

HOPE FOR HAITI, INC. AND AFFILIATE

Consolidated Financial Statements
With Independent Auditors' Report

June 30, 2024 and 2023

HOPE FOR HAITI, INC. AND AFFILIATE

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Hope for Haiti, Inc. and Affiliate
Naples, Florida

Opinion

We have audited the accompanying consolidated financial statements of Hope for Haiti, Inc. (a nonprofit corporation) and Affiliate which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Hope for Haiti, Inc. and Affiliate as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Hope for Haiti, Inc. and Affiliate, 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Board of Directors
Hope for Haiti, Inc. and Affiliate
Naples, Florida

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted auditing standards 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Hope for Haiti, Inc. and Affiliate'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hope for Haiti, Inc. and Affiliate'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.

Capin Crouse LLP

Lawrenceville, Georgia
October 29, 2024

HOPE FOR HAITI, INC. AND AFFILIATE

Consolidated Statements of Financial Position

	June 30,	
	<u>2024</u>	<u>2023</u>
ASSETS:		
Cash and cash equivalents:		
Without donor restrictions	\$ 3,770,599	\$ 4,926,969
With donor restrictions	-	16,843
Investments	4,757,879	4,175,087
Other assets–net	81,986	15,264
Inventory	17,357	18,122,515
Property and equipment–net	<u>628,448</u>	<u>698,819</u>
 Total Assets	 <u>\$ 9,256,269</u>	 <u>\$ 27,955,497</u>
 LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	<u>\$ 309,131</u>	<u>\$ 395,957</u>
 Net assets:		
Without donor restrictions	7,476,970	25,213,807
With donor restrictions	<u>1,470,168</u>	<u>2,345,733</u>
Total net assets	<u>8,947,138</u>	<u>27,559,540</u>
 Total Liabilities and Net Assets	 <u>\$ 9,256,269</u>	 <u>\$ 27,955,497</u>

See notes to consolidated financial statements

HOPE FOR HAITI, INC. AND AFFILIATE

Consolidated Statements of Activities

	Year Ended June 30,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 1,591,393	\$ 2,371,852	\$ 3,963,245	\$ 1,388,126	\$ 1,717,663	\$ 3,105,789
Special events	699,945	-	699,945	545,876	-	545,876
Donated goods	48,961,282	-	48,961,282	31,437,659	-	31,437,659
Investment income	678,881	-	678,881	513,470	-	513,470
Other	273,008	-	273,008	188,129	-	188,129
Total Support and Revenue	52,204,509	2,371,852	54,576,361	34,073,260	1,717,663	35,790,923
RECLASSIFICATIONS:						
Net assets released from restrictions due to:						
Satisfaction of purpose restrictions	3,247,417	(3,247,417)	-	4,361,622	(4,361,622)	-
EXPENSES:						
Program services:						
Education	898,922	-	898,922	462,258	-	462,258
Wash	71,036	-	71,036	46,368	-	46,368
Healthcare	68,342,004	-	68,342,004	26,694,118	-	26,694,118
Economy	188,196	-	188,196	213,692	-	213,692
Emergency Relief	766,519	-	766,519	2,313,463	-	2,313,463
Haiti Ops	1,024,883	-	1,024,883	407,400	-	407,400
	71,291,560	-	71,291,560	30,137,299	-	30,137,299
Supporting activities:						
Management and general	836,174	-	836,174	880,758	-	880,758
Fundraising	1,061,029	-	1,061,029	1,331,034	-	1,331,034
	1,897,203	-	1,897,203	2,211,792	-	2,211,792
Total Expenses	73,188,763	-	73,188,763	32,349,091	-	32,349,091
Change in Net Assets	(17,736,837)	(875,565)	(18,612,402)	6,085,791	(2,643,959)	3,441,832
Net Assets, Beginning of Year	25,213,807	2,345,733	27,559,540	19,128,016	4,989,692	24,117,708
Net Assets, End of Year	\$ 7,476,970	\$ 1,470,168	\$ 8,947,138	\$ 25,213,807	\$ 2,345,733	\$27,559,540

See notes to consolidated financial statements

HOPE FOR HAITI, INC. AND AFFILIATE

Consolidated Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services						Supporting Activities				Total Expenses
	Education	WASH	Healthcare	Economy	Emergency Relief	Haiti Ops	Total Program Services	Management and General	Fundraising	Total Supporting Activities	
Donated goods:											
Medications and medical supplies	\$ -	\$ -	\$66,473,041	\$ -	\$ -	\$ -	\$66,473,041	\$ -	\$ -	\$ -	\$66,473,041
Other	3,830	599	428,601	-	-	-	433,030	-	160,369	160,369	593,399
	3,830	599	66,901,642	-	-	-	66,906,071	-	160,369	160,369	67,066,440
Salaries and related benefits	208,318	16,553	486,000	89,570	392,786	765,185	1,958,412	561,728	406,356	968,084	2,926,496
Office expenses	25,993	174	74,927	4,501	2,868	131,935	240,398	72,425	114,302	186,727	427,125
Supplies and materials	34,514	22,657	30,189	5,823	-	-	93,183	-	-	-	93,183
Medication and medical supplies	-	-	597,208	-	112,135	-	709,343	-	-	-	709,343
Teacher training and salary subsidies	136,944	-	-	-	-	-	136,944	-	-	-	136,944
Construction projects	-	-	-	-	251,404	-	251,404	-	-	-	251,404
Travel	21,094	6,271	63,411	7,680	6,513	25,330	130,299	17,021	17,293	34,314	164,613
Promotions	-	-	-	-	-	-	-	-	305,312	305,312	305,312
Grants	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	81,679	81,679	11,301	-	11,301	92,980
Professional fees	227,288	21,161	87,289	57,298	100	8,309	401,445	150,072	34,546	184,618	586,063
Occupancy	3,869	868	24,442	1,643	713	12,445	43,980	23,627	22,851	46,478	90,458
School–recreation and scholarships	226,900	-	-	14,982	-	-	241,882	-	-	-	241,882
Food and outreach supplies	10,172	2,753	30,457	6,699	-	-	50,081	-	-	-	50,081
Laboratory fees/surgical procedures	-	-	46,439	-	-	-	46,439	-	-	-	46,439
Total Expenses	\$ 898,922	\$ 71,036	\$68,342,004	\$ 188,196	\$ 766,519	\$ 1,024,883	\$71,291,560	\$ 836,174	\$ 1,061,029	\$ 1,897,203	\$73,188,763

See notes to consolidated financial statements

HOPE FOR HAITI, INC. AND AFFILIATE

Consolidated Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services						Supporting Activities				Total Expenses
	Education	WASH	Healthcare	Economy	Emergency Relief	Haiti Ops	Total Program Services	Management and General	Fundraising	Total Supporting Activities	
Donated goods:											
Medications and medical supplies	\$ -	\$ -	\$25,249,322	\$ -	\$ -	\$ -	\$25,249,322	\$ -	\$ -	\$ -	\$25,249,322
Other	8,232	576	2,235	-	20,000	-	31,043	-	172,002	172,002	203,045
	8,232	576	25,251,557	-	20,000	-	25,280,365	-	172,002	172,002	25,452,367
Salaries and related benefits	82,119	20,408	717,839	81,282	554,259	241,428	1,697,335	365,130	619,615	984,745	2,682,080
Office expenses	61,018	-	96,685	32,062	55,589	25,177	270,531	377,779	197,219	574,998	845,529
Supplies and materials	434	970	36,446	1,455	65,574	29	104,908	-	-	-	104,908
Medication and medical supplies	-	847	451,220	-	370,648	-	822,715	-	-	-	822,715
Teacher training and salary subsidies	95,455	-	-	-	-	-	95,455	-	-	-	95,455
Construction projects	-	-	-	-	338,758	-	338,758	-	-	-	338,758
Travel	7,804	4,976	37,961	3,959	61,976	26,727	143,403	55,747	5,286	61,033	204,436
Promotions	-	-	-	-	-	-	-	188	298,849	299,037	299,037
Grants	-	-	-	72,846	135,025	-	207,871	-	-	-	207,871
Depreciation	-	-	-	-	-	101,291	101,291	11,255	-	11,255	112,546
Professional fees	23,574	14,837	21,678	19,885	579,962	3,168	663,104	33,510	-	33,510	696,614
Occupancy	1,704	241	18,184	1,084	16,819	9,580	47,612	37,149	38,063	75,212	122,824
School–recreation and scholarships	177,585	-	-	-	77,729	-	255,314	-	-	-	255,314
Food and outreach supplies	4,333	3,513	16,854	1,119	20,951	-	46,770	-	-	-	46,770
Laboratory fees/surgical procedures	-	-	45,694	-	16,173	-	61,867	-	-	-	61,867
Total Expenses	\$ 462,258	\$ 46,368	\$26,694,118	\$ 213,692	\$ 2,313,463	\$ 407,400	\$30,137,299	\$ 880,758	\$ 1,331,034	\$ 2,211,792	\$32,349,091

See notes to consolidated financial statements

HOPE FOR HAITI, INC. AND AFFILIATE

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (18,612,402)	\$ 3,441,832
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	92,980	112,546
Donated goods	(48,961,282)	(31,437,659)
Distributions of donated goods	67,066,440	25,452,367
Realized/unrealized gains on investments	(594,592)	(276,220)
Changes in operating assets and liabilities:		
Other assets	(66,722)	95,710
Accounts payable and accrued expenses	(86,826)	134,849
Net Cash Used by Operating Activities	(1,162,404)	(2,476,575)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(22,609)	(67,500)
Purchases of investments	(663,444)	(496,687)
Proceeds from sales of investments	675,244	418,590
Net Cash Used by Investing Activities	(10,809)	(145,597)
Net Change in Cash, Cash Equivalents, and Restricted Cash	(1,173,213)	(2,622,172)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	4,943,812	7,565,984
Cash, Cash Equivalents, and Restricted Cash, End of Year	\$ 3,770,599	\$ 4,943,812
RECONCILIATION OF CASH AND CASH EQUIVALENTS:		
Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows:		
Cash and cash equivalents—without donor restrictions	\$ 3,770,599	\$ 4,926,969
Cash and cash equivalents—with donor restrictions	-	16,843
	\$ 3,770,599	\$ 4,943,812

See notes to consolidated financial statements

HOPE FOR HAITI, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

1. NATURE OF ORGANIZATION:

Hope for Haiti, Inc. (HFH) is an innovative and creative international development organization that has been working in Haiti for over 30 years. HFH partners with private donors to create community-based sustainable change through a grassroots and strategic holistic approach. HFH is an action-oriented and fast-paced organization that believes in partnership solutions to poverty alleviation. HFH's vision for the future is one of strategic growth in creating healthy, sustainable communities and has a distinguished and well-established board of directors that provides HFH with strong governance, oversight, and strategic direction. Building upon a proven track record of success, HFH stays true to its mission and founding principles, while offering a dynamic and supportive work environment. For more information about, please visit www.hopeforhaiti.com.

HFH is a not-for-profit corporation and as such, is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code). Contributions to HFH are deductible from income taxes on the donor's income tax return within the limitations prescribed by the Code. HFH is also classified as a publicly supported organization, which is not a private foundation as defined by Section 170(b) of the Code. HFH's primary source of support and revenue comes from donated goods and contributions from the public.

HFH supports Fondasyon Kuehner (Foundation), an affiliated Haitian foundation which commenced operations in August 2011, by providing funding, volunteers, and goods and services. The Foundation was established in the Republic of Haiti to assist in carrying out HFH's mission within the Republic of Haiti by managing all operations and programs on behalf of HFH. The mission of HFH and the Foundation (collectively referred to as the Organization) is to improve the quality of life for the Haitian people, particularly children. The Organization accomplishes this mission primarily through the program services described below:

Education—The objective of our Education Program is to improve the access and quality of education in southern Haiti by investing in and partnering with key education partners and institutions. From 2023-2024, the Organization provided direct cash transfers to subsidize salaries of 391 primary and secondary teachers at 24 partner schools in three departments across the Greater South of Haiti, helped 7,395 students (3,575 boys and 3,820 girls) through back-to-school campaigns.

WASH—The objective of our WASH Program is to improve clean water access for people living in southern Haiti, especially women and children. From 2023-2024, in collaboration with local community based organizations, 662 water filtration systems were distributed and participants received hygiene and public health information. We also constructed one new sanitation block at a partner school.

HOPE FOR HAITI, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

1. NATURE OF ORGANIZATION, continued:

Healthcare—The objective of our Healthcare Program is to improve the access and quality of healthcare for people living primarily in the Greater South of Haiti. From 2023-2024, the Organization procured, imported, and distributed medication, medical supplies, and biomedical equipment valued at over \$48 million to 62 partners who has served over 1.2 million patients across the Greater South of Haiti, as well as the Ouest and Nord Departments. The Organization's Infirmary St. Etienne provided over 10,000 consultations including mobile clinics ran by HFH staff and referred 157 patients for specialized medical care.

Economy—The objective of our Economy Program is to improve economic opportunity in the local Haitian economy by providing access to financial assistance and education to micro and small businesses and individuals in the Greater South of Haiti. Our investments focus on education, access to loans and grants, digital literacy and innovation, and locally led economic projects in communities in southern Haiti. From 2023-2024, the Organization conducted financial literacy trainings educating over 1400 individuals in financial and entrepreneurship topics. The community led VSLA groups had over 300 participants who collectively saved \$35,402. Six of our school partners maintained school gardens and we provided stipends to 19 farmers who work in the gardens.

Emergency Relief—The objective of our Emergency Relief Program is to provide relief in response to the 2021 earthquake that struck the southern region of Haiti.

Haiti Ops—The objective of our Haiti Ops Program is to cover expenses which allows the Organization's Haiti locations to run efficiently by providing a safe place of business, hiring and maintaining the appropriate administrative staff to oversee operations, and providing the tools needed to support the Organization's completion of duties in Haiti.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Organization maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the balances and financial activities of HFH and the Foundation. All significant intercompany transactions and balances have been eliminated from the consolidated financial statements.

HOPE FOR HAITI, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, checking, savings, and money market accounts, with original maturities of three months or less. At June 30, 2024 and 2023, the Organization's cash balances exceeded federally insured limits by \$2,917,724 and \$4,312,232, respectively.

The Organization is required to hold certain donor contributions in a separate bank account, for the purposes outlined in the executed grant agreement between the Organization and donor. For the year ended June 30, 2023, funds held in this separate account totaled \$16,843. The Organization was not required to hold donor contributions in a separate bank account for the year ended June 30, 2024.

INVESTMENTS

Investments in equity securities with readily determinable fair values and all debt securities are recorded at fair value. Interest and dividend income and the realized and unrealized gain or loss on investments is reported as investment income (loss) without donor restrictions in the accompanying consolidated statements of activities unless a donor or law restricts its use. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. Donated investments are recorded at fair value at the date of donation and are thereafter carried in conformity with the stated policy.

INVENTORY

Inventory consists of donated items as well as purchased goods. Purchased inventory is stated at the lower of cost (based on the average cost basis) or net realizable value and consists of emergency response buckets. Donated inventory (consisting of medicines and medical supplies) is recorded as inventory and contribution support at its estimated fair value at the date of donation, taking into consideration inventory condition and utility for use. All donated inventory is received from private organizations and is considered to be support without donor restrictions unless the inventory explicitly contains donor restrictions. The Organization only records the value of donated inventory in which they were either the original recipient of the gift, were involved in partnership with another organization for distribution, or used in the Organization's programs. At June 30, 2024 and 2023, no reserve for obsolescence has been recorded, as management believes all inventory is usable.

HOPE FOR HAITI, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

INVENTORY, continued

When the Organization receives donated inventories with specific geographic or purpose restrictions, they are recognized as support with donor restrictions. Donor restrictions are satisfied and donated inventory is released from restriction and reclassified as without donor restrictions when the donated product has been shipped. Donated inventories received with limitations, such as the provision that they cannot be distributed within the United States because the pharmaceuticals have not been approved by The Food and Drug Administration, are not considered donor restrictions; therefore, they are reported as support without donor restrictions.

PROPERTY AND EQUIPMENT—NET

Items capitalized as property and equipment are stated at cost or, if donated, at market value on the date of donation. The Organization generally capitalizes and reports property and equipment acquisitions in excess of \$2,000. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years.

CLASSES OF NET ASSETS

The consolidated financial statements report amounts separately by class of net assets:

Net assets without donor restrictions are currently available at the discretion of the board for use in operations or designated by the board for specific use. Equity in property and equipment represents amounts invested in property and equipment net of accumulated depreciation.

Net assets with donor restrictions are stipulated by donors for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return—are not recognized until the conditions on which they depend have been met.

The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as reclassifications.

HOPE FOR HAITI, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES, continued

The Organization reports donations of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Special events consist of revenue generated from the Organization's annual gala events and is recognized when earned. For the years ended June 30, 2024 and 2023, special events revenue is recorded gross of special events related expenses of approximately \$217,000 and \$183,000, respectively and includes approximately \$359,000 and \$284,000, respectively, of contributions raised from the events.

Donated goods (including medicines, medical supplies, solar chargers, lights, tarps, food, clothing, other supplies, water filters, and other donated items) are recorded at fair value at the date of the gift.

Donated medicines are recorded based on the principal market, or if there is no principal market, the most advantageous market. Other donated medicines have been valued according to an average of current market data derived from international pricing to obtain a reasonable fair market value.

Expenses, including advertising expenses of \$55,081 and \$97,115 incurred for the years ended June 30, 2024 and 2023, respectively, are reported when costs are incurred. The consolidated financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses include salaries and related benefits, depreciation, and other expenses. Salaries and related benefits are allocated based on average estimates of time and effort by employees. Depreciation is allocated based on square footage and the programmatic purpose of the asset being depreciated. Costs of other categories were allocated based on programmatic purpose of the employees directly affected by the expense.

HOPE FOR HAITI, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Organization's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Organization considers general expenditures to be all expenditures related to its ongoing activities to achieve its vision as well as the conduct of services undertaken to support those activities to be general expenditures.

	June 30,	
	2024	2023
Financial assets, at year-end:		
Cash and cash equivalents	\$ 3,770,599	\$ 4,926,969
Investments	4,757,879	4,175,087
	<u> </u>	<u> </u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 8,528,478</u>	<u>\$ 9,102,056</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At June 30, 2024, the Organization has \$1,470,168 in net assets with donor restrictions for designated purposes. These funds are considered available to meet needs for general expenditures as funds are used for their donor restricted purpose.

4. INVESTMENTS:

Investments consist of:

	June 30,	
	2024	2023
Held at fair value:		
Mutual funds	\$ 1,553,750	\$ 1,407,856
Common stock	1,969,566	1,516,361
Corporate bonds	1,234,563	1,250,870
	<u> </u>	<u> </u>
	<u>\$ 4,757,879</u>	<u>\$ 4,175,087</u>

HOPE FOR HAITI, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

4. INVESTMENTS, continued:

Investment income consists of:

	Year Ended June 30,	
	2024	2023
Interest and dividends	\$ 114,631	\$ 257,597
Realized loss	(15,312)	(66,116)
Unrealized gain	609,904	342,336
Investment management fees	(30,342)	(20,347)
	<u>\$ 678,881</u>	<u>\$ 513,470</u>

5. INVENTORY:

Inventory consists of:

	June 30,	
	2024	2023
Donated medicines and medical supplies	<u>\$ 17,357</u>	<u>\$ 18,122,515</u>

6. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consists of:

	June 30,	
	2024	2023
Buildings and improvements	\$ 783,351	\$ 783,351
Computer and office equipment	67,483	44,874
Software	117,440	117,440
Vehicles	727,363	727,363
	<u>1,695,637</u>	<u>1,673,028</u>
Less accumulated depreciation	<u>(1,067,189)</u>	<u>(974,209)</u>
Property and equipment—net	<u>\$ 628,448</u>	<u>\$ 698,819</u>

HOPE FOR HAITI, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

7. NET ASSETS:

Net assets consists of:

	June 30,	
	<u>2024</u>	<u>2023</u>
Without donor restrictions:		
Undesignated	\$ 6,848,522	\$ 24,514,988
Equity in property and equipment	628,448	698,819
	<u>7,476,970</u>	<u>25,213,807</u>
With donor restrictions:		
Education	514,168	727,949
Healthcare	289,423	358,379
Earthquake	532,098	1,259,405
Community development	134,479	-
	<u>1,470,168</u>	<u>2,345,733</u>
	<u>\$ 8,947,138</u>	<u>\$ 27,559,540</u>

HOPE FOR HAITI, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

8. CONCENTRATION:

During the year ended June 30, 2024, six donors gave 60% of total contributions. During the year ended June 30, 2023, three donors gave 32% of total contributions. Additionally, during the year ended June 30, 2024, the Organization received 99% of total donated goods from three donors. During the year ended June 30, 2023, the Organization received 96% of total donated goods from two donors. The Organization's operations and program activities could be impacted if these donor relationships were to be terminated and could not be replaced by new donors with comparable donations.

9. RELATED PARTY TRANSACTIONS:

The Organization has contracts for program construction services in Haiti with a company owned by an individual related to the Organization. Program expenses incurred under these agreements totaled approximately \$203,000 and \$317,900 for the years ended June 30, 2024 and 2023, respectively. As of June 30, 2024 and 2023, there were no amounts due to the related party.

10. POST-RETIREMENT BENEFITS:

The Organization sponsors a defined contribution retirement plan (the Plan), which covers substantially all full-time employees. Employees are eligible to make contributions and receive matching contributions after completing 90 days/250 hours of service. Contributions to the Plan are held by the Plan custodian. Employer contributions to the Plan are discretionary. The Organization's contributions to the Plan totaled \$24,795 and \$21,944 for the years ended June 30, 2024 and 2023, respectively.

HOPE FOR HAITI, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

11. FAIR VALUE MEASUREMENTS:

The *Fair Value Measurements and Disclosure* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy at June 30, 2024 and 2023:

	Fair Value Measurements at June 30, 2024			
	Total	Level 1	Level 2	Level 3
Investments, at fair value:				
Mutual funds	\$ 1,553,750	\$ 1,553,750	\$ -	\$ -
Common stock	1,969,566	1,969,566	-	-
Corporate bonds	1,234,563	1,234,563	-	-
	<u>\$ 4,757,879</u>	<u>\$ 4,757,879</u>	<u>\$ -</u>	<u>\$ -</u>
	Fair Value Measurements at June 30, 2023			
	Total	Level 1	Level 2	Level 3
Investments, at fair value:				
Mutual funds	\$ 1,407,856	\$ 1,407,856	\$ -	\$ -
Common stock	1,516,361	1,516,361	-	-
Corporate bonds	1,250,870	1,250,870	-	-
	<u>\$ 4,175,087</u>	<u>\$ 4,175,087</u>	<u>\$ -</u>	<u>\$ -</u>

HOPE FOR HAITI, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

11. FAIR VALUE MEASUREMENTS, continued:

Changes in valuation techniques: None.

Methods and assumptions used by the Organization in estimating fair value are as follows:

Valuation techniques: Fair values for stocks and equities are based on quoted market prices in an active market. The fair value of mutual funds is based on the net asset value (NAV) of the underlying investments in the fund. Corporate bond fair value is based on yields currently available on comparable securities of issuers with similar credit ratings.

12. DONATED GOODS:

Donated goods for the years ended June 30, 2024 and 2023, included in the consolidated financial statements were as follows:

	Year Ended June 30,	
	2024	2023
Medicines and medical supplies	\$ 48,448,434	\$ 31,232,811
Insulin and related supplies	344,659	-
Other	160,369	172,002
Sanitation, hygiene kits, and other supplies	7,820	-
Solar chargers, lights, and tarps	-	20,000
Food, clothing, and other supplies	-	10,035
Water filters	-	2,811
	<u>\$ 48,961,282</u>	<u>\$ 31,437,659</u>

13. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 29, 2024, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.