

**PROJECT NEW HOPE, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MAY 31, 2014**

**PROJECT NEW HOPE, INC.**

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### INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors  
Project New Hope, Inc.  
Leicester, MA

We have compiled the accompanying statement of assets, liabilities, and net assets - modified cash basis of Project New Hope, Inc. (a non-profit corporation) as of May 31, 2014, and the related statements of revenues, expenses and other changes in net assets - modified cash basis for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting 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 compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

*Robert C. Alario, Certified Public Accountants, P.C.*

August 5, 2014  
Worcester, MA

**PROJECT NEW HOPE, INC.**  
**STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS**  
**MODIFIED CASH BASIS**  
**MAY 31, 2014**

**ASSETS**

**CURRENT ASSETS**

Cash	<u>\$ 67,902</u>
Total Current Assets	<u>67,902</u>

**EQUIPMENT**

Equipment	2,120
Less: Accumulated Depreciation	<u>151</u>
Net Equipment	<u>1,969</u>

**TOTAL ASSETS**

\$ 69,871

**LIABILITIES AND NET ASSETS**

**NET ASSETS**

<b>NET ASSETS - UNRESTRICTED</b>	<u>\$ 69,871</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 69,871</u></u>

See independent accountants' compilation report and accompanying notes to financial statement.

**PROJECT NEW HOPE, INC.**  
**STATEMENT OF REVENUES, EXPENSES AND OTHER CHANGES IN NET ASSETS**  
**MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED MAY 31, 2014**

**REVENUES**

Contributions	\$ 34,447
Fundraising Income	16,990
Grants	14,240
Non-Cash Donations	<u>44,389</u>
 Total Revenues	 <u>110,066</u>

**EXPENSES**

Accounting Fees	4,155
Advertising	12,134
Banquet Expenses	862
Contributions	300
Depreciation Expense	151
Donated Expenses	44,389
Filing Fees	104
Fundraising Expense	5,842
Insurance	984
Membership & Dues	435
Miscellaneous	842
Office Equipment	783
Postage & Mailing	1,268
Printing & Copying	4,497
Rent Expense	975
Retreats Expense	23,264
Supplies	2,152
Travel Expenses	4,300
Utilities	<u>2,355</u>
 Total Expenses	 <u>109,792</u>

**INCREASE (DECREASE) IN NET ASSETS** **274**

**NET ASSETS, BEGINNING OF YEAR** **69,597**

**NET ASSETS, END OF YEAR** **\$ 69,871**

See independent accountants' compilation report and accompanying notes to financial statement.

**PROJECT NEW HOPE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

This summary of significant accounting policies is presented to assist in understanding the Project New Hope, Inc.'s (the Organization) financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies conform to the modified cash basis of accounting and have been consistently applied in the preparation of these financial statements.

**Nature of Activities**

Project New Hope, Inc. was established in 2011 to help veterans transition to civilian life and to create mutual support and camaraderie among service-members, veterans, Gold Star & Survivor's and their families in the Massachusetts area. Income is derived mostly from individual and business donations as well as grants.

**Income Taxes**

The Organization is a not-for-profit entity exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code, therefore, no provision for income taxes has been made in these financial statements.

**Basis of Accounting**

The Organization's policy is to prepare its financial statements on the modified cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles; consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred.

**Basis of Presentation**

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.

**Property, Equipment and Depreciation**

Fixed Assets are carried at cost. The Organization capitalizes equipment if its value is greater than \$500 and its useful life is more than one year. Depreciation is computed using the straight-line method over the assets estimated useful life.

Equipment

7 years

**PROJECT NEW HOPE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CON'T):**

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting 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

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Organization maintains cash accounts at several financial institutions in Massachusetts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash balances.

Financial Statement Presentation

The Organization presents information regarding its financial position and activities according to three classifications of net assets described as follows:

Unrestricted - All resources over which the governing board has discretionary control. The governing board of the Organization may elect to designate such resources for specific purposes. This designation may be removed at the board's discretion.

Temporarily Restricted - Resources accumulated through donations or grants for specific operating or capital purposes. Such resources will become unrestricted when the requirements of the donor or grantor have been satisfied through expenditure for the specified purpose or program or through the passage of time.

Permanently Restricted - Endowment resources accumulated through donations or grants that are subject to the restriction on perpetuity that the principal be invested. Investment income may be either an unrestricted or temporarily restricted resource when earned, determined according to the gift instruments.

The Organization has no temporarily or permanently restricted net assets at May 31, 2014.

**PROJECT NEW HOPE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CON'T):**

Contributions, Gifts, Grants:

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions. Contributions may include gifts of cash or promises to give. Such contributions are considered to be available for unrestricted use unless specifically restricted by the donor or grantor. Contributions of assets other than cash are recorded at their fair value on the date of the gift. Restricted gifts or promises to give are required to be reported as restricted support in the period received and are then reclassified to unrestricted net assets upon satisfaction of the donor restrictions.

Contributed Goods, Services and Facilities

Contributed services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. In-kind contributed goods, services and facilities were recorded as follows:

Retreat Program	
Services	\$ 13,287
Supplies	1,625
Facilities	2,000
Supplies	18,942
Services	7,979
Fundraising Supplies	556
Total	<u>\$ 44,389</u>

Accounting for Uncertain Tax Positions

Management has evaluated significant tax positions against the criteria established by professional standards and believes there are no such tax positions requiring accounting recognition in the financial statements. Management does not believe its evaluation of tax positions will significantly change within twelve months of May 31, 2014. Any changes in tax positions will be recorded when the ultimate outcome becomes known. The Organization's income tax returns are subject to examination by taxing authorities generally for the years ended May 31, 2012, 2013 and 2014.



**PROJECT NEW HOPE, INC.  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2014**

**NOTE 2 - SUBSEQUENT EVENTS:**

Subsequent events have been evaluated through August 5, 2014, which is the date the financial statements were available to be issued.