

HOSPICE AND PALLIATIVE NURSES FOUNDATION

A NON-PROFIT CHARITABLE ORGANIZATION

REVIEWED FINANCIAL STATEMENTS

DECEMBER 31, 2007

## CONTENTS

	<b>Page</b>
Accountants' Review Report .....	2
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Cash Flows .....	5
Statement of Functional Expenses .....	6
Notes to Financial Statements.....	7-9

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## Accountants' Review Report

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, 2007, 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  
September 3, 2008

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

STATEMENT OF FINANCIAL POSTION  
DECEMBER 31, 2007

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Assets

Current assets

Cash and cash equivalents	\$	205,992
Short-term investments		23,817
Accounts receivable		8,055
Prepaid expenses		<u>3,813</u>
Total current assets		241,677

Fixed assets

Equipment	\$	8,893
Less accumulated depreciation		<u>(5,484)</u>
		3,409

Other assets

Long-term investments		<u>350,199</u>
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Total assets	\$	<u>595,285</u>
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Liabilities and Net Assets

Current liability

Accounts payable	\$	4,044
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Net assets

Net assets - unrestricted		310,288
Net assets - board designated		28,433
Net assets - temporarily restricted		<u>252,520</u>
Total net assets		591,241

Total liability and net assets	\$	<u>595,285</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, 2007**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and revenues</b>			
Grant	\$ 13,485	\$ 84,960	\$ 98,445
Contributions	72,745	58,500	131,245
Interest and dividend income	22,933		22,933
Fundraising events	9,840		9,840
Miscellaneous	173		173
Net assets released from restrictions	<u>135,833</u>	<u>(135,833)</u>	<u>-0-</u>
<b>Total support and revenues</b>	255,009	7,627	262,636
<b>Expenses</b>			
Program services			
Educational and research	102,043		102,043
Supporting services			
Management and general	20,121		20,121
Fundraising	<u>39,550</u>		<u>39,550</u>
<b>Total support services</b>	59,671		59,671
<b>Total expenses</b>	161,714		161,714
Unrealized loss on investments	(11)		(11)
<b>Excess of support and revenue over expenses</b>	93,284	7,627	100,911
	<u>245,437</u>	<u>244,893</u>	<u>490,330</u>
<b>Net assets at beginning of year</b>	\$ <u>338,721</u>	\$ <u>252,520</u>	\$ <u>591,241</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, 2007**

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**Cash Flow from Operating Activities:**

Net excess of support and revenue over expenses	\$ 100,911
Adjustments to reconcile excess support over expenses:	
Unrealized loss on investment	11
Increase in receivables	(8,055)
Increase in prepaid expenses	(2,721)
Increase in accounts payable	1,152
Depreciation	<u>1,779</u>
<b>Net Cash Provided by Operating Activities</b>	<b>93,077</b>

**Cash Flows From Investing Activities:**

Purchase of investments	(463,006)
Sales of investments	<u>272,000</u>
<b>Net Cash (Used) in Investing Activities</b>	<b>(191,006)</b>

**Net Increase (Decrease) in Cash**

(97,929)

**Cash at Beginning of the Year**

303,921

**Cash at End of the Year**

\$ 205,992

**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, 2007

	Program	Support Services			Total Expenses
	Services	Management and General	Fundraising	Total Support Services	
	Education & Research				
Board expenses	\$ 654	\$ 0	\$ 0	\$ 0	\$ 654
NCP grant	30,000	0	0	0	30,000
Other grants	15,550	0	0	0	15,550
Florence Wald expenses	0	0	4,567	4,567	4,567
Certification scholarships	935	0	0	0	935
Education scholarships	1,576	0	0	0	1,576
Chapter education grants	1,800	0	0	0	1,800
Millbank Foundation	26,236	0	0	0	26,236
Sigma Theta Tau grant	4,950	0	0	0	4,950
PDIA nursing award	1,795	0	0	0	1,795
Staff travel	0	0	1,685	1,685	1,685
Computer expenses	0	3,730	3,731	7,461	7,461
Shipping	0	0	68	68	68
Liability insurance	0	546	0	546	546
Printing	0	0	3,989	3,989	3,989
Postage	0	0	3,987	3,987	3,987
Office supplies	0	0	225	225	225
Staff development	0	449	0	449	449
Professional fees	0	2,745	0	2,745	2,745
Salary, payroll taxes and fringe benefits	16,942	10,165	21,298	31,463	48,405
Grant project expense	1,605	0	0	0	1,605
Depreciation	0	1,779	0	1,779	1,779
Miscellaneous	0	707	0	707	707
	\$ 102,043	\$ 20,121	\$ 39,550	\$ 59,671	\$ 161,714

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, 2007

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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**

HPNF qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (IRC) and, is thereby exempt from paying federal income tax. In addition, the organization qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(A) and had been classified as an organization that is not a private foundation under Section 509(a)(2).. HPNF is duly registered as a Charitable Organization with the Department of State, Commonwealth of Pennsylvania.

**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 which may periodically exceed federally insured amounts.

**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, 2007

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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 of 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, 2007

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**Note C – Temporarily Restricted New Assets**

Temporarily restricted net assets are available for the following purposes:

Educational grants	\$ 41,124
Certification scholarships	34,850
Certification research	62,500
Annual assembly scholarship	9,910
Salary for Director of Development	56,004
Writing awards	1,500
Nursing leadership awards	46,128
Computer software upgrade and training	<u>504</u>
	\$ 252,520

**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 and therefore, the criteria for recognition under SFAS No. 116 have not been satisfied.