MANY HOPES, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2023 AND 2022

MANY HOPES, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Many Hopes, Inc.

Opinion

We have audited the financial statements of Many Hopes, Inc. (the "Organization") which comprise the statements of financial position as of December 31, 2023 and 2022, the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and 2022, 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.

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 nor 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.

Board of Directors
Many Hopes, Inc.

In performing an audit in accordance 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 12, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Tait, Weller & Baker LLP

Philadelphia, Pennsylvania
January 21, 2025

MANY HOPES, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2023 And 2022

	2023	2022
ASSETS		
ASSETS		
Cash and cash equivalents	$ 545,010	$ 1,403,814
Investments	842,630	1,475,369
Contributions receivable	292,848	133,500
Total Assets	$ 1,680,488	$ 3,012,683
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 20,000	$ 32,258
Total Liabilities	20,000	32,258
NET ASSETS		
Without donor restrictions	533,988	1,469,425
With donor restrictions	1,126,500	1,511,000
Total Net Assets	1,660,488	2,980,425
Total Liabilities And Net Assets	$ 1,680,488	$ 3,012,683

MANY HOPES, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2023 And 2022

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Support and revenue				
Individual and corporate contributions	$ 2,867,590	$ 160,200	$ 3,027,790	$ 4,068,540
Investment income	33,984	-	33,984	24,169
Net assets released from restrictions	544,700	(544,700)	-	-
Total support and revenue	3,446,274	(384,500)	3,061,774	4,092,709
Expenses				
Program services	3,222,799	-	3,222,799	2,847,791
Total program service	3,222,799	-	3,222,799	2,847,791
Supporting services:				
Management and administration	447,000	-	447,000	468,964
Fundraising	745,190	-	745,190	469,172
Total supporting services	1,192,190	-	1,192,190	938,136
Total expenses	4,414,989	-	4,414,989	3,785,927
Excess of revenue and support over expenses	(968,715)	(384,500)	(1,353,215)	306,782
Other changes				
Net realized and unrealized loss from investments	33,278	-	33,278	(168,949)
Change in net assets	(935,437)	(384,500)	(1,319,937)	137,833
Net Assets				
Beginning of year	1,469,425	1,511,000	2,980,425	2,842,592
End of year	$ 533,988	$ 1,126,500	$ 1,660,488	$ 2,980,425

MANY HOPES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023 With Summarized Information for 2022

	Program Services	Supporting Services: Management And Administration	Supporting Services: Fundraising	2023 Total	2022 Total
Compensation and related expenses					
Salaries	$ 93,604	$218,175	$187,221	$ 499,000	$ 411,479
Payroll taxes	7,870	15,739	15,739	39,348	37,877
Benefits	4,060	8,121	8,121	20,302	16,297
	105,534	242,035	211,081	558,650	465,653
Grants	3,018,695	-	-	3,018,695	2,669,055
Professional fees	-	151,934	-	151,934	219,247
Office	31,165	44,566	38,505	114,236	107,846
Advertising and promotion	-	-	439,191	439,191	85,194
Insurance	-	4,720	-	4,720	3,683
Travel	67,405	3,745	3,745	74,895	67,734
Events	-	-	52,668	52,668	167,515
Total expenses	$3,222,799	$447,000	$745,190	$4,414,989	$3,785,927

MANY HOPES, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2023 And 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	$(1,319,937)	$ 137,833
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Net realized and unrealized losses on investments	(33,278)	168,949
Stock gifts received	(5,068)	-
Changes in assets and liabilities:		
Change in:		
Contributions receivable	(159,348)	18,169
Accounts payable	(12,258)	32,258
Net cash (used in) provided by operating activities	(1,529,889)	357,209
Cash flows from investing activities		
Purchase of investments	(1,472,845)	(1,263,258)
Proceeds from sale of investments	2,143,930	1,239,105
Net cash provided by (used in) investing activities	671,085	(24,153)
Net (decrease) increase in cash and cash equivalents	(858,804)	333,056
Cash and cash equivalents		
Beginning	1,403,814	1,070,758
Ending	$ 545,010	$ 1,403,814

(1) NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

Many Hopes, Inc. (the **"Organization"**) is a Massachusetts non-profit corporation located in New York, NY founded in November 2007. The Organization seeks to sustain, enhance and develop the resources, programs, and future expansion of organizations around the world that are rescuing, educating, and advocating for orphaned, abandoned, abused, or enslaved children. Additionally, the Organization helps to generate public awareness of, and funds for, the organizations, schools, orphanages and child rescue and rehabilitation programs and capital projects.

A summary of the Organization's significant accounting policies follows:

BASIS OF PRESENTATION

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (the **"Codification"**). The Organization prepares its financial statements on the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when incurred under the accrual basis.

CASH AND CASH EQUIVALENTS

The Organization considers cash and all highly-liquid investments with original maturities of three months or less to be cash equivalents.

CONCENTRATION OF CREDIT RISK

The Organization maintains cash deposits in excess of federally insured limits of $250,000. Accounting Standards Codification ***("ASC")*** 825, **"Financial Instruments"** identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

SUPPORT AND REVENUE

The Organization recognizes contributions when cash, securities or other assets, and unconditional promises to give are received. Conditional contributions include donor-imposed conditions with one or more barriers that must be overcome before the Organization is entitled to the assets transferred or promised and there is a right of return to the contributor for assets transferred or a right of release of the promisor from its obligation to transfer assets. The Organization recognizes the contribution when the conditions are substantially met or explicitly waived. Unconditional contributions are classified as without donor restrictions unless there are donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are then classified to net assets without donor restrictions and reported in the statement of activities as ***"net assets released from restrictions."***

INCOME TAXES

The Organization is exempt from federal income tax, except on income earned from unrelated business activities, under Section 501(c)(3) of the Internal Revenue Code **("IRC")**. The Organization had no net unrelated business income for the years ended December 31, 2023 and 2022, and has been classified as an organization that is not a private foundation.

Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements.

FUNCTIONAL EXPENSE ALLOCATION

The costs of providing the various programs and services have been summarized on a functional basis on the statement of activities and the statement of functional expenses. Accordingly, certain overhead costs, such as rent, have been allocated among the programs and supporting services benefited based on the percentage of effort, square footage, or another relevant basis.

NET ASSETS

The Organization's net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary mission of the Organization. Net assets without donor restrictions consist of assets for general operations.

With donor restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt, including gifts and pledges. Expirations of restrictions of net assets with donor restrictions are reported as net assets released from restriction.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America **("U.S. GAAP")** requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) CONTRIBUTION RECEIVABLE

The Organization had contributions receivable totaling $292,848 and $133,500 at December 31, 2023 and 2022. The contributions receivable as of December 31, 2023 are expected to be collected within one year. The contributions receivable as of December 31, 2022 were all collected within one year.

(3) INVESTMENTS

Investments are composed of the following as of December 31:

	2023	2022
Money Market	$ 16,274	$ 23,563
Common Stocks	5,068	36,787
Government Securities	130,221	115,113
Mutual Funds	-	625,286
Exchange Traded Funds	691,067	674,620
	$ 842,630	$1,475,369

The composition of investment return, for the year ended December 31 consists of:

	2023	2022
Income (net of $14,210 and $15,109 of fees for 2023 and 2022)	$ 33,984	$ 24,169
Net Realized and unrealized Gains (Losses)	33,278	(168,949)
	$ 67,262	$ (144,780)

(4) FAIR VALUE MEASUREMENTS

The Organization utilizes various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are described below:

- Level 1 – Unadjusted quoted prices in active markets at the measurement date for identical assets and/or liabilities. An active market is one in which transactions for assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis. This category includes contracts traded on active exchange markets valued using unadjusted prices quoted directly from the exchange.

- Level 2 – Quoted prices for similar assets or liabilities valued using industry standard models and based on prices, other than quoted prices within Level 1, that are either directly or indirectly observable as of the measurement date. The industry standard models consider observable assumptions including time value, volatility factors, benchmark yields, reported trades, issuer spreads, broker/dealer quotes, bids, offers, and industry and economic data.

- Level 3 – Assets or liabilities whose fair value is estimated based on internally developed models or methodologies using inputs that are generally less readily observable and supported by little, if any, market activity at the measurement date. Unobservable inputs are developed based on the best available information and subject to cost benefit constraints.

The summary of inputs used to value the Organization assets that are carried at fair value as of December 31:

	2023			
	Total	**Level 1**	**Level 2**	**Level 3**
Investments				
Cash and Cash Equivalents	$ 16,274	$ 16,274	$ -	$ -
Common Stock	5,068	5,068	-	-
Government Securities	130,221	-	130,221	-
Mutual Funds	-	-	-	-
Exchange Traded Funds	691,067	691,067	-	-
	$ 842,630	$ 712,409	$ 130,221	$ -

	2022			
	Total	**Level 1**	**Level 2**	**Level 3**
Investments				
Cash and Cash Equivalents	$ 23,563	$ 23,563	$ -	$ -
Common Stock	36,787	36,787	-	-
Government Securities	115,113	-	115,113	-
Mutual Funds	625,286	625,286	-	-
Exchange Traded Funds	674,620	674,620	-	-
	$1,475,369	$1,360,256	$ 115,113	$ -

(5) NET ASSETS

Net assets with donor restrictions at December 31 are available for the following purposes:

	2023	**2022**
Malawi school	$ 884,000	$1,250,000
Malawi Surgical Center	214,500	211,000
Designated for a specific purpose - other	28,000	-
Time restricted for general operations	-	50,000
	$1,126,500	$1,511,000

During the years ended December 31, 2023 and 2022, net assets were released from donor restrictions by incurring expenses satisfying the following purposes:

	2023	**2022**
Malawi School	$ 366,000	$ -
Malawi Surgical Center	120,000	-
Time restrictions	50,000	50,000
Other	8,700	-
	$ 544,700	$ 50,000

(6) CONCENTRATION OF REVENUE SOURCES

For the year ended December 31, 2023 and 2022, the Organization received approximately 43% and 70% of its total support revenue from five donors.

(7) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet the general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing mission-related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

As of December 31, 2023 and 2022, the Organization considered the following financial assets available to meet its general expenditures within one year:

	2023	2022
Cash and cash equivalents	$ 545,010	$ 1,403,814
Contributions receivable	292,848	133,500
Investments	842,630	1,475,369
Total financial assets available	1,680,488	3,012,683
Less: net assets with donor restrictions	(1,126,500)	(1,511,000)
Financial assets available to meet general expenditures within one year of	$ 553,988	$ 1,501,683

(8) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date the financial statements were available for issuance, January 21, 2025, have been evaluated in the preparation of the financial statements.