

#### **Part IV. Narrative Description of Your Activities**

##### **Activities:**

In further explanation of the purposes stated in our Bylaws Article II, Hope's Journey Int'l will provide a full-time facility, in a ranch setting, for recovering burned, traumatized and/or disabled persons to recuperate physically and emotionally from their injury. We will initially direct our services to clients age 8-18. After we are well established and have appropriate staff we will increase our services to adults. The client will live on site for an undetermined amount of time. While they are on site they will have 24/7 access to counseling and medical assistance. As such, we will provide a variety of activities.

We recognize that those that are recovering from traumatic injuries may require assistance in wound care, and hygiene needs. We will provide trained professionals to provide the necessary care required of each individual. As the physical well being of our client is our utmost concern, whatever attention needs to be dedicated to the individual needs will be given first priority. Time spent in all other activities will be adjusted accordingly.

Our primary activity is to provide the support of trained counselors who will assist the clients in developing healthy coping skills. Traditional counseling sessions and non-traditional outdoor informal therapy sessions will be initiated by the trained staff and will take place at the facility or in other local locations. We are assigning approximately 25% of time dedicated to this activity although it is inestimable because the staff will take advantage of real life situations and process with our clients choices and goals that will enable them to experience a sense of self-worth and purpose. This takes place in an environment where their special needs are understood in order for them to gain the necessary coping skills to return to the mainstream.

During the day they will be provided with the physical and occupational therapy as prescribed by their attending physicians. The percentage of time for this activity will be based on individual needs (on average, approximately 10% of the time). The prescriptions will be to treat deficiencies in function and to enable the patients to develop the necessary mobility to care for their functional needs. The activity will be initiated by physical and occupational therapists that will be assigned to our facility.

Other activities will include various forms of therapy dependent on the various interests and needs of the individual. These may include, but are not limited to, music, art, theater, animal care and interaction, gardening, swimming, and hippo-therapy. In determining an appropriate course of therapy, we will be assessing interests, talents, goals, age, and skill level. These less traditional therapies will be a positive medium for the client to express their individuality and to bring the healing that joy and laughter delivers. These activities will be initiated after an individual assessment of the client and will comprise approximately 15% of the time. Trained professionals will conduct the activities. These therapy sessions are designed to assist in their physical strengthening as prescribed by their doctor as well as to assist in their emotional and social recovery.

To accomplish the goals that can not be addressed directly on site we will partner with other non profit organizations that can provide the activities such as hippo-therapy, adaptive skiing, mental health resources, performing arts programs, therapy, etc.

Another activity provided is teachers/tutors to enable children to keep pace with their primary educational needs so that when they return to normal life, they will be able to reenter school at the appropriate grade level. Their local school educators will outline the educational requirements for each student. Our staff will stay in direct communication with the student's local educators to keep them on track with their peers. This activity will be initiated as soon after their arrival as possible and will be conducted by certified teachers and or trained tutors. This activity will comprise 10-15% of the time.

Hope's Journey Int'l will provide recreational activities such as hiking, fishing, trail riding, sports and games, outings and whatever other additional activities the location and season permits (skiing, rafting, etc.). We do not wish to put our clients into a rigid schedule of one therapy session after another. We plan to assess each client's needs and goals and provide them a place to meet them. These activities will be initiated by our trained staff and volunteers and will be conducted at appropriate locations. These activities will comprise approximately 10% of the time.

One of the greatest needs for those recovering from a life-changing injury is rest. The ranch will provide a peaceful setting for clients and their families to retreat. Another advantage to the ranch will be the ability for clients to live in a life like setting interacting with others who may or may not have their same disabilities. This will give them the ability to communicate and interact with others in a way that will help each person to heal personally, but also allow them to feel that they are aiding others in healing. The clients will be involved in the actual ranch day-to-day activities to the extent that their disability allows. These activities will take place in a safe environment with counselors and staff who are trained to work with people with these disabilities. These activities will comprise of 25-30% of the time.

A key component in Hope's Journey Int'l is education. We are educating our clients and their loved ones in the psycho/social elements of dealing with a life-changing injury. We are educating the community as to how to deal with disabled individuals, as well as educating them about the needs associated with various physical injuries. We also encourage the education of school children in fire/burn prevention as well as how to treat others that are different from themselves.

**Activities Facilities & Location:**

The location of this ranch is not yet determined. Our initial requirements for a facility are as follows:

Location: Colorado has four seasons, with mild summers, and its location allows for various seasonal outdoor activities.

A property that can house 10-16 guests, 3-5 live-in staff, along with facilities for visiting parents.

The property should:

- Be near emergency medical facilities.
- Be accessible year-round.
- Have access to BLM or national forest.
- Be a short ride from an airport.
- Have nice views, and elements that give it a peaceful setting (i.e. river, places to sit, places to play outside).

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- Accommodate a garden.
- Accommodate domestic pets.
- Accommodate a barn and pastures for 8-12 horses
- Accommodate additional/future buildings for therapy, studio, a gym, staff housing, etc.

The main house should include:

- 8-10 bedrooms
- Large living areas
- Handicap accessibility
- Area for therapy and exercise
- Area for games (e.g. pool table, foos ball table)
- Area for art projects
- Areas for reading, visiting, and playing on computers
- Large kitchen and dining room
- The house must be aesthetically appealing to those that would be staying there.
- A guesthouse should be available for visiting parents in need of a retreat.

The facilities will be managed and maintained by capable staff and volunteers. Donations, contributions, grants and monies that come in from services provided will finance them.

We do not anticipate the facility being used in any other way than that of directly carrying out our work. We will have directors and/or employees residing at the facility in order to provide or oversee that there is proper care and supervision of our clients. If our location is quite a distance from the homes of our employees or volunteers, we will offer them the option of staying in staff housing, when resources are available, in order to better accommodate those that we rely on to make our organization successful.

We do not yet have a facility therefore there is not an owner or landlord. When we gain the funds to purchase land and buildings the owner will be the organization (Hope's Journey Int'l).

**Exempt Purposes:**

We wish to provide care, not to profit off of the pain of others. In being a charitable organization we can provide assistance to those that have sustained physical and emotional injury due to burn injuries, physical disabilities or trauma. This care will be provided away from their homes and include therapeutic services in conjunction with the recommendations and requirements of their doctors. As mentioned above we are also aiding in our clients education by providing them with tools to cope, physically and emotionally, with their life-changing trauma.

We differ from for-profit organizations that charge fees because the majority of our operations will rely on grants, donations, and contributions. In the event that these revenues fall short, we will be required to charge our clients fees. These minimal charges will be reasonable and related to the cost of the service provided. Charges will be considerate of the average financial situation and what the average health insurance company is willing to provide. It is our intention to provide care to any individual regardless of income. We will form a scholarship account for the purpose of providing financial assistance to those in need.

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In comparison with the Revenue Ruling 72-16 we will be providing:

1. Living quarters
2. Professional medical staff (nurses, therapists, counselors)
3. Educators
4. Activities directors
5. Assistance, office and maintenance staff

**Activity Funding:**

The total financial support will come from:

1. Individual Contributions/General Public
2. Private and Government Grants
3. Publicly Supported Organizations
4. Provision by Clients' Insurance
5. Payment of fees based on the services provided by clients

We expect that the majority (around 65%) of the financial support will come from individual contributions, the general public, publicly supported organizations and private and government grants.

**Part V. Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors**

**1a. Estimated annual compensation amount.**

Name: Charity Freeland Title: President/CEO Mailing address: 3381 Valley Way, Montrose, CO 81401

Estimated Compensation Amount:

|  |                 |
|--|-----------------|
| Wages  |                 |
| First year salary as Chief Executive Officer | \$ 30,000       |
| Taxes, benefits, etc.                        | <u>\$ 6,900</u> |
| Total Compensation                           | \$ 36,900       |

This salary may be increased based on board approval. It also may be increased annually based on Consumer Price Index.

Note: Refer to Bylaws, Article II, Section 6:1 Compensation in regards to Directors compensation.

**2a.** Our Directors: Richard Weaver and Kathleen Weaver are related through marriage.

**5a.** Our conflict of interest policy was adopted by resolution of our governing board as seen on the attached page to our included policy.

**5b.** Our procedures for assurance that persons who have a conflict of interest will not have influence for setting their own compensation is established in our Bylaws, Article II, Section 6:2.

**5c.** Our procedures for assurance that persons who have a conflict of interest will not have influence regarding business deals with themselves is established in our

Bylaws, Article II, Section 6:2.

**7a.** There have not been any agreements made thus far to purchase any goods, services, or assets from any of our officers, directors, trustees, highest compensated employees, or highest compensated independent contractors. It is impossible to determine at this point in time if any such agreement will be made. In the case that such an agreement is made, it will be disclosed that there is a conflict of interest and procedures as outlined in our in Conflicts of Interest Policy, Article VI, Section 3 will be followed. This is to ensure that the terms will be negotiated at arm's length and that we will pay no more than fair market value.

**7b.** There have not been any agreements made thus far to sell any goods, services, or assets from any of our officers, directors, trustees, highest compensated employees, or highest compensated independent contractors. It is impossible to determine at this point in time if any such agreement will be made. In the case that such an agreement is made, it will be disclosed that there is a conflict of interest and procedures as outlined in our in Conflicts of Interest Policy, Article VI, Section 3 will be followed. This is to ensure that the terms will be negotiated at arm's length and that we will be paid at least fair market value.

**8b.** There have not been any contracts or agreements made thus far to have any leases, contracts, loans, or other agreements. It is impossible to determine at this point in time if any such agreement will be made.

**8c.** With our officers, directors, trustees, highest compensated employees, or highest compensated independent contractors.

**8d.** In the case that such an agreement is made, it will be disclosed that there is a conflict of interest and procedures as outlined in our in Conflicts of Interest Policy, Article VI, Section 3 will be followed. This is to ensure that the terms will be negotiated at arm's length.

**8e.** In the case of such an agreement, we have agreed that outside parties/professionals may be brought in as advisers ensuring that we will pay no more than fair market value or that we will be paid fair market value.

**8f.** As of right now there are no signed leases, contracts, loans, or other agreements to attach.

**9b.** There have not been any contracts or agreements made thus far to have any leases, contracts, loans, or other agreements. It is impossible to determine at this point in time if any such agreement will be made.

**9c.** With our officers, directors, trustees, highest compensated employees, or highest compensated independent contractors.

**9d.** In the case that such an agreement is made, it will be disclosed that there is a conflict of interest and procedures as outlined in our in Conflicts of Interest Policy, Article VI, Section 3 will be followed. This is to ensure that the terms will be negotiated at arm's length.

**9e.** In the case of such an agreement, we have agreed that outside

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parties/professionals may be brought in as advisers ensuring that we will pay no more than fair market value or that we will be paid fair market value.

**9f.** As of right now there are no signed leases, contracts, loans, or other agreements to attach.

## **Part VI. Your Members and Other Individuals and Organizations that Receive Benefits From You**

**1a.** As an exempt organization we are focused on providing long-term (anywhere between 2 weeks and 6 months) accommodations while providing programs that will assist our clients in their healing process. Below is listed the programs and their services that will be provided to individuals who have sustained a burn injury, life-changing physical injury or trauma.

**Hope's Journey Int'l physical and occupational therapists** are to meet the physical needs of the clients. These therapists will provide the sessions that the child's doctor prescribes.

**Hope's Journey nurses** will oversee medications, the healing process, and cases of illness or emergencies. The nurses will keep in contact with the clients' physicians as to how the individual is healing and any concerns that might arise.

**An on-site teacher/tutor** meets the child's educational requirements during their stay, according to U.S. Scholastic standards. Teachers/tutors maintain contact with the child's school and help the children to keep up with their studies during their stay with us in order to make transition back to their school life easier.

**A nutritionist/cook** on staff will plan menus and supervise the preparation of meals that will best aide in the clients' healing.

**Counselors** will be available to help the clients deal with the emotional trauma associated with their injury and to teach them coping strategies.

**Therapeutic Riding.** Clients will have the opportunity to ride a horse in order to assist in their healing. Relating to and working with animals is a very helpful tool in healing. If the individuals choose, they may also help in the care of the horses and any other resident animals.

**Art** provides a multitude of mediums for expression. A client can be extremely creative whether they have very little strength or total strength and range of motion. The clients will be able to see themselves creating things that appeal to them and that last forever. A person is often able to express feelings through art that they may not be able to articulate through talking. This not only helps them to vent but also allows them to see their feelings and confront them. The clients will not be limited to expressing their emotions in their art but will be greatly encouraged to have fun and enjoy their creativity. Included in art is **music and theater/drama**. Music is a medium of art that has the same advantages. Music and drama give a physical way to express emotions. Music and art therapies aren't limited to clients expressing unresolved feelings. These therapies also offer a platform in which clients can purely enjoy themselves by being someone else

for a moment, making others laugh, or just having fun. In the future, Hope's Journey desires to add a dance studio and an instructor to the facility.

The opportunity for **gardening, cooking, and many other everyday activities** will be available. Many people find comfort in these activities, and Hope's Journey Int'l wants to extend every opportunity available to clients in order to help them gain independence, self-acceptance, and gratification of accomplishments in their daily lives.

**Other activities**, such as outdoor games, swimming, hiking, fishing, trail riding, and even rafting, canoeing, sledding, and skiing will be available, depending upon what the location allows. Hope's Journey will rely heavily on assistants and trained volunteers for help with activities. Fun and pleasurable times will be the focus of these activities, but through them, the clients will also better relate to each other and form friendships that may last a lifetime.

**Respite** is provided for the parents/guardians or the primary caregivers. In serving the needs of our clients we are enabling those that are the closest to them to gain the rest that they need to continue to care for their loved one after they return home. We recognize that many times the family members are in need of counseling or support. We would like to assist the family members in finding the resources that they need to help them to heal as well.

A major focus of Hope's Journey's services will be offering independence to the clients. As they come in with new disabilities, the staff will help them to find ways to do things that they deeply desire to do but may have thought themselves unable. We, as the staff, will strive to creatively find ways for the clients to gain their independence, self-confidence, and hope for their future.

**1b.** Listed above are the programs and their services that will be provided by Hope's Journey Int'l. These services can be provided to organizations who find themselves in need of our services. One example is in the event that an organization finds itself going through a trauma where the members of that organization would benefit from our services. Another example may be other exempt organizations serving clients with special needs that will benefit from our therapeutic riding program, or other parts of our facilities. We find it very advantageous to collaborate with other non-profit organizations and to share the areas where our programs may overlap. This provides better use of our publicly funded resources.

**2.** All of our programs and their services are limited to burn-injured, physically disabled, or traumatized individuals. Individuals will be required to fill out an application. Included in the application will be a standard code of ethics that our clients must agree to follow. In the event that a potential client does not agree to comply with our standard code of ethics or they have behavioral problems, we will have the right to refuse them service. Clients will be selected for each program based on their individual needs, their interests, and availability.

**3.** Currently none of our officers, directors, trustees, or highest compensated employees have a family or business relationship with any clients or potential clients. In the future if there is any such relationship, the individual applying for use of our services will follow the same application process as any other individual.

## **Part VIII. Your Specific Activities**

**3a.** We are answering, "yes" to this question because it is unknown at this time whether we will operate bingo or gaming activities. In the event that we do operate such activities they will be through a fund-raising event such as a raffle, auction, etc. We, Hope's Journey Int'l, would conduct such an event in line with Colorado State and Montrose, Ouray, or San Miguel County regulations. If we have to hire someone to conduct this type of activity his or her fees would come out of our "Marketing/Fund-raising" budget. The expenses for such an event will come out of our "Marketing/Fund-raising" budget on our financial forecast in Part IX. Our revenues for such an event would be included in our "Contributions/Fund-raising" income. It is impossible to forecast what our expenses and revenues would be because we have no such plans for this type of event at this time.

**3b.** If Colorado State or Montrose County regulations require us to hire an individual or organization to conduct bingo or gaming for us then we will do so. As of right now there are no written or oral arrangements that we have made or intend to make. We will do appropriate research to ensure that we will pay no more than fair market value. In the event that a board member, officer, or highest compensated employee is related to the individual or organization we are seeking to hire, then we will make the decision according to our procedures, it will be disclosed that there is a conflict of interest and procedures as outlined in our in Conflicts of Interest Policy, Article VI, Section 3 will be followed to ensure that the terms will be negotiated at arm's length.

**3c.** In the event that such an activity occurs, it will be held in the State of Colorado, from the jurisdiction of Montrose, Ouray, or San Miguel Counties, in the towns of Montrose, Ridgway (located in Ouray County), Ouray, or Telluride (located in San Miguel County).

**4a. Fund-raising Programs:**

Our activities have so far consisted of compiling mail and e-mail lists, and using these lists to keep updated parties updated as to the progress of Hope's Journey Int'l. We have also constructed a website and have printed brochures and business cards. We are only beginning to comprise a fund-raising strategy as an organization the following descriptions are future fund-raising activities.

**Mail** solicitations are to include mailing brochures, updates, newsletters, fliers, invitations, etc. to our current and future mailing lists. These will explain our past, present, and future activities. Some updates or newsletters will describe our current fund-raising goals and invite contributors to donate to our organization. When we are holding fund-raising or other events our mailings will include invitations or fliers informing interested parties about our events.

**Email** solicitations are to include e-mailing brochures, updates, newsletters, flyers, invitations, etc. to our current and future email lists. These will explain our past, present, and future activities. Some updates or newsletters will describe our current fund-raising goals and invite contributors to donate to our organization. When we are holding fund-raising or other events our e-mails will include invitations or fliers informing interested parties about our events.

**Personal** solicitations may be made after a verbal or multi-media description of our organization and its efforts and goals is made. These may be made at fund-raising events, public speaking events, informational events, small parties, etc held by

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supporters, volunteers, board members, officers, employees, and fundraisers of Hope's Journey Int'l.

**Non-cash donations** such as vehicles, boats, planes etc., may be used to help raise funds. At present, an auction event is the way that these types of donations are commonly used although we are open to other creative ideas.

**Foundations** looking to contribute funds to charitable organizations will be researched and approached through the grant writing process.

**Phone** solicitations may be tastefully and discreetly made when a fundraiser has formed a relationship with the potential donor, or when the best form of communication in regards to receiving funds is through phone calls.

**Social Networking** information and solicitations will be filtered through social networks such as Facebook, Twitter and MySpace.

Our **Website** ([www.hopesjourneyintl.org](http://www.hopesjourneyintl.org)) offers the ability for people to donate online. It also provides instructions and contact information for those that want to mail in a donation or ask any questions in regards to Hope's Journey Int'l's finances. As we have fund-raising goals in the future, our website will be used as a tool to show our goals as well as our progress towards those goals. When we collaborate with other organizations that benefit us, benefit from our services, or have mutual interests, it is possible that we may receive donations through other organizations websites.

**Fund-raising events** will be planned and implemented not only to raise funds but also to educate the public and raise community awareness of our organization and its programs.

**Grants** we will actively pursue government or private programs that would assist us in providing services to our clients.

**Promotion Strategy:** Efforts have already been made, and will continue to be made, to develop contacts with those that can connect potential clients with services. These contacts begin with The Phoenix Society, American Burn Association, Shriner's Children's Hospital and other children's hospitals, nationwide burn camps, firefighters' associations, therapists, counselors and other burn care workers. Newsletters, phone calls, and participation in conferences and burn camps will help to spread the word that these services will soon be available. Brochures and audio/visual promos will be used as a source of developing contacts, image creation, and bringing in donations. A web page will serve as a source for information and updates about our program.

Community fundraisers will be held in Montrose, Ridgway, Ouray, and Telluride. Hope's Journey staff will also personally visit and/or send a promotional video to area churches, schools, and Chamber of Commerce meetings to ask for public support. This will help to increase awareness and also to educate the communities in how to assist clients in their recovery process. These methods will also be a resource to obtain volunteers and professionals necessary for the operations of this facility.

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The goal is to create enough contacts and to raise enough funds in the initial fund-raising projects and grants to begin to acquire land, buildings, furnishings, employees, etc. in order to start providing services.

**4b.** We currently have no written or oral contracts with any individuals or organizations to raise fund for us. In the future, we may choose to hire a fundraiser to assist us in reaching our fund-raising goals. The payment that the fundraiser receives will not exceed fair market value. The expenses of fund-raising to include the salary of a fundraiser will be outlined in the annual budget and approved by the board of directors before any oral or written agreements are made.

**4c.** Currently we have not agreed to engage in fund-raising events for other organizations. In the event that an organization that we have relationship with, or are collaborating with due to mutual interests, hosts a fund-raising event we may assist them. Our assistance may include help in planning and promoting the event as well as volunteering at the event.

**4d.** Currently we only conduct fund-raising from the State of Colorado, and from the jurisdiction of Montrose, Ouray, or San Miguel Counties, in the towns of Montrose, Ridgway (located in Ouray County), Ouray, or Telluride (located in San Miguel County). This is where our principle office is located and includes nearby counties that may show an interest in our organization. Right now we are only fund-raising for our own organization. We do not have current plans that involve fund-raising from any other state or jurisdiction.

**4e.** We will maintain separate accounts for foundations or contributors that has specified the distribution of their donation. A donor may give funds that are restricted to a particular program, fund-raising goal, scholarship, etc. Our books are kept through a fund-accounting system and restricted funds will be labeled and monitored as such. When we do receive restricted funds we will ensure that the bookkeeper as well as the contributor has a written copy as to the terms of the contributor's advise. As of right now, we have not received restricted funds.

**7a.** When we develop the facilities that will house our programs, we will have persons other than volunteers and employees helping in the development. We will need assistance in the purchase of the property, the planning, architecture, construction, zoning issues, safety issues, legalities, etc. As we currently have no property, we have not entered an agreement or contract with any of the above-mentioned professionals. As such we have no business or family relationships between any developers and our officers, directors, or trustees.

**10.** It is possible that Hope's Journey Int'l will find it necessary to own copyrights, patents, or trademarks in regards to intellectual property. It is possible that artworks, music, literature, etc. created in our programs, or donated to our programs may be used to help with marketing and raising funds. In either of these events fees will be determined according to reasonable practices. Our definition of reasonable practices being the research of what other similar items may sell for in comparison with the cost of production, distribution, and marketing of the item. We will then determine its value for marketing and fund-raising for our organization. How the item will be produced, distributed, and marketed will be determined according to what the property actually is and how it would best benefit Hope's Journey Int'l.

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**11.** We will accept contributions of: real property; conservation easements; closely held securities; intellectual property; licenses, royalties; vehicles; collectibles, etc. We have not yet had any of these types of contributions. In the event that we do, any conditions imposed or any agreements made with the donor will be written. No illegal, or unethical agreements will be made nor any agreements that go against IRS regulations.

**15.** Hope's Journey Int'l has a "close connection" with Solid Rock Foundation Ministries.

David Tabor, Director on the Board of Directors of Hope's Journey Int'l is the President of Solid Rock Foundation Ministries.

Charity Freeland, President of Hope's Journey Int'l is the Treasurer of Solid Rock Foundation Ministries.

Kathleen Weaver, Director on the Board of Directors of Hope's Journey Int'l is the Secretary of Solid Rock Foundation Ministries.

Hope's Journey Int'l and Solid Rock Foundation Ministries currently shares office space.

## **Part IX. Financial Data**

### **A. Statement of Revenues and Expenses**

**Financial Forecast:** This forecast is based on setting up the organization, marketing, and securing a lease for a facility in Year 1 and beginning to serve clients in the middle of year two for a three month program. It includes paying professionals comparable wages to their regional peers. It is also based on the acquisition of additional land and buildings in years three and five. With the acquisition of land and buildings it is understood that more clients could be served requiring more staff to be secured. It is also understood that these are broad estimates that will fluctuate according to actual funds that are acquired and actual costs associated with a start-up organization.

|                                    | <b>YEAR 1</b> | <b>YEAR 2</b> | <b>YEAR 3</b> |
|------------------------------------|---------------|---------------|---------------|
| <b>Staffing:</b>                   |               |               |               |
| Chief Executive Director           | \$25,000      | \$30,000      | \$32,448      |
| Hired Fundraiser                   |               | \$20,000      | \$22,500      |
| Executive Director                 | \$25,000      | \$30,000      | \$32,448      |
| Secretary                          |               | \$7,600       | \$16,224      |
| Teacher                            |               | \$7,800       | \$21,632      |
| Nursing (2 in Year 3)              |               | \$11,300      | \$41,632      |
| Nutritionist/Cook                  |               | \$8,100       | \$16,224      |
| Maintenance/Cleaning (4 in year 3) |               | \$8,100       | \$62,448      |
| Occupational Therapists            |               | \$12,500      | \$45,900      |
| Physical Therapists (2 in Year 3)  |               | \$12,500      | \$51,000      |
| Counselors (2 in Year 3)           |               | \$10,000      | \$40,800      |
| Recreational Director              |               |               | \$20,000      |
| Professional Assistants            |               |               | \$25,500      |
| Riding Instructor/Trainer          |               | \$10,000      | \$18,200      |
| <b>Other Expenses:</b>             |               | \$25,000      | \$35,000      |
| Animal Care                        |               |               | \$25,000      |

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|   |                 |                  |                    |
|---|-----------------|------------------|--------------------|
| Meals   | \$500           | \$5,000          | \$12,500           |
| Utilities                                       | \$3,000         | \$10,000         | \$25,000           |
| Supplies  | \$1,300         | \$30,000         | \$40,000           |
| Marketing/Fund-raising                          | \$15,000        | \$35,000         | \$40,000           |
| Vehicle/Transportation                          | \$3,000         | \$12,500         | \$15,000           |
| Professional fees                               | \$2,000         | \$2,500          | \$2,500            |
| Withholding/Soc.Sec/med. (16%)                  | \$8,000         | \$26,864         | \$71,516           |
| Health Insurance                                | \$3,500         | \$11,753         | \$31,290           |
| Liability Insurance                             | TBD             | TBD              | TBD                |
| Vehicle Insurance                               | TBD             | TBD              | TBD                |
| Malpractice Insurance                           | TBD             | TBD              | TBD                |
| <b>Sub-Total:</b>                               | <b>\$86,300</b> | <b>\$326,517</b> | <b>\$744,782</b>   |
| <b>Capital:</b>                                 |                 |                  |                    |
| Initial Property-cash down                      |                 |                  | \$400,000          |
| Furnishings/Supplies                            |                 |                  | \$75,000           |
| Therapy Tools and Supplies                      |                 | \$25,000         | \$30,000           |
| Additional Property-cash dn.                    |                 |                  |                    |
| Lease of Facility                               | \$10,000        | \$30,000         |                    |
| Additional Buildings                            |                 |                  |                    |
| Horse Shelter/Fencing                           |                 |                  | \$35,000           |
| Horses  |                 |                  | \$9,000            |
| Capital Total:                                  | \$10,000        | \$55,000         | \$349,000          |
| <b>Total Yearly Costs:</b>                      | <b>\$96,300</b> | <b>\$381,517</b> | <b>\$1,093,782</b> |
| Client Income:                                  | \$0             | \$75,000         | \$180,000          |
| <b>Contribution/Fund-raising Income needed:</b> | <b>\$96,300</b> | <b>\$306,517</b> | <b>\$1,113,782</b> |

### Estimated Revenue Source

#### Per Client Cost:

#### Assumptions:

Average length of stay per client is 1-3 months. The client would be charged on a monthly basis. The average assisted living home costs between \$2,500 and \$4,000 a month. In comparison we would be providing a lot of the same type of care as an assisted living home. Assuming that the client's insurance would cover traditional therapy and medical needs. Hope's Journey would charge approximately \$2,500 a month per client. Cost will be the same for each client. This does not take into account fundraising and scholarships that could offset the client's personal expense.

**1) Year 1:** No client revenue during this phase of acquisition, preparation, and promotion of facility.

**2) Year 2: 3 months of operation:** \$ 75,000 - \$ 90,000 is estimated client revenue, assuming 10-12 clients occupancy per month. This does not include the depreciated costs of capital.

**3) Year 3: 6 months of operation:** \$180,000 - \$240,000 is estimated client revenue, assuming 12-16 clients occupancy per month. This does not include the depreciated costs of capital.

**Percentage of revenue per client:**

|            |                  |
|------------|------------------|
| 20%        | Insurance        |
| 10%        | Parental         |
| <u>70%</u> | <u>Donations</u> |
| 100%       | Total            |

**B. Balance Sheet Attachment**

**Line 8: Depreciable and depletable assets**

|                            |               |
|----------------------------|---------------|
| Laptop Computer            | \$1,810       |
| Data Cell Phone            | \$ 200        |
| <u>Color Laser Printer</u> | <u>\$ 337</u> |
| Total:                     | \$2,347       |

**Schedule H. Organizations Providing Scholarships, Fellowships, Educational Loans, or Other Educational Grants to Individuals and Private Foundations Requesting Advance Approval of Individual Grant Procedures**

**1a.** We would like to be able to provide scholarships.

**1b.** These scholarships would be for clients that are not able to gain the financial support for their therapies and care provided by our organization in order to offset the costs associated with our programs.

**1c.** We will not award educational loans.

**1d.** Our scholarship program will be made known to potential donors during fund-raising events to give them the opportunity to donate towards our scholarship fund. Our scholarship program will be made know to out potential clients by including scholarship information and scholarship applications in their Hope's Journey Int'l application package.

**1e.** We do not yet have solicitation or announcement materials.

**1f.** We are not yet operating and do not have an application or a fund at this present time. Further details will be established at the time in which we are financially able to provide scholarships.

**3.** Any individual who is burn injured, physically disabled, or traumatized who would like to attend our program and finds themselves in need of financial assistance.

**4a.** The potential recipients will:

1. Fill out an application that will include questions that pertain to:
  - a. Their physical needs
  - b. Their financial needs
  - c. Their financial needs in accordance to our services

2. The application will ask the parent/guardian about their income level, number of dependents, etc.
3. We will take into account their average monthly expenses and their ability to pay the recommended fees.
4. The amount of financial assistance (the scholarship) will vary according to the amount of the need for each individual.

**4b.** The number of scholarships that will be made annually will be based on the amount available in our scholarship fund and the number of clients that are served on an annual basis that find themselves in need of financial assistance.

Until the organization reaches a matured financial level, where we are able to operate without the need of charging fees, we expect that the majority of our clients will need some sort of financial assistance.

We will organize our funds in a manner that we may be able to provide assistance to at least 30% of our guests. For the remaining guests that need assistance, we will work with sponsors.

**4c.** The amount of financial assistance (the scholarship) will vary according to the amount of the need for each individual and the amount of funds available in the scholarship fund and proper consideration of future scholarship needs.

**4d.** Specific requirements or conditions imposed to maintain a scholarship will be determined by the scholarship committee when we are closer to receiving clients. It is safe to say that misconduct, or breaking our standard code of conduct could result in the scholarship being discontinued.

**5.** Monthly scholarship reports will be included in the monthly financial given to the board of directors for review. These reports will include concerns or suggestions from the staff in regards to those clients that are receiving scholarship funding. In the event that there are violations to the requirements and conditions placed on the receipt of the scholarship, appropriate warnings will be made and documented. If the warnings go unheeded then the scholarship will be discontinued.

**6.** Currently there is no selection committee because there is not yet a scholarship fund. The selection committee will consist of the board of directors and selected staff. Member criteria for the selection committee will include the following:

1. Members that work or have worked in the medical community
2. Members that have worked closely with other charitable organizations
3. All of our members will have a broad background in which they can make reasonable and compassionate decisions.

**7.** In the event that a board member or staff member, or their relative, is in need of our services and in need of financial assistance they will be measure on the same basis as every other client. The board or staff member that is related to the scholarship application will not be part of the selection committee for that individual case nor will they receive special treatment. Likewise, they should not be denied services because of their standing.