\$ 0	\$ 467
Travel	45	0	2,000	2,000	2,045
Advertising	13	0	12	12	25
Website	619	0	363	363	982
Conference calls	0	263	0	263	263
Shipping	0	0	114	114	114
Board insurance	0	538	0	538	538
Liability insurance	0	538	0	538	538
Other	0	1,509	0	1,509	1,509
Professional fees	1,074	0	0	0	1,074
Printing	2,050	0	2,050	2,050	4,100
Annual report printing	954	0	0	0	954
Postage	0	0	2,016	2,016	2,016
Office expense	0	0	103	103	103
Staff development	0	347	0	347	347
Accounting	0	4,140	0	4,140	4,140
Bank charges	0	167	0	167	167
Florence Wald expenses	0	0	6,570	6,570	6,570
Restricted scholarships	2,005	0	0	0	2,005
Restricted grants	1,000	0	0	0	1,000
Sigma Theta Tau grant	5,000	0	0	0	5,000
PDIA nursing award	1,850	0	0	0	1,850
Project	1,308	0	0	0	1,308
Wages	26,314	12,559	20,933	33,492	59,806
Madalon Amenta award	500	0	0	0	500
Equipment	0	0	1,283	1,283	1,283
Depreciation	0	1,778	0	1,778	1,778
	<u>\$ 43,199</u>	<u>\$ 21,839</u>	<u>\$ 35,444</u>	<u>\$ 57,283</u>	<u>\$ 100,482</u>

The accompanying report and notes to financial statements are  
integral parts of these financial statements.

**HOSPICE AND PALLIATIVE NURSES FOUNDATION**  
**(A Non-Profit Charitable Corporation)**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

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

**Nature of Operations**

Hospice and Palliative Nurses Foundation (HPNF) is a non-profit charitable corporation pursuant to Section 501 (c) (3) of the Internal Revenue Code. The organization's purpose is to provide educational and scientific support to nurses and other health care professionals involved in hospice and palliative care.

**Income Taxes**

The Internal Revenue Service has determined that HPNF is exempt from federal income taxes pursuant to Section 501 (c) (3) of the Internal Revenue Code. It is also exempt from state income taxes.

**Cash and cash equivalents** – Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with maturities of less than 90 days. At year-end and throughout the year, the organization's cash balances were deposited in a bank. Management believes the organization is not exposed to any significant credit risk on cash and cash equivalents.

**Cash Flows**

The organization considers all short-term investments with an original maturity of three months or less to be cash equivalents.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Property and Equipment**

Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment are carried at cost. Depreciation is computed using primarily the straight-line method.

**HOSPICE AND PALLIATIVE NURSES FOUNDATION**  
**(A Non-Profit Charitable Corporation)**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

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**Note A - Summary of Significant Accounting Policies Continued**

**Support Recognition**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature or any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Note B - Description of Program and Support Services**

The following program and support services are included in the accompanying financial statements:

**Education and Research**

Expenses associated with presenting grants, awards and scholarships to various organizations and individuals for their education and research within the hospice and palliative nursing field.

**Fundraising**

Involves inducing potential donors to contribute money, services, materials, other assets, or time to support the programs of the foundation.

**Management and General**

Includes the functions necessary to manage office operations including grant activities, foundation development, staff education and development and general marketing; and manage the financial and budgetary responsibilities of the foundation.

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

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**Note C – Temporarily Restricted New Assets**

Temporarily restricted net assets are available for the following purposes:

Educational grants	\$ 42,500
Certification scholarships	35,785
Certification research	62,500
Salary for Director of Development	54,409
Writing awards	1,500
Nursing leadership awards	<u>48,199</u>
	\$ 244,893

**Note D - Donated Services**

HPNF receives donated services from a variety of unpaid volunteers assisting the organization in its exempt activities. No amounts have been recognized in the accompanying statement of activities because these services do not require specialized skills therefore the criteria for recognition under SFAS No. 116 have not been satisfied.

**Note E – Concentration of Credit Risk**

HPNF maintains cash balances at one separate financial institution. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. It is the opinion of management that the solvency of the referenced financial institution is not of particular concern at this time.