

HOSPICE AND PALLIATIVE NURSES FOUNDATION
(A NONPROFIT CHARITABLE ORGANIZATION)
REVIEWED FINANCIAL STATEMENTS
DECEMBER 31, 2010

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Michalik & Daniels, LLC

Certified Public Accountants

934 Western Avenue • Pittsburgh, Pennsylvania 15233
412.322.2662 • Fax: 412.322.0513

Verona Office
723 East Railroad Ave.
Verona, PA 15147
412.826.0533

www.eztaxtime.com

Independent Accountants' Review Report

To the Board of Directors of
Hospice and Palliative Nurses Foundation

We have reviewed the accompanying statement of financial position of Hospice and Palliative Nurses Foundation, (a nonprofit organization) as of December 31, 2010, and the related statement of activities, cash flows, and functional expenses for the year then ended.

A review includes primarily applying analytical procedures to management's financial data and making inquires of Foundation management. A review is substantially less in scope than an audit, 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.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modification that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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
May 18, 2011

HOSPICE AND PALLIATIVE NURSES FOUNDATION
(a nonprofit organization)

STATEMENT OF FINANCIAL POSTION
DECEMBER 31, 2010

Assets

Current assets

Cash and cash equivalents		\$	289,310
Accounts receivable			5,665
Prepaid expenses			<u>6,213</u>
Total current assets			301,188

Fixed assets

Equipment	\$	8,893	
Less accumulated depreciation		<u>(8,893)</u>	0

Other assets

Long-term investments			<u>571,273</u>
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Total assets		\$	<u>872,461</u>
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Liabilities and Net Assets

Current liability

Accounts payable		\$	994
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Net assets

Net assets - unrestricted			517,795
Net assets – board designated			49,234
Net assets – temporarily restricted			<u>304,438</u>
Total net assets			871,467

Total liability and net assets		\$	<u>872,461</u>
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See accompanying notes and accountants' report.

HOSPICE AND PALLIATIVE NURSES FOUNDATION
(a nonprofit organization)

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenues			
Grant	\$	\$ 10,000	\$ 10,000
Contributions	89,467	110,300	199,767
Interest and dividend income	11,997		11,997
Fundraising events	10,856		10,856
Unrealized gain on investments	3,662		3,662
Miscellaneous	75		75
Net assets released from restrictions	<u>80,159</u>	<u>(80,159)</u>	<u>-0-</u>
Total support and revenues	196,216	40,141	236,357
Expenses			
Program services			
Educational and research	66,173		66,173
Supporting services			
Management and general	61,886		61,886
Fundraising	<u>23,976</u>		<u>23,976</u>
Total support services	85,862		85,862
Total expenses	152,035		152,035
Excess of support and revenue over expenses	44,181	40,141	84,322
	<u>522,848</u>	<u>264,297</u>	<u>787,145</u>
Net assets at beginning of year			
	\$ <u>567,029</u>	\$ <u>304,438</u>	\$ <u>871,467</u>
Net assets at end of year			

See accompanying notes and accountants' report.

HOSPICE AND PALLIATIVE NURSES FOUNDATION
(a nonprofit organization)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER, 31, 2010

Cash Flow from Operating Activities:

Net excess of support and revenue over expenses	\$ 84,322
Adjustments to reconcile excess support over expenses:	
Unrealized gain on investment	(3,662)
Increase in receivables	(4,415)
Decrease in prepaid expenses	520
Decrease in accounts payable	(26,346)
Depreciation	<u>-0-</u>
Net Cash Provided by Operating Activities	50,419

Cash Flows From Investing Activities:

Purchase of investments	(311,047)
Sales of investments	<u>350,000</u>
Net Cash Provided by Investing Activities	38,953

Net Increase (Decrease) in Cash 89,372

Cash at Beginning of the Year 199,938

Cash at End of the Year \$ 289,310

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)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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 expense 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, 2010

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, 2010 is \$0.

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 Foundation 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 requires 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 \$43,801 for the year ended December 31, 2010

HOSPICE AND PALLIATIVE NURSES FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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 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	\$ 28,563
Certification scholarships	31,985
Certification research	110,775
Annual assembly scholarship	7,120
Salary for Director of Development	40,000
Leadership Institute	45,000
Nursing leadership awards	<u>40,995</u>
	<u>\$ 304,438</u>

HOSPICE AND PALLIATIVE NURSES FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

Note 4 – INVESTMENTS

The cost and market values of the organization's investment portfolio as of December 31, 2010 are as follows:

	<u>Cost</u>	<u>Market</u>
Long-term		
Mutual fund	\$ 61,203	\$ 68,513
Certificates of deposit	400,000	402,860
Government bonds	100,000	97,431
Common stock	<u>-0-</u>	<u>2,469</u>
Total investments	\$ <u>561,203</u>	\$ <u>571,273</u>