

Hope for Haiti's Children Ministries, Inc.

Financial Statements
For the Years Ended December 31, 2023 and 2022

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Independent Auditor's Report

Board of Directors
Hope for Haiti's Children Ministries, Inc.

Opinion

We have audited the financial statements of Hope for Haiti's Children Ministries, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2023, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Organization, as of and for the year ended December 31, 2022, were audited by other auditors, whose report, dated August 14, 2023, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts, and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2023 financial statements as a whole. The schedule of program expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 2023 information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 information is fairly stated in all material respects in relation to the financial statements as a whole. The 2022 supplementary information was audited by other auditors, whose report dated August 14, 2023, expressed an unmodified opinion on such information in relation to the financial statements as a whole.

Blankenship CPA Group PLLC

Blankenship CPA Group, PLLC
Nashville, Tennessee
May 16, 2024

Hope for Haiti's Children Ministries, Inc.

Statements of Financial Position

December 31, 2023 and 2022

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 1,025,828	\$ 1,496,693
Prepaid expenses	49,997	14,889
Pledges receivable, current portion	<u>1,270,201</u>	<u>1,292,882</u>
Total current assets	2,346,026	2,804,464
Pledges receivable, net of current portion and allowance	3,227,919	3,211,750
Investments	1,625,261	918,729
Beneficial interest in assets held by Thrivent Charitable		
Impact and Investing	<u>377,819</u>	<u>153,734</u>
Total assets	\$ 7,577,025	\$ 7,088,677
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 20,493	\$ 57,947
Accrued expenses	<u>50,901</u>	<u>49,998</u>
Total current liabilities	71,394	107,945
Net assets		
Without donor restrictions		
Undesignated	1,648,191	1,415,699
Board designated for endowment	377,819	153,734
With donor restrictions	<u>5,479,621</u>	<u>5,411,299</u>
Total net assets	<u>7,505,631</u>	<u>6,980,732</u>
Total liabilities and net assets	\$ 7,577,025	\$ 7,088,677

Hope for Haiti's Children Ministries, Inc.

Statement of Activities For the Year Ended December 31, 2023

	Without donor restrictions	With donor restrictions	Total
Revenues and Public Support			
Contributions of cash and other financial assets	\$ 1,390,766	\$ 2,544,533	\$ 3,935,299
Contributions of nonfinancial assets	11,999	166,823	178,822
Special events revenue	304,623	-	304,623
Investment income (loss), net	156,913	-	156,913
Net assets released from restrictions	<u>2,643,034</u>	<u>(2,643,034)</u>	<u>-</u>
Total revenues and public support	4,507,335	68,322	4,575,657
Expenses			
Program services	3,292,577	-	3,292,577
Management and general	340,032	-	340,032
Fundraising	<u>418,149</u>	<u>-</u>	<u>418,149</u>
Total expenses	4,050,758	-	4,050,758
Change in net assets	456,577	68,322	524,899
Net assets, beginning of year	<u>1,569,433</u>	<u>5,411,299</u>	<u>6,980,732</u>
Net assets, end of year	\$ 2,026,010	\$ 5,479,621	\$ 7,505,631

Hope for Haiti's Children Ministries, Inc.

Statement of Activities For the Year Ended December 31, 2022

	Without donor restrictions	With donor restrictions	Total
Revenues and Public Support			
Contributions of cash and other financial assets	\$ 1,118,277	\$ 2,523,810	\$ 3,642,087
Contributions of nonfinancial assets	9,837	189,785	199,622
Special events revenue	142,504	118,040	260,544
Investment income (loss), net	(83,855)	-	(83,855)
Net assets released from restrictions	<u>3,121,106</u>	<u>(3,121,106)</u>	<u>-</u>
Total revenues and public support	4,307,869	(289,471)	4,018,398
Expenses			
Program services	3,504,218	-	3,504,218
Management and general	279,432	-	279,432
Fundraising	<u>282,955</u>	<u>-</u>	<u>282,955</u>
Total expenses	4,066,605	-	4,066,605
Change in net assets	241,264	(289,471)	(48,207)
Net assets, beginning of year	<u>1,328,169</u>	<u>5,700,770</u>	<u>7,028,939</u>
Net assets, end of year	\$ 1,569,433	\$ 5,411,299	\$ 6,980,732

Hope for Haiti's Children Ministries, Inc.

Statement of Functional Expenses For the Year Ended December 31, 2023

	Program services	General and administrative	Fundraising	Total
Wages	\$ 495,554	\$ 147,221	\$ 202,201	\$ 844,976
Payroll taxes	38,810	12,688	16,589	68,087
Employee benefits	27,278	6,408	17,524	51,210
Grants	2,235,914	-	-	2,235,914
Bad debt	-	27,646	-	27,646
Bank fees	12,591	27,962	-	40,553
Conferences, education, and training	15,300	13,475	2,306	31,081
Contract and consulting services	1,942	1,800	60,000	63,742
Food and water	77,944	-	-	77,944
Health care	78,472	-	-	78,472
Information technology	14,370	28,565	1,596	44,531
Insurance	2,619	2,971	-	5,590
NGO management fees	26,824	-	-	26,824
Office supplies	5,142	22,640	2,792	30,574
Other	889	6,532	3,715	11,136
Postage and shipping	55,826	2,990	5,330	64,146
Printing	7,716	5,354	20,043	33,113
Professional fees	-	18,505	-	18,505
Special events	-	373	73,601	73,974
Supplies and materials	148,273	-	-	148,273
Telephone	7,665	3,786	-	11,451
Travel	39,448	11,116	12,452	63,016
	\$ 3,292,577	\$ 340,032	\$ 418,149	\$ 4,050,758

Hope for Haiti's Children Ministries, Inc.

Statement of Functional Expenses For the Year Ended December 31, 2022

	Program services	General and administrative	Fundraising	Total
Wages	\$ 405,876	\$ 102,616	\$ 165,633	\$ 674,125
Payroll taxes	29,098	8,929	11,365	49,392
Employee benefits	21,561	5,596	11,134	38,291
Grants	2,500,212	-	-	2,500,212
Bad debt	-	18,252	-	18,252
Bank fees	1,786	24,533	-	26,319
Conferences, education, and training	-	7,361	(20)	7,341
Contract and consulting services	1,000	8,653	-	9,653
Food and water	91,426	-	-	91,426
Health care	99,604	-	-	99,604
Information technology	27,575	38,437	4,959	70,971
Insurance	2,868	4,582	-	7,450
NGO management fees	65,499	-	-	65,499
Office supplies	8,475	15,454	2,166	26,095
Other	1,202	8,840	5,028	15,070
Postage and shipping	39,604	2,690	6,163	48,457
Printing	6,452	9,313	19,312	35,077
Professional fees	-	17,300	4,579	21,879
Special events	-	-	40,964	40,964
Supplies and materials	142,435	-	-	142,435
Telephone	8,187	2,447	-	10,634
Travel	51,358	4,429	11,672	67,459
	\$ 3,504,218	\$ 279,432	\$ 282,955	\$ 4,066,605

Hope for Haiti's Children Ministries, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash and cash equivalents, beginning of year	\$ 1,496,693	\$ 1,186,346
Cash flows from operating activities		
Change in net assets	524,899	(48,207)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Unrealized (gain) loss on investments	22,328	118,935
Reinvested interest and dividends	(68,781)	(35,080)
Change in:		
Accounts receivable	-	676
Pledges receivable	6,512	365,072
Prepaid expenses	(35,108)	5,847
Accounts payable	(37,454)	3,388
Accrued expenses	903	9,547
Net cash provided (used) by operating activities	413,299	420,178
Cash flows from investing activities		
Purchase of investments	(1,484,009)	(1,528,595)
Proceeds from sale of investments	599,845	1,418,764
Net cash provided (used) by investing activities	(884,164)	(109,831)
Net change in cash and cash equivalents	(470,865)	310,347
Cash and cash equivalents, end of year	\$ 1,025,828	\$ 1,496,693

Hope for Haiti's Children Ministries, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 1. Organization and Nature of Activities

Hope for Haiti's Children Ministries, Inc., (the Organization) is located in Cincinnati, Ohio and was organized in 1995. The Organization is a not-for-profit corporation with a mission to educate and care for the impoverished children of Haiti. The needs of the children are met through an education sponsorship program, health care services, orphan care and crisis relief efforts. The Organization is dependent upon contributions from the public and volunteers for its support.

Note 2. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP). Financial statement presentation is in accordance with standards of accounting and financial reporting prescribed for not-for-profit organizations. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors. The Board of Directors has designated certain investments for a board endowment to be used at the Board's discretion.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management of the Organization to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

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

Pledges Receivable

The Organization receives pledges for child sponsorships from various organizations and individuals. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. For 2023 and 2022, the discount on those amounts is calculated at the federal prime rate. Individual pledges that are stopped or discontinued during the year due to non-payment are written off unless the donors indicate that payment is merely postponed.

The allowance for uncollectible pledges is determined based on management's evaluation of the collectability of individual promises. As of December 31, 2023 and 2022, management has estimated the allowance to be \$199,589 and \$193,163, respectively.

Hope for Haiti's Children Ministries, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 2. Summary of Significant Accounting Policies

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Investment income and realized and unrealized gains and losses are reported as changes in net assets without donor restrictions unless the use of income has been restricted by the donor.

Fair Value Measurements

The Organization has an established process in accordance with FASB ASC guidelines for determining fair values. Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models or processes that use primarily market-based or independently sourced market data and third party information. Valuation adjustments may be made to ensure financial instruments are recorded at fair value. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies, or assumptions, to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. FASB ASC guidance has a three-level valuation hierarchy for fair value measurements. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The three levels are explained as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The Organization's fixed income securities and equities are valued at the closing price reported on the active market on which the individual securities are traded.

Hope for Haiti's Children Ministries, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 2. Summary of Significant Accounting Policies

Fair Value Measurements

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Revenue Recognition

Contributions of Cash and Other Financial Assets

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Contributions of Nonfinancial Assets

Contributed services are reflected in the financial statements at the estimated fair value of the services received only when those services either (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed goods are recorded at fair value at the date of donation.

The Organization receives substantial support from volunteers who donate their time to accomplish the Organization's purpose. The value of such time is not included in the accompanying financial statements unless the criteria for recognition of such volunteer effort under accounting and reporting standards prescribed for not-for-profit organizations has been satisfied.

Special Events

The Organization has special events each year where admission is charged. A portion of the admission generally will be considered a contribution while the portion that is considered payment for a tangible benefit received by the attendee, such as a meal or a round of golf, is considered an exchange transaction under Accounting Standards Update 2014-09. Any admission tickets sold in advance of the event would be considered a contract liability until the date of the event, which is the point in time that the Organization meets their performance obligation in relation to the exchange transaction and recognizes the revenue.

Functional Allocation of Expenses

The cost of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

Hope for Haiti's Children Ministries, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 2. Summary of Significant Accounting Policies

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Accordingly, no provision for income taxes has been made in the financial statements. The Organization follows FASB ASC guidance clarifying the accounting for uncertainty in income taxes recognized in an entity's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Organization has no tax penalties or interest reported in the accompanying financial statements.

Reclassifications

Certain reclassifications have been made to the 2022 financial statements to conform to the 2023 presentation.

Note 3. Liquidity and Availability

The following represents the Organization's financial assets available for general expenditure:

	2023	2022
Financial assets		
Cash and cash equivalents	\$ 1,025,828	\$ 1,496,693
Pledges receivable	4,498,120	4,504,632
Investments	1,625,261	918,729
Endowment held by Thrivent Charitable Impact and Investing	<u>377,819</u>	<u>153,734</u>
Total financial assets at year-end	7,527,028	7,073,788
Less amounts not available to be used within one year		
Board designated for endowment	(377,819)	(153,734)
Net assets restricted for specific purpose by donors	<u>(5,479,621)</u>	<u>(5,411,299)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,669,588	\$ 1,508,755

Average monthly expenses to maintain the Organization's operations in the US are approximately \$117,000. Cash flows fluctuate throughout the year due to the timing and nature of pledges receivable. Thus, it is the Organization's goal to maintain available cash and investments sufficient to cover approximately six (6) months of US operational expenses (approximately \$700,000).

Hope for Haiti's Children Ministries, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 4. Pledges Receivable

Pledges receivable consist of the following:

	2023	2022
Less than one year	\$ 1,270,201	\$ 1,292,882
One to five years	3,399,280	3,360,045
Due beyond five years	<u>1,033,056</u>	<u>866,016</u>
	5,702,537	5,518,943
Less allowance for uncollectable pledges	(199,589)	(193,163)
Less discount to present value	<u>(1,004,828)</u>	<u>(821,148)</u>
	\$ 4,498,120	\$ 4,504,632

Note 5. Investments and Fair Value Measurements

Investments and beneficial interest in assets held by Thrivent Charitable Impact & Investing are stated at fair value and are summarized as follows as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 525,973	\$ -	\$ -	\$ 525,973
Certificates of deposit	1,099,288	-	-	1,099,288
Endowment held by Thrivent Charitable Impact and Investing	<u>-</u>	<u>-</u>	<u>377,819</u>	<u>377,819</u>
Total	\$ 1,625,261	\$ -	\$ 377,819	\$ 2,003,080

Investments and beneficial interest in assets held by Thrivent Charitable Impact & Investing are stated at fair value and are summarized as follows as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 473,718	\$ -	\$ -	\$ 473,718
Certificates of deposit	445,011	-	-	445,011
Endowment held by Thrivent Charitable Impact and Investing	<u>-</u>	<u>-</u>	<u>153,734</u>	<u>153,734</u>
Total	\$ 918,729	\$ -	\$ 153,734	\$ 1,072,463

For donated investments, cost is determined to be the fair value at the date of gift. During 2023 and 2022, the Organization did not receive donated investments.

All Level 3 investments are included in the Endowment held by Thrivent Charitable Impact and Investing (Thrivent). The assets transferred to the Endowment are invested by the Thrivent in investments that are in line with the Organization's Endowment policy.

Hope for Haiti's Children Ministries, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 5. Investments and Fair Value Measurements

The Level 3 investments are reported at fair value on a recurring basis determined by reference to quoted market prices for similar assets. The purchases of the Organization's Level 3 investments for 2023 and 2022 totaled \$200,000 and \$100,000, respectively. There were no amounts distributed out of the Level 3 investments during 2023 and 2022. There were no other transfers into or out of Level 3 investments.

The following schedule summarizes investment income (loss) in the statements of activities:

	2023	2022
Interest and dividend income	\$ 68,781	\$ 35,080
Realized and unrealized gain (loss) on investment	<u>88,132</u>	<u>(118,935)</u>
	\$ 156,913	\$ (83,855)

Note 6. Endowment

During 2021, the Organization established an endowment fund at Thrivent with gifts made to Thrivent by Hope for Haiti's Children and its supporters. The fund agreement between Thrivent and the Organization grants Thrivent variance power over the fund, which allows Thrivent's Board to modify any condition or restriction on the fund if, in the judgement of Thrivent's Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable purposes of Thrivent. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment net assets composition by type of fund at December 31, 2023 is as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets	\$ 377,819	\$ -	\$ 377,819

Endowment net assets composition by type of fund at December 31, 2022 is as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets	\$ 153,734	\$ -	\$ 153,734

Changes in endowment net assets for 2023 are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 153,734	\$ -	\$ 153,734
Contributions for endowment	200,000	-	200,000
Investment return, net	<u>24,085</u>	<u>-</u>	<u>24,085</u>
Endowment net assets, end of year	\$ 377,819	\$ -	\$ 377,819

Hope for Haiti's Children Ministries, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 6. Endowment

Changes in endowment net assets for 2022 are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 76,995	\$ -	\$ 76,995
Contributions for endowment	100,000	-	100,000
Investment return, net	<u>(23,261)</u>	<u>-</u>	<u>(23,261)</u>
Endowment net assets, end of year	\$ 153,734	\$ -	\$ 153,734

Under the fund agreement and Thrivent's current distribution policy, the Organization may request distributions from the fund in any amount, so long as the distribution requests are submitted in writing no more often than once each calendar quarter. The Organization did not request distributions during 2023 or 2022.

Note 7. Net Assets With Donor Restrictions

Net assets with donor restrictions were as follows:

	2023	2022
Passage of time – receivables	\$ 4,498,120	\$ 4,504,632
Purpose restrictions		
Child education and vocational	371,432	366,226
Orphanage operations	4,748	9,959
Mission trips	4,533	4,533
School lunch program	24,634	95,294
Thomazeau Hope Center	-	36,610
Thomazeau Church	18,837	11,237
Joy Box/Gift Ministry	10,460	22,196
General Haiti operations	51,870	100,623
School development	<u>494,987</u>	<u>259,989</u>
Total purpose restrictions	<u>981,501</u>	<u>906,667</u>
Total net assets with donor restrictions	\$ 5,479,621	\$ 5,411,299

Hope for Haiti's Children Ministries, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 7. Net Assets With Donor Restrictions

Net assets released from net assets with donor restrictions were as follows:

	2023	2022
Satisfaction of time restrictions	\$ 1,292,882	\$ 1,293,897
Satisfaction of purpose restrictions	<u>1,350,152</u>	<u>1,827,209</u>
Total released from restrictions	\$ 2,643,034	\$ 3,121,106

Note 8. Contributions of Nonfinancial Assets

The following represents contributed nonfinancial assets:

	2023	2022
Drugs and medical supplies	\$ 53,484	\$ 84,819
Other supplies	14,255	14,345
Joy gift boxes	96,925	86,300
Office space	9,838	9,838
Software licenses	<u>4,320</u>	<u>4,320</u>
Total contributed nonfinancial assets	\$ 178,822	\$ 199,622

The Organization recognized contributed nonfinancial assets within revenue, including contributed medical supplies, pharmaceuticals, clothing, food, software licenses, holiday gift boxes and office space. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Donated pharmaceuticals and medical supplies were restricted for use in the Child Education program. Food, clothing, and other supplies were restricted for use in the Child Education, Orphanage Operations and Crisis Relief programs. Donated Joy Boxes were restricted for use in the Gift Ministry program. Software licenses were donated for use in the Child Education Program. The contributed office space was used for management and general activities.

In valuing food, clothing, and medical supplies, the Organization estimated fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

In valuing contributed pharmaceuticals otherwise legally permissible for sale in the United States, the Organization used prices listed by discount pharmaceutical providers and national distributors of prehospital emergency medical supplies to approximate the least-cost retail prices in the United States (that is, the principal market).

Contributed software licenses were valued based on current rates for similar licenses. The Organization estimated rental rates for contributed office space based upon square footage and comparable rates for similar properties.

Hope for Haiti's Children Ministries, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 9. **Concentrations**

The Organization maintains cash and cash equivalents in excess of federally insured limits. The Organization has not experienced any losses in such accounts. As of December 31, 2023 and 2022, the Organization's depository accounts exceeded such insurance limits by approximately \$174,000 and \$704,000, respectively. In management's opinion, risk related to such concentrations is minimal.

During 2023, two donors accounted for 17% of total revenues.

Note 10. **Subsequent Events**

Management has evaluated subsequent events through May 16, 2024, the date on which the financial statements were available to be issued.

Supplementary Information

Hope for Haiti's Children Ministries, Inc.
Schedule of Program Expenses
For the Years Ended December 31, 2023 and 2022 (Total)

	Child Education	Program Services - US	Orphanage Operations	School Lunch Program	Thomazeau Hope Center	Thomazeau Camp Center	Thomazeau Church	Crisis Relief	Joy Box / Gift Ministry	Haiti Operations	School Development	2023 Total Program	2022 Total Program
Wages	\$ -	\$ 495,554	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 495,554	\$ 405,876
Payroll taxes	-	38,810	-	-	-	-	-	-	-	-	-	38,810	29,098
Employee benefits	-	27,278	-	-	-	-	-	-	-	-	-	27,278	21,561
Grants	941,104	-	193,606	161,345	30,393	12,434	17,400	2,642	27,093	283,715	566,182	2,235,914	2,500,212
Bad debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank fees	-	12,591	-	-	-	-	-	-	-	-	-	12,591	1,786
Conferences, education, and training	15,300	-	-	-	-	-	-	-	-	-	-	15,300	-
Contract and consulting services	-	-	-	-	-	-	-	-	-	1,942	-	1,942	1,000
Food and water	-	-	-	77,944	-	-	-	-	-	-	-	77,944	91,426
Health care	78,472	-	-	-	-	-	-	-	-	-	-	78,472	99,604
Information technology	3,650	10,720	-	-	-	-	-	-	-	-	-	14,370	27,575
Insurance	-	-	-	-	-	-	-	-	-	2,619	-	2,619	2,868
NGO management fees	-	-	-	-	-	-	-	-	-	26,824	-	26,824	65,499
Office supplies	2,509	1,834	-	-	-	65	-	-	638	96	-	5,142	8,475
Other	-	104	-	-	-	-	-	-	500	285	-	889	1,202
Postage and shipping	4,452	6,274	757	3,371	-	2,142	-	72	36,664	2,094	-	55,826	39,604
Printing	-	6,084	-	-	-	1,593	-	-	-	39	-	7,716	6,452
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Special events	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies and materials	25,568	1,000	2,645	60	-	5,470	-	5,000	96,925	11,605	-	148,273	142,435
Telephone	4,304	636	803	-	203	-	-	-	223	1,496	-	7,665	8,187
Travel	1,029	24,677	-	-	-	-	-	-	-	13,742	-	39,448	51,358
	\$ 1,076,388	\$ 625,562	\$ 197,811	\$ 242,720	\$ 30,596	\$ 21,704	\$ 17,400	\$ 7,714	\$ 162,043	\$ 344,457	\$ 566,182	\$ 3,292,577	\$ 3,504,218