



CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

1040 BOULEVARD SE SUITE M • ATLANTA, GA 30312 • (404) 214-5007 office • (404) 214-5010 fax

**H.O.P.E, INC**

**(A NON PROFIT ORGANIZATION)**

**AUDITED FINANCIAL STATEMENTS AND SUPPLEMENTAL  
REPORT**

**FOR THE YEAR ENDING December 31, 2013**

**AND**

**INDEPENDENT AUDITORS' REPORT**

Prepared By:

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**H.O.P.E, INC**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
H.O.P.E, Inc  
PO Box 3166  
Duluth, Georgia 30096

We have audited the accompanying balance sheet of H.O.P.E, Inc (a non profit organization) as of December 31, 2013, and the related statement of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on my 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 H.O.P.E, Inc. as of December 31 2013, and the changes in its net assets and its cash flow for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements taken as a whole.

Melissa D. Preston CPA P.C.

A handwritten signature in black ink, appearing to read "Melissa D. Preston", is written over a light gray rectangular background.

Atlanta, Georgia  
February 6, 2014

**H.O.P.E, INC**  
**(A NON-PROFIT ORGANIZATION)**  
**STATEMENTS OF FINANCIAL POSITION**

**FOR THE YEAR ENDING DECEMBER 31, 2013**

	<b><u>2013</u></b>
<b><u>ASSETS</u></b>	
<b>CURRENT ASSETS</b>	
Cash and Cash Equivalents	\$33,581
Other Assets	<u>60</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>\$33,641</u></b>
<b>FIXED ASSETS</b>	
Computer Equipment	\$1,850
Furniture & Fixtures	<u>1,975</u>
<b>TOTAL FIXED ASSETS</b>	<b><u>\$3,825</u></b>
<b>TOTAL ASSETS</b>	<b><u>\$37,466</u></b>
<b><u>LIABILITIES &amp; NET ASSETS</u></b>	
<b>NET ASSETS</b>	
Unrestricted Retained Earnings	\$12,853
Net Income	<u>24,613</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$37,466</u></b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b><u>\$37,466</u></b>

**See the accompanying notes and Independent Auditors' Report**

**H.O.P.E, INC**  
**(A NON PROFIT ORGANIZATION)**  
**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDING DECEMBER 31, 2013**

<b>REVENUES</b>	<b><u>2013 Totals</u></b>
<b>Direct Public Grants:</b>	
Grants & Other Support	\$81,650
<b>Direct Public Support:</b>	
Individual Donations	6,000
Fundraiser and Special Events	2,033
In-Kind Gifts	<u>28,269</u>
<b>Total Direct Revenue</b>	<b><u>\$117,952</u></b>
Other Income	<u>215</u>
<b>TOTAL REVENUES</b>	<b><u>\$118,167</u></b>
<b>EXPENSES</b>	
Business & Program Expenses	\$21,633
Contract Services & Outside Services	6,381
Community Outreach	5,353
General & Administrative Expenses	5,798
Marketing & Communications	27,452
Office Occupancy Expense	1,195
Professional Development	2,537
Salaries & Wages	<u>23,205</u>
<b>TOTAL EXPENSES</b>	<b>\$93,554</b>
<b>Change in net assets</b>	<b><u>24,613</u></b>
<b>Net assets, beginning of year</b>	<b>\$12,853</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$37,466</b>

**See the accompanying notes and Independent Auditors' Report**

**H.O.P.E, INC  
(A NON PROFIT ORGANIZATION)  
STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDING DECEMBER 31, 2013**

	<b><u>2013</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net Income	\$24,613
Adjustments to reconcile net income to net cash Provided by operating activities:	
Decrease in other payables	(400)
Increase in other asset	(60)
Net cash provided by operating activities	\$24,153
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>\$24,153</b>
<b>CASH AND CASH EQUIVALENTS, BEG OF YEAR</b>	<b>\$9,428</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$33,581</u></b>

**See the accompanying notes and Independent Auditors' Report**

**H.O.P.E, INC**  
**(A NON PROFIT ORGANIZATION)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDING DECEMBER 31, 2013**

**NOTE 1 – NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES**

H.O.P.E, Inc. (a 501(c)3 tax-exempt organization) offers services that support single parents. H.O.P.E, Inc's mission is to serve low-income single parents working to obtain a college degree by providing assistance in subsidized housing, child care assistance, social services, and life skills.

**A.) Basis of Accounting**

The Financial Statements of the organization have been prepared on the accrual basis in accordance with Generally Accepted Accounting Principles. Income is recognized when earned by the Organization.

**B.) Cash and Cash Equivalents**

For purposes of reporting cash flows, cash is defined as cash on hand, amounts held at Financial Institutions, and short-term highly liquid investments that are readily convertible to known amounts of cash. The Organization does not hold short-term investments that will mature three months or less.

**C.) Property and Equipment**

Equipment, furniture, and fixtures are stated at cost. Expenditures for maintenance and repairs are charged to expenses as incurred. Any cost to extend the lives of property is capitalized. Depreciation of property and equipment is computed using the straight line, method over five to fifteen years. Depreciation for the year ended December 31, 2013 is \$0. The organization's fixed assets were donated to the organization.

**See Independent Auditors' Report**

**H.O.P.E, INC**  
**(A NON PROFIT ORGANIZATION)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDING DECEMBER 31, 2013**

**NOTE 1 – NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**D.) Contributions**

The organization also adopted SFAS No 116, “Accounting for Contributions Received and Contributions Made,” whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

**E.) Estimates in Financial Statements**

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates

**NOTE 2 – INCOME TAXES**

H.O.P.E, Inc files its annual income tax returns as a non profit organization for federal and state tax purposes. It is under Section 501 (c)(3) code section of the Internal Revenue Code. As such, the organization is exempt from paying federal and state taxes. No provision for income taxes is being made on these financial statements.

**NOTE 3 – ATTESTATION OF REVENUE SOURCES**

The organization derives its revenues from Direct Grant Support and other contributions from the general public. The total revenues (cash received) are \$ \$118,167 for the year ended December 31, 2013. Also, the organization received other revenue in the amount of \$215.

**See Independent Auditors’ Report**



**H.O.P.E, INC**  
**(A NON PROFIT ORGANIZATION)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
  
**FOR THE YEAR ENDING DECEMBER 31, 2013**

**NOTE 4 – RELATED PARTY TRANSACTIONS**

H.O.P.E, Inc. must comply with regulations. Those regulations require that all related party transactions be disclosed, regardless of their materiality to the financial statements. During the year ended December 31, 2013, there were no related party transactions.

**NOTE 5 – CONCENTRATIONS OF CREDIT RISK**

The Organization maintains its cash balances at Bank of America located in Atlanta, Georgia. Accounts at the banking institution are insured by the Federal Deposit Insurance Corporation for up to \$250,000. During 2013, the Institution had no uninsured balances. This is not considered significant credit risk; however, future utilization of service is dependent on government funding which could affect the longevity of the organization if funds were not provided. There is no indication future funding will be reduced or withheld.

**NOTE 6 – SUBSEQUENT EVENT**

There are no significant subsequent events that occurred up to the audit report date.

**See Independent Auditors' Report**