

HOSPICE AND PALLIATIVE NURSES FOUNDATION
(A NONPROFIT ORGANIZATION)
REVIEWED FINANCIAL STATEMENTS
DECEMBER 31, 2009

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Accountants' Review Report

Board of Directors
Hospice and Palliative Nurses Foundation

We have reviewed the accompanying statement of financial position of Hospice and Palliative Nurses Foundation, (a nonprofit charitable corporation) as of December 31, 2009, 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 States of America.

Michalik & Daniels, LLC

May 20, 2010
Pittsburgh, Pennsylvania

HOSPICE AND PALLIATIVE NURSES FOUNDATION
(a nonprofit corporation)

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009

| Assets | |
|---------------------------------------|--------------------------|
| Current assets | |
| Cash and cash equivalents | \$ 199,938 |
| Short-term investments | 53,969 |
| Accounts receivable | 1,250 |
| Prepaid expenses | <u>6,733</u> |
| Total current assets | 261,890 |
| Fixed assets | |
| Equipment | \$ 8,893 |
| Less accumulated depreciation | <u>(8,893)</u> |
| | -0- |
| Other assets | |
| Long-term investments | <u>552,595</u> |
| Total assets | \$ <u>814,485</u> |
| Liabilities and Net Assets | |
| Current liability | |
| Accounts payable | \$ 27,340 |
| Net assets | |
| Net assets - unrestricted | 479,263 |
| Net assets – board designated | 43,585 |
| Net assets – temporarily restricted | <u>264,297</u> |
| Total net assets | <u>787,145</u> |
| Total liability and net assets | \$ <u>814,485</u> |

See accompanying notes and accountants' report.

HOSPICE AND PALLIATIVE NURSES FOUNDATION
(A nonprofit corporation)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2009

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|-------------------|
| Support and revenues | | | |
| Grant | \$ 20,000 | \$ 42,000 | \$ 62,000 |
| Contributions | 150,342 | 41,465 | 191,807 |
| Interest and dividend income | 18,404 | | 18,404 |
| Fundraising events | 9,735 | | 9,735 |
| Unrealized gain on investments | 8,482 | | 8,482 |
| Miscellaneous | 76 | | 76 |
| Net assets released from restrictions | <u>113,871</u> | <u>(113,871)</u> | <u>-0-</u> |
| Total support and revenues | 320,910 | (30,406) | 290,504 |
| Expenses | | | |
| Program services | | | |
| Educational and research | 95,513 | | 95,513 |
| Supporting services | | | |
| Management and general | 63,577 | | 63,577 |
| Fundraising | <u>41,484</u> | | <u>41,484</u> |
| Total support services | 105,421 | | 105,421 |
| Total expenses | 200,935 | | 200,935 |
| Excess of support and revenue over expenses | 119,975 | (30,406) | 89,569 |
| | <u>402,873</u> | <u>294,703</u> | <u>697,576</u> |
| Net assets at beginning of year | \$ <u>522,848</u> | \$ <u>264,297</u> | \$ <u>787,145</u> |
| Net assets at end of year | | | |

See accompanying notes and accountants' report.

HOSPICE AND PALLIATIVE NURSES FOUNDATION
(a nonprofit corporation)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER, 31, 2009

Cash Flow from Operating Activities:

| | |
|---|----------------|
| Net excess of support and revenue over expenses | \$ 89,569 |
| Adjustments to reconcile excess support over expenses: | |
| Unrealized gain on investment | (8,482) |
| Decrease in receivables | 11,125 |
| Increase in prepaid expenses | (5,637) |
| Increase in accounts payable | 22,579 |
| Depreciation | <u>1,631</u> |
| Net Cash Provided by Operating Activities | 110,785 |

Cash Flows From Investing Activities:

| | |
|--|------------------|
| Purchase of investments | (307,773) |
| Sales of investments | <u>200,000</u> |
| Net Cash (Used) in Investing Activities | (107,773) |

| | |
|--|--------------------------|
| Net Increase (Decrease) in Cash | 3,012 |
| Cash at Beginning of the Year | <u>196,926</u> |
| Cash at End of the Year | \$ <u>199,938</u> |

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 nonprofit organization)

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

| | Program Services | Support Services | | | Total Expenses |
|---|-------------------------|------------------------------|------------------|------------------------------|-------------------|
| | Education & Research | Management and General | Fundraising | Total Support Services | |
| Board expenses | \$ 579 | \$ 1,634 | \$ - | \$ 1,634 | \$ 2,213 |
| Research certification grant | 14,500 | - | - | - | 14,500 |
| Florence Wald expenses | - | - | 7,840 | 7,840 | 7,840 |
| Certification scholarships | 950 | - | - | - | 950 |
| Education scholarships | 1,500 | - | - | - | 1,500 |
| Chapter education grants | 2,500 | - | - | - | 2,500 |
| Conference scholarships | 600 | - | - | - | 600 |
| Milbank Foundation expenses | 25,218 | - | - | - | 25,218 |
| Miscellaneous grant expenses | 1,500 | - | - | - | 1,500 |
| NCP grant | 20,000 | - | - | - | 20,000 |
| Sigma Theta Tau grant | 5,000 | - | - | - | 5,000 |
| PDIA nursing award | 2,973 | - | - | - | 2,973 |
| Staff travel | - | 3 | 2,223 | 2,226 | 2,226 |
| Computer expenses | - | 830 | 829 | 1,659 | 1,659 |
| Shipping | - | - | 42 | 42 | 42 |
| Liability insurance | 24 | 262 | - | 262 | 286 |
| Printing | - | 76 | 974 | 1,050 | 1,050 |
| Postage | - | 377 | 984 | 1,361 | 1,361 |
| Office supplies | - | 2,691 | 41 | 2,732 | 2,732 |
| Bank charges | - | 3,080 | - | 3,080 | 3,080 |
| Rent | - | 6,250 | - | 6,250 | 6,250 |
| Telephone | - | 1,083 | - | 1,083 | 1,083 |
| Administration wages | - | 26,618 | - | 26,618 | 26,618 |
| Staff development | - | - | 250 | 250 | 250 |
| Professional fees | - | 6,701 | - | 6,701 | 6,701 |
| Salary, payroll taxes and fringe benefits | 20,170 | 11,526 | 25,934 | 37,460 | 57,630 |
| Depreciation | - | 1,631 | - | 1,631 | 1,631 |
| Miscellaneous | - | 815 | 2,727 | 3,542 | 3,542 |
| | <u>\$ 95,514</u> | <u>\$ 63,577</u> | <u>\$ 41,844</u> | <u>\$ 105,421</u> | <u>\$ 200,935</u> |

See accompanying notes and accountants' report.

HOSPICE AND PALLIATIVE NURSES FOUNDATION
(a nonprofit organization)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 – NATURE OF NONPROFIT ACTIVITIES

Hospice and Palliative Nurses Foundation (HPNF) is a nonprofit 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.

Education and Research

HPNF provides grants, awards and scholarships to various organizations and individuals for their education and research within the hospice and palliative nursing field.

Fundraising

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

Management and General

This function includes expenses to manage office operations including grant activities, foundation development, staff education and development and general marketing; and manages the financial and budgetary responsibilities of the foundation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of HPNF have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standard (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

HOSPICE AND PALLIATIVE NURSES FOUNDATION
(a nonprofit organization)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Contributions

Grants and contributions 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 either temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or 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. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Equipment

Equipment is capitalized at cost. Depreciation is computed using the straight-line method for financial reporting purposes over the estimated useful lives of the individual assets. Depreciation expense as of December 31, 2009 was \$1,631.

Estimates

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

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. The Association maintains, at various financial institutions, cash and cash equivalents which may periodically exceed federally insured amounts.

Donated Services

Under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, the Foundation recognizes services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Materials, equipment and services received as donations are recorded and reflected in the accompanying financial statements at their estimated fair values at the date of receipt. The amount of such donated materials, equipment and services was \$40,026 for the year ended December 31, 2009.

HOSPICE AND PALLIATIVE NURSES FOUNDATION
(a nonprofit organization)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The basis for the allocation of expenses is defined by time studies performed by the Association.

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.

NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

| | |
|------------------------------------|-------------------|
| Educational grants | \$ 33,413 |
| Certification scholarships | 33,060 |
| Certification research | 100,700 |
| Annual assembly scholarship | 10,250 |
| Salary for Director of Development | 21,016 |
| Learning management system | 14,783 |
| Nursing leadership awards | 40,995 |
| STTI Research Grant | 10,000 |
| Miscellaneous | 80 |
| | <u>\$ 264,297</u> |

HOSPICE AND PALLIATIVE NURSES FOUNDATION
(a nonprofit organization)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 4 - INVESTMENTS

The market values of the association's investment portfolio as of December 31, 2009 are as follows:

| | | |
|-------------------------|--|-------------------|
| Short-term | | |
| Mutual fund | | \$ 53,969 |
| Long-term | | |
| Certificates of deposit | | <u>552,595</u> |
| Total investments | | \$ <u>606,564</u> |