

A CHILD'S HOPE INTERNATIONAL, INC.

FINANCIAL REPORT

DECEMBER 31, 2014 AND 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 statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Flagel Huber Flagel

Certified Public Accountants

Dayton, Ohio

June 1, 2015

A CHILD'S HOPE INTERNATIONAL, INC.

STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31,	
ASSETS	<u>2014</u>	<u>2013</u>
CURRENT ASSETS		
Cash	\$ 675,059	\$ 675,810
Inventory	15,931	14,242
Investments	2,687	2,166
TOTAL CURRENT ASSETS	<u>693,677</u>	<u>692,218</u>
PROPERTY AND EQUIPMENT, net	<u>46,398</u>	<u>37,557</u>
TOTAL ASSETS	<u>\$ 740,075</u>	<u>\$ 729,775</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 0	\$ 144
Accrued liabilities	6,006	13,374
TOTAL CURRENT LIABILITIES	<u>6,006</u>	<u>13,518</u>
UNRESTRICTED NET ASSETS	<u>734,069</u>	<u>716,257</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 740,075</u>	<u>\$ 729,775</u>

The accompanying notes are an integral part of these statements.

A CHILD'S HOPE INTERNATIONAL, INC.

STATEMENTS OF ACTIVITIES

	FOR THE YEARS ENDED DECEMBER 31,	
	2014	2013
SUPPORT AND REVENUES		
Contributions	\$ 848,665	\$ 770,116
In-kind contributions	259,718	213,545
Grants	32,267	32,917
Investment income	858	2,946
Special events, net	4,657	9,680
Book income	5,017	8,054
Royalties	387	194
	<u>1,151,569</u>	<u>1,037,452</u>
TOTAL SUPPORT AND REVENUES		
EXPENSES		
Program services	1,041,648	869,006
Management and general	63,985	61,279
Fundraising	28,124	26,151
	<u>1,133,757</u>	<u>956,436</u>
TOTAL EXPENSES		
CHANGE IN NET ASSETS	17,812	81,016
NET ASSETS - beginning of year	<u>716,257</u>	<u>635,241</u>
NET ASSETS - end of year	<u>\$ 734,069</u>	<u>\$ 716,257</u>

The accompanying notes are an integral part of these statements.