

**HOPE'S DOOR, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

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**FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

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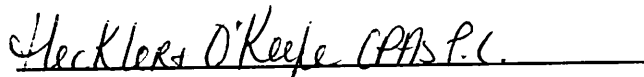
**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Hope's Door, Inc.

We have audited the accompanying statement of financial position of Hope's Door, Inc. (a nonprofit organization) as of June 30, 2010, and the related statements 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 our audit. The financial statements of Hope's Door, Inc. as of June 30, 2009, and for the year then ended were audited by another auditor who has ceased operations. That auditor expressed an unqualified opinion on those financial statements in his report dated October 21, 2009.

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 Hope's Door, Inc. as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

  
Heckler & O'Keefe, CPAs, P.C.

December 23, 2010

HOPE'S DOOR, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2010 AND 2009

	2010	2009
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 325,650	\$ 296,226
Certificate of Deposit	352,179	356,568
Accounts Receivable, net of allowance (Note 3)	100,124	176,507
Grants Receivable	102,284	81,161
Prepaid Expenses	6,879	8,275
Total Current Assets	887,116	918,737
 <b>Property and Equipment:</b>		
Fixed Assets, at cost, net of accumulated depreciation (Note 4)	699,752	714,920
 <b>Other Assets:</b>		
Security Deposits	5,214	5,214
<b>TOTAL ASSETS</b>	<b>\$ 1,592,082</b>	<b>\$ 1,638,871</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts Payable & Accrued Expenses	\$ 158,314	\$ 130,251
Payroll Withholdings	1,742	20,148
Deferred Revenue	-	31,985
Total Current Liabilities	160,056	182,384
 <b>Long Term Liabilities:</b>		
Loan Payable (Note 5)	357,885	386,805
Total Liabilities	517,941	569,189
 <b>Net Assets:</b>		
Unrestricted	532,116	482,781
Temporarily Restricted	542,025	586,901
Total Net Assets	1,074,141	1,069,682
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,592,082</b>	<b>\$ 1,638,871</b>

See independent auditor's report and accompanying notes to financial statements.

HOPE'S DOOR, INC.  
 STATEMENTS OF ACTIVITIES  
 FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010			2009		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
<b>Revenue and Other Support:</b>						
Contributions (Note 7)	\$ 177,929	\$ -	\$ 177,929	\$ 170,840	\$ -	\$ 170,840
Shelter Fees (Note 8)	585,810	-	585,810	587,193	-	587,193
Grants	609,891	133,920	743,811	-	767,965	767,965
Special Events	123,087	-	123,087	93,425	9,100	102,525
Other Revenue	803	-	803	530	-	530
Interest Income	5,413	-	5,413	12,728	-	12,728
Net Assets Released From Restriction	178,796	(178,796)		652,176	(652,176)	-
<b>Total Revenue and Other Support</b>	<u>1,681,729</u>	<u>(44,876)</u>	<u>1,636,853</u>	<u>1,516,892</u>	<u>124,889</u>	<u>1,641,781</u>
<b>Expenses:</b>						
<b>Program Services:</b>						
Shelter Program	679,439	-	679,439	656,414	-	656,414
Non-Residential Program	453,606	-	453,606	475,940	-	475,940
Legal Services Program	106,514	-	106,514	114,971	-	114,971
<b>Total Program Expenses</b>	<u>1,239,559</u>	<u>-</u>	<u>1,239,559</u>	<u>1,247,325</u>	<u>-</u>	<u>1,247,325</u>
<b>Support Services:</b>						
Management & General	286,437	-	286,437	291,400	-	291,400
Fund Raising	106,398	-	106,398	77,982	-	77,982
<b>Total Support Services</b>	<u>392,835</u>	<u>-</u>	<u>392,835</u>	<u>369,382</u>	<u>-</u>	<u>369,382</u>
<b>Total Expenses</b>	<u>1,632,394</u>	<u>-</u>	<u>1,632,394</u>	<u>1,616,707</u>	<u>-</u>	<u>1,616,707</u>
<b>Increase (Decrease) in Net Assets</b>	<b>49,335</b>	<b>(44,876)</b>	<b>4,459</b>	<b>(99,815)</b>	<b>124,889</b>	<b>25,074</b>
<b>Net Assets, Beginning of Year</b>	<u>482,781</u>	<u>586,901</u>	<u>1,069,682</u>	<u>582,596</u>	<u>462,012</u>	<u>1,044,608</u>
<b>Net Assets, End of Year</b>	<u>\$ 532,116</u>	<u>\$ 542,025</u>	<u>\$ 1,074,141</u>	<u>\$ 482,781</u>	<u>\$ 586,901</u>	<u>\$ 1,069,682</u>

See independent auditor's report and accompanying notes to financial statements.

HOPE'S DOOR, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	Program Services				Supporting Services			Total 2009/2010 Expenses	Total 2008/2009 Expenses
	Shelter	Non Residential	Legal	Total Program Expenses	Management & General	Fund Raising	Total Support Services		
Salaries	\$ 397,330	\$ 290,292	\$ 72,475	\$ 760,097	\$ 157,140	\$ 40,312	\$ 197,452	\$ 957,549	\$ 928,085
Fringe Benefits and Payroll Related Costs	107,652	78,770	21,005	207,427	42,011	13,128	55,139	262,566	272,682
Rent	5,986	41,905	5,238	53,129	16,464	5,238	21,702	74,831	72,821
Utilities	18,803	-	-	18,803	-	-	-	18,803	18,283
Telephone	8,631	4,211	506	13,348	1,592	506	2,098	15,446	16,636
Food	6,887	1,576	-	8,463	86	-	86	8,549	5,837
Special Events	-	-	-	-	-	39,448	39,448	39,448	30,805
Postage	29	85	88	202	2,038	682	2,720	2,922	6,057
Supplies	19,741	8,544	-	28,285	13,767	1,550	15,317	43,602	35,063
Travel	15,374	4,558	-	19,932	1,260	107	1,367	21,299	16,099
Insurance	14,788	10,807	2,698	28,293	5,848	1,501	7,349	35,642	29,342
Professional Services	226	3,125	1,756	5,107	25,587	-	25,587	30,694	54,330
Repairs and Maintenance	21,290	-	-	21,290	8,005	-	8,005	29,295	29,344
Meetings and Conferences	4	900	350	1,254	2,080	10	2,090	3,344	4,844
Dues and Fees	301	75	400	776	1,223	2,221	3,444	4,220	5,038
Equipment Leases and Rentals	4,517	2,680	447	7,644	2,934	255	3,189	10,833	9,250
Taxes	4,724	-	-	4,724	9	-	9	4,733	4,162
Printing and Reproduction	-	-	-	-	-	1,440	1,440	1,440	6,121
Publications	-	-	850	850	192	-	192	1,042	723
Staff Development and Training	443	244	100	787	483	-	483	1,270	1,434
Advertising	-	25	-	25	790	-	790	815	2,454
Client Costs	6,887	939	-	7,826	-	-	-	7,826	3,443
Depreciation	41,743	134	601	42,478	4,170	-	4,170	46,648	45,623
Newsletter	-	3,307	-	3,307	-	-	-	3,307	5,847
Special Needs	3,899	1,373	-	5,272	-	-	-	5,272	9,630
Miscellaneous	184	56	-	240	758	-	758	998	2,754
	<u>\$ 679,439</u>	<u>\$ 453,606</u>	<u>\$ 106,514</u>	<u>\$ 1,239,559</u>	<u>\$ 286,437</u>	<u>\$ 106,398</u>	<u>\$ 392,835</u>	<u>\$ 1,632,394</u>	<u>\$ 1,616,707</u>

See independent auditor's report and accompanying notes to financial statements.

HOPE'S DOOR, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Increase in Net Assets	\$ 4,459	\$ 25,074
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	46,647	45,623
Amortization of HHAC Award	(28,920)	(28,920)
(Increase)/ Decrease in Assets:		
Accounts Receivable	76,383	(77,642)
Grants Receivable	(21,123)	37,611
Prepaid Expenses	1,396	16,966
Increase/ (Decrease) in Liabilities:		
Accounts Payable & Accrued Expenses	28,063	(15,255)
Payroll Withholding	(18,406)	17,665
Deferred Revenue	<u>(31,985)</u>	<u>31,985</u>
Net Cash Provided by Operating Activities	<u>56,514</u>	<u>53,107</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of Fixed Assets	<u>(31,479)</u>	<u>(13,196)</u>
Net Cash Used by Investing Activities	<u>(31,479)</u>	<u>(13,196)</u>
Net Increase In Cash	25,035	39,911
Cash & Cash Equivalents - Beginning of Year	<u>652,794</u>	<u>612,883</u>
Cash & Cash Equivalents - End of Year	<u>\$ 677,829</u>	<u>\$ 652,794</u>

See independent auditor's report and accompanying notes to financial statements.

HOPE'S DOOR, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

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

***Nature of activities***

Hope's Door, Inc. (the Organization) located in Westchester County, New York, was founded on April 4, 1980, as a not-for-profit organization providing programs to help victims of abuse. On September 1, 2009, the Organization amended its certificate of incorporation to change its name from The Northern Westchester Shelter, Inc. to Hope's Door, Inc. The Organization seeks to help victims of abuse achieve safety, explore their options and evolve from a victim to survivor by offering the following services: 1) emergency shelter program, 2) 24-hour hotline, 3) safety planning, 4) counseling and advocacy services, 5) legal services, 6) support groups, 7) children's and teen programs, and 8) community and workplace education and outreach programs.

***Basis of accounting***

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

***Promises to give***

Contributions are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the fiscal year. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the restriction. When a restriction expires, temporarily restricted assets are reclassified to unrestricted net assets.

***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 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 those estimates.

See independent auditor's report.

HOPE'S DOOR, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

***Functional allocation of expenses***

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

***Fixed assets***

The Organization records purchases of property and equipment at cost. Major additions and improvements are capitalized, while maintenance and repairs, which do not improve or extend the life of the respective asset, are expensed currently. Land is not depreciated. Depreciation is provided by using the straight-line method over the estimated useful lives of the related assets. In the year of acquisition or disposal, the half year convention is used. In computing depreciation, the following useful lives are used:

Furniture, computers and equipment	-	5 years
Buildings	-	27.5 years
Building improvements	-	20 years

***Income taxes***

The Organization is a corporation organized under the Not-for-Profit Corporation Laws of New York State. The corporation is recognized as tax exempt under Section 501 (c)(3) of the Internal Revenue Code.

***Cash and cash equivalents***

The Organization considers deposits that can be redeemed on demand and investments that have original maturities of less than three months, when purchased, to be cash equivalents. As of June 30, 2010, the Organization's cash and cash equivalents were deposited primarily in two financial institutions.

***Fair value of financial instruments***

The Organization's financial instruments are cash and cash equivalents, accounts receivable, accounts payable and notes payable. The recorded values of cash and cash equivalents, accounts receivable, and accounts payable approximate their fair values based on their short-term nature. The recorded values of notes payable approximate their fair values, as interest approximates market rates.

***Employee benefit plan***

The Organization maintains a defined contribution, salary reduction plan that covers all its eligible employees after one year of service. Employees may elect to defer a portion of their salary on a tax deferred basis up to annual limits imposed by the Internal Revenue Service.

See independent auditor's report.

HOPE'S DOOR, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Allowance for Doubtful accounts***

The Organization provides an allowance for doubtful accounts equal to the estimated uncollectible amount. The Organization's estimate is based on historical collection experience and a review of the current status of trade accounts receivable. It is reasonably possible that the Organization's estimate of the allowance for doubtful accounts will change. Accounts receivable are presented net of an allowance for doubtful accounts of \$12,285 and \$10,168 at June 30, 2010, and 2009, respectively.

***Subsequent events***

The Organization has evaluated material subsequent events through the date these financial statements were available to be issued on December 23, 2010.

***Reclassifications***

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or net assets.

***Donations In-Kind***

Periodically, the Organization receives donations of various items such as toiletries and clothing. The items are to be used by residents of the shelter or by individuals participating in one of the programs. The value of these donations is not reflected in the attached financial statements as the monetary value of these items is not deemed material to the overall activity of the Organization.

**NOTE 2 – RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets at June 30, 2010 consist of the following:

Survivors law project (shelter services)	\$ 30,000
Program-"Love Should Not Hurt"	5,549
Program-"Safe Moms Make Safe Kids"	20,302
Program-"Multi-cultural Immigrant Victims"	1,073
Children and teen programs	92,871
Multi-lingual counselor	9,055
Emergency client expenses	18,060
HHAC award- Shelter program	<u>365,115</u>
Total temporarily restricted net assets	<u>\$542,025</u>

See independent auditor's report.

HOPE'S DOOR, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following:

	<u>June 30</u>	
	<u>2010</u>	<u>2009</u>
Accounts Receivable	\$112,409	\$186,675
Less: Allowance for Doubtful Accounts	<u>(12,285)</u>	<u>(10,168)</u>
	<u>\$100,124</u>	<u>\$176,507</u>

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at June 30, 2010 and 2009:

	<u>June 30</u>	
	<u>2010</u>	<u>2009</u>
Land	\$ 131,000	\$ 131,000
Building	710,098	710,098
Building improvements	224,257	197,890
Furniture & equipment	34,152	33,628
Computers	<u>23,035</u>	<u>26,586</u>
	1,122,542	1,099,202
Less accumulated depreciation	<u>(422,790)</u>	<u>(384,282)</u>
	<u>\$ 699,752</u>	<u>\$ 714,920</u>

**NOTE 5 – LOAN PAYABLE**

In 1996, as part of the financing package for the new shelter, the Organization received a funding commitment of \$723,000 from the New York State Homeless Housing and Assistance Corporation (HHAC). Under the terms of the award, the funding was partially secured by a self liquidating first mortgage in the amount of \$548,000. The mortgage will be in effect for twenty-five years from November 18, 1996. At the end of the mortgage term, if the Organization continues to operate the shelter program, the debt will be forgiven. For accounting purposes, the award is being amortized on the straight line basis over 300 months beginning November 18, 1996. The Organization will be liable for the full amount of the mortgage until November 18, 2021. The award amortization in the amount of \$28,920 for each of the years ended June 30, 2010 and 2009, is reflected as temporarily restricted grant revenue in the Statement of Activities.

See independent auditor's report.

HOPE'S DOOR, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

**NOTE 6 – LEASE COMMITMENTS**

The Organization leases its office space pursuant to an original operating lease dated July 2001, which was recently renewed for the term July 1, 2007 to June 30, 2010. Under the terms of the lease, the Organization is required to pay annual base rent of \$64,199 and \$62,329 for the years ended June 30, 2010 and 2009, respectively. In addition to base rent, the Organization is required to pay additional rent of \$706 per month for real estate taxes. The lease agreement also provides for the monthly payment of water and trash disposal charges.

The Organization has deposited the sum of \$5,214 with the landlord as security in accordance with the lease agreement.

**NOTE 7 – CONTRIBUTIONS**

Contributions came from the following sources:

	<u>June 30</u>	
	<u>2010</u>	<u>2009</u>
Foundations	\$ 68,600	\$ 67,131
Corporations	2,150	1,097
Community Groups	2,086	24,208
Individuals	104,166	76,781
United Way	<u>927</u>	<u>1,623</u>
	<u>\$177,929</u>	<u>\$170,840</u>

**NOTE 8 – SHELTER FEES**

Shelter fees were as follows:

	<u>June 30</u>	
	<u>2010</u>	<u>2009</u>
Gross Fees	\$597,310	\$617,799
Write-offs	<u>( 11,500)</u>	<u>( 30,606)</u>
Net Fees	<u>\$585,810</u>	<u>\$587,193</u>

**NOTE 9 – SUBSEQUENT EVENTS**

The lease agreement discussed in Note 6 expired on June 30, 2010. The Organization is currently occupying the premises on a monthly basis at the same terms in effect at June 30, 2010.

See independent auditor's report.