

HOSPICE AND PALLIATIVE NURSES FOUNDATION

(A NONPROFIT CHARITABLE ORGANIZATION)

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2011

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Independent Auditors' Report

To the Board of Directors of
Hospice and Palliative Nurses Foundation

We have audited the accompanying statement of financial position of Hospice and Palliative Nurses Foundation (a nonprofit organization) as of December 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hospice and Palliative Nurses Foundation as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Pittsburgh, Pennsylvania
June 7, 2012

HOSPICE AND PALLIATIVE NURSES FOUNDATION
(a nonprofit organization)

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011

Assets	
Current assets	
Cash and cash equivalents	\$ 381,843
Unconditional promise to give	32,944
Accounts receivable	5,120
Prepaid expenses	7,573
Inventory	<u>246</u>
Total current assets	427,726
Fixed assets	
Equipment	\$ 8,893
Less accumulated depreciation	<u>(8,893)</u> 0
Other assets	
Long-term investments	<u>629,608</u>
Total assets	\$ <u>1,057,334</u>
Liabilities and Net Assets	
Current liability	
Accounts payable	\$ 8,569
Net assets	
Net assets - unrestricted	576,022
Net assets – board designated	55,149
Net assets – temporarily restricted	<u>417,594</u>
Total net assets	1,048,765
Total liability and net assets	\$ <u>1,057,334</u>

See Independent Auditors' Report and Notes to the Financial Statements.

HOSPICE AND PALLIATIVE NURSES FOUNDATION
(a nonprofit organization)

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenues			
Grants and contributions	\$ 144,800	\$184,043	\$ 328,843
Interest and dividend income	10,545		10,545
Fundraising events	11,409		11,409
Miscellaneous	20		20
Net assets released from restrictions	<u>70,877</u>	<u>(70,887)</u>	<u>-0-</u>
Total support and revenues	237,661	113,156	350,817
Expenses			
Program services			
Educational and research	59,508		59,508
Supporting services			
Management and general	71,624		71,624
Fundraising	<u>40,146</u>		<u>40,146</u>
Total support services	111,770		111,770
Total expenses	171,278		171,278
Unrealized (loss) on investments	(2,241)		(2,241)
Excess of support and revenue over expenses	64,142	113,156	177,298
Net assets at beginning of year	<u>567,029</u>	<u>304,438</u>	<u>871,467</u>
Net assets at end of year	\$ <u>631,171</u>	\$ <u>417,594</u>	\$ <u>1,048,765</u>

See Independent Auditors' Report and Notes to the Financial Statements.

HOSPICE AND PALLIATIVE NURSES FOUNDATION
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER, 31, 2011

Cash Flow from Operating Activities:

Net excess of support and revenue
over expenses \$ 177,298

Adjustments to reconcile excess support
over expenses:

Unrealized loss on investment 2,241
Decrease in receivables 545
Increase in unconditional promise to give (32,944)
Increase in prepaid expenses (1,360)
Increase in inventory (246)
Increase in accounts payable 7,575

Net Cash Provided by Operating Activities 153,109

Cash Flows From Investing Activities:

Purchase of investments (310,576)
Sales of investments 250,000
Net Cash (Used) In Investing Activities (60,576)

Net Increase in Cash 92,533

Cash at Beginning of the Year 289,310

Cash at End of the Year \$ 381,843

Supplemental Disclosure of Cash Flow Information:

Cash paid during the year for:

Interest \$ -0-
Income taxes \$ -0-

See Independent Auditors' Report and Notes to the Financial Statements.

HOSPICE AND PALLIATIVE NURSES FOUNDATION
(a nonprofit organization)

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Program Services	Support Services			Total Expenses
	Education & Research	Management and General	Fundraising	Total Support Services	
Board expenses	\$ -	\$ 1,374	\$ -	\$ 1,374	\$ 1,374
Research certification grant	5,038	-	-	-	5,038
Certification scholarships	850	-	-	-	850
Education scholarships	2,000	-	-	-	2,000
Chapter education grants	2,000	-	-	-	2,000
Conference scholarships	2,300	-	-	-	2,300
Milbank Foundation expenses	8,834	-	-	-	8,834
Miscellaneous grant expenses	1,000	-	-	-	1,000
Sigma Theta Tau grant	5,000	-	-	-	5,000
PDIA nursing award	4,379	91	-	91	4,470
Leadership Institute	4,395	-	-	-	4,395
Computer expenses	-	166	2,044	2,210	2,210
Liability insurance	-	1,213	-	1,213	1,213
Printing	200	437	1,710	2,147	2,347
Postage	-	212	1,075	1,287	1,287
Office supplies	-	3,652	31	3,683	3,683
Bank charges	-	-	3,808	3,808	3,808
Rent	-	8,879	-	8,879	8,879
Telephone	-	894	-	894	894
Administration wages	-	31,433	-	31,433	31,433
Staff development	-	-	275	275	275
Professional fees	-	4,675	-	4,675	4,675
Salary, payroll taxes and fringe benefits	23,512	13,435	30,230	43,665	67,177
Miscellaneous	-	5,163	973	6,136	6,136
	<u>\$ 59,508</u>	<u>\$ 71,624</u>	<u>\$ 40,146</u>	<u>\$ 111,770</u>	<u>\$ 171,278</u>

See Independent Auditors' Report and Notes to the Financial Statements.

HOSPICE AND PALLIATIVE NURSES FOUNDATION
(a nonprofit organization)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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

The Foundation has adopted FASB ASC 958, Financial Statements of Not-for-Profit Organizations. Under FASB ASC 958, HPNF 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. In addition, HPNF is required to present a statement of activities and cash flows.

HOSPICE AND PALLIATIVE NURSES FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Grants and Contributions

HPNF has also adopted FASB ASC 958 Accounting for Contributions Received and Contributions Made. In accordance with FASB ASC 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Unrestricted net assets include amounts designated by the board as an operating reserve.

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, temporarily restricted net assets are reclassified to unrestricted net assets.

Unconditional Promise to Give

Contributions are recognized when the donor makes a promise to the Foundation, that is, in substance unconditional. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes 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. There was no recorded depreciation expense as of December 31, 2011.

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.

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DECEMBER 31, 2011

Donated Services

Under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, the Foundation recognizes services that creates or enhances non-financial assets or that requires specialized skills, is 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 \$48,190 for the year ended December 31, 2011

Concentration of Credit Risk

The Foundation maintains its cash in bank deposit accounts which, at times, my exceed federally insured limits.

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. *organization*

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

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 3 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Certification research	\$ 130,736
Leadership Institute	90,605
Salary for Director of Development	40,000
Nursing leadership awards	36,525
Time restriction	32,944
Certification scholarships	31,135
Learning management system	26,166
Educational grants	24,663
Annual assembly scholarship	<u>4,820</u>
	\$ <u>417,594</u>

Note 4 – INVESTMENTS

The cost and market values of the organization's investment portfolio as of December 31, 2011 are as follows:

	<u>Cost</u>	<u>Market</u>
Long-term		
Mutual fund	\$ 167,908	\$ 172,339
Certificates of deposit	350,000	354,838
Government bonds	100,000	100,013
Common stock	<u>-0-</u>	<u>2,418</u>
Total investments	\$ <u>617,908</u>	\$ <u>629,608</u>