

A CHILD'S HOPE INTERNATIONAL, INC.

FINANCIAL REPORT

DECEMBER 31, 2013

A CHILD'S HOPE INTERNATIONAL, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
A Child's Hope International, Inc.

We have audited the accompanying financial statements of A Child's Hope International, Inc. (a nonprofit 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 the 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 entity'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 entity'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 A Child's Hope International, 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.

Flagel Huber Flagel

Certified Public Accountants

Dayton, Ohio

June 13, 2014

A CHILD'S HOPE INTERNATIONAL, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2013

ASSETS

CURRENT ASSETS

| | | |
|-----------------------------|----|-----------------------|
| Cash | \$ | 675,810 |
| Inventory | | 14,242 |
| Investments | | 2,166 |
| TOTAL CURRENT ASSETS | | <u>692,218</u> |
| PROPERTY AND EQUIPMENT, net | | <u>37,557</u> |
| TOTAL ASSETS | \$ | <u><u>729,775</u></u> |

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | | |
|----------------------------------|----|-----------------------|
| Accounts payable | \$ | 144 |
| Accrued liabilities | | 13,374 |
| TOTAL CURRENT LIABILITIES | | <u>13,518</u> |
| UNRESTRICTED NET ASSETS | | <u>716,257</u> |
| TOTAL LIABILITIES AND NET ASSETS | \$ | <u><u>729,775</u></u> |

The accompanying notes are an integral part of these statements.

A CHILD'S HOPE INTERNATIONAL, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2013

| | |
|--------------------------------|-------------------|
| SUPPORT AND REVENUES | |
| Contributions | \$ 770,116 |
| In-kind contributions | 213,545 |
| Grants | 32,917 |
| Investment income | 2,924 |
| Other income | <u>17,950</u> |
| TOTAL SUPPORT AND REVENUES | <u>1,037,452</u> |
| EXPENSES | |
| Program services | 869,006 |
| Management and general | 61,279 |
| Fundraising | <u>26,151</u> |
| TOTAL EXPENSES | <u>956,436</u> |
| CHANGE IN NET ASSETS | 81,016 |
| NET ASSETS - beginning of year | <u>635,241</u> |
| NET ASSETS - end of year | <u>\$ 716,257</u> |

The accompanying notes are an integral part of these statements.