

HOPE THROUGH HEALTH, INC.

Financial Statements

December 31, 2013 and 2012

(With Independent Auditors' Report Thereon)

HOPE THROUGH HEALTH, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Hope Through Health, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Hope Through Health, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hope Through Health, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Prior Year Financial Statements

The financial statements of Hope Through Health, Inc. as of December 31, 2012, were audited by other auditors whose report dated July 10, 2013, expressed an unmodified opinion on those statements.

Toski & Co., CPAs, P.C.

Williamsville, New York
August 21, 2014

HOPE THROUGH HEALTH, INC.
 Statements of Financial Position
 December 31, 2013 and 2012

<u>Assets</u>	<u>2013</u>	<u>2012</u>
Current assets:		
Cash and equivalents	\$ 107,295	39,039
Accounts receivable	-	150
Prepaid expenses	<u>1,500</u>	<u>-</u>
Total current assets	<u>\$ 108,795</u>	<u>39,189</u>
<u>Liabilities and Net Assets</u>		
Current liabilities - accrued expenses	226	221
Net assets:		
Unrestricted:		
General	87,362	38,968
Board designated	<u>5,000</u>	<u>-</u>
Total unrestricted net assets	92,362	38,968
Temporarily restricted	<u>16,207</u>	<u>-</u>
Total net assets	<u>108,569</u>	<u>38,968</u>
Total liabilities and net assets	<u>\$ 108,795</u>	<u>39,189</u>

See accompanying notes to financial statements.

HOPE THROUGH HEALTH, INC.
 Statements of Activities
 Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Unrestricted revenue:		
Contributions	\$ 294,624	170,226
Contributed services	1,513	1,069
Interest income	<u>138</u>	<u>116</u>
Total unrestricted revenue	296,275	171,411
Net assets released from restrictions	<u>11,580</u>	<u>-</u>
Total unrestricted revenue and other support	<u>307,855</u>	<u>171,411</u>
Unrestricted expenses:		
Program services	217,397	161,748
Management and general	23,666	15,731
Fundraising	<u>13,398</u>	<u>6,052</u>
Total unrestricted expenses	<u>254,461</u>	<u>183,531</u>
Increase (decrease) in unrestricted net assets	<u>53,394</u>	<u>(12,120)</u>
Changes in temporarily restricted net assets:		
Revenue - contributions	27,787	-
Net assets released from restrictions	<u>(11,580)</u>	<u>-</u>
Increase in temporarily restricted net assets	<u>16,207</u>	<u>-</u>
Increase (decrease) in net assets	69,601	(12,120)
Unrestricted net assets at beginning of year	<u>38,968</u>	<u>51,088</u>
Unrestricted net assets at end of year	<u>\$ 108,569</u>	<u>38,968</u>

See accompanying notes to financial statements.

HOPE THROUGH HEALTH, INC.
 Statements of Functional Expenses
 Years ended December 31, 2013 and 2012

Year ended December 31, 2013

		<u>Supporting services</u>		
		Management		
	<u>Program</u>	and	<u>Fundraising</u>	<u>Total</u>
	<u>services</u>	<u>general</u>		
Allocations to African affiliate	\$ 182,000	-	-	182,000
Personnel expenses	35,397	17,670	-	53,067
Travel and meetings	-	-	1,490	1,490
Donated materials and supplies	-	600	913	1,513
Accounting fees	-	2,235	-	2,235
Fundraiser overhead	-	-	10,428	10,428
Network for Good Fees expenses	-	-	567	567
Bank fees	-	511	-	511
Organizational expenses	-	183	-	183
Payroll processing fees	-	822	-	822
Other office expenses	-	1,645	-	1,645
Total	<u>\$ 217,397</u>	<u>23,666</u>	<u>13,398</u>	<u>254,461</u>

Year ended December 31, 2012

		<u>Supporting services</u>		
		Management		
	<u>Program</u>	and	<u>Fundraising</u>	<u>Total</u>
	<u>services</u>	<u>general</u>		
Allocations to African affiliate	\$ 148,000	-	-	148,000
Personnel expenses	12,679	11,896	-	24,575
Travel and meetings	-	-	2,739	2,739
Donated materials and supplies	1,069	-	-	1,069
Accounting fees	-	2,500	-	2,500
Fundraiser overhead	-	-	2,714	2,714
Network for Good Fees expenses	-	-	599	599
Bank fees	-	480	-	480
Organizational expenses	-	198	-	198
Other office expenses	-	657	-	657
Total	<u>\$ 161,748</u>	<u>15,731</u>	<u>6,052</u>	<u>183,531</u>

See accompanying notes to financial statements.

HOPE THROUGH HEALTH, INC.
 Statements of Cash Flows
 Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Increase (decrease) in unrestricted net assets	\$ 69,601	(12,120)
Adjustments to reconcile increase (decrease) in unrestricted net assets to net cash provided by (used in) operating activities - changes in:		
Accounts receivable	150	(150)
Prepaid expenses	(1,500)	-
Accrued expenses	<u>5</u>	<u>221</u>
Cash flows provided by (used in) operating activities	<u>68,256</u>	<u>(12,049)</u>
Net increase (decrease) in cash	68,256	(12,049)
Cash at the beginning of the year	<u>39,039</u>	<u>51,088</u>
Cash at the end of the year	<u>\$ 107,295</u>	<u>39,039</u>
Supplemental schedules of non-cash operating activities:		
In-kind revenue	<u>\$ 1,513</u>	<u>1,069</u>
In-kind expenses	<u>\$ 1,513</u>	<u>1,069</u>

See accompanying notes to financial statements.

HOPE THROUGH HEALTH, INC.
Notes to Financial Statements
December 31, 2013 and 2012

(1) Summary of Significant Accounting Policies

(a) Nature of the Organization

Hope Through Health, Inc. (the Organization) is a nonprofit organization that provides support for health care to natives in West Africa. The Organization primarily provides healthcare to those affected by HIV/AIDS. The Organization is funded through individual donations and grants, and remits funds to health providers in Togo, West Africa. The Organization's office is located in New York, New York.

(b) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(c) Basis of Presentation

In accordance with accounting principles generally accepted in the United States of America, the Organization reports 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. The Organization did not have any permanently restricted net assets at December 31, 2013 and 2012. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations and may be used for any purpose designated by the Organization's governing board.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

(d) Estimates

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

(e) Cash and Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

HOPE THROUGH HEALTH, INC.
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(f) Contributions

Contributions are recognized when the donor makes an unconditional promise to give to the Organization. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net asset depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

(g) Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(h) Subsequent Events

Management has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(i) Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), therefore, no provision for income taxes is reflected in the financial statements. The Organization has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Organization presently discloses or recognizes income tax positions based on managements estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Organization has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Organization are subject to examination by taxing authorities. The Organization is no longer subject to tax examination for the years ended December 31, 2009, and prior.

(j) Reclassifications

Reclassifications have been made to certain 2012 balances in order to conform them to the 2013 presentation.

(2) Temporarily Restricted Net Assets

All temporarily restricted net assets, amounting to \$16,207 at December 31, 2013 are available to establish a pediatric HIV treatment program in West Africa.

HOPE THROUGH HEALTH, INC.
Notes to Financial Statements, Continued

(3) Concentration

Program services expenses of \$182,000 and \$148,000 for the years ended December 31, 2013 and 2012, respectively, consists of grants to Association Espoir Pour Demain, a non-profit Togolese organization operating medical facilities servicing people living with HIV/AIDS in Togo, West Africa. The Organization and Association Espoir Pour Demain have a partnership agreement. The agreement helps to promote accountability and transparency of how the funds are being spent in Togo, West Africa.