

Hope Restored, Inc.
dba Restore Haiti

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

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Independent Auditor's Report

Board of Directors
Hope Restored, Inc. dba Restore Haiti

Opinion

We have audited the financial statements of Hope Restored, Inc. dba Restore Haiti (the Organization), which comprise the statements of financial position as of December 31, 2023 and 2022, the related statements of activities, functional expenses, and cash flows for the years 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 2022, 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 audits 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 audits. 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 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.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Mt. Juliet, Tennessee
November 11, 2024

Hope Restored, Inc.
dba Restore Haiti
Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
Assets		
Cash	\$ 49,793	\$ 124,737
Prepaid expenses	-	6,063
Total assets	<u>\$ 49,793</u>	<u>\$ 130,800</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 558	\$ 9,277
Accrued expenses	3,187	1,918
Deferred revenues	-	4,676
Total liabilities	<u>3,745</u>	<u>15,871</u>
Net assets		
Without donor restrictions	46,048	92,783
With donor restrictions	-	22,146
Total net assets	<u>46,048</u>	<u>114,929</u>
Total liabilities and net assets	<u>\$ 49,793</u>	<u>\$ 130,800</u>

Hope Restored, Inc.
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Statement of Activities
For the Year Ended December 31, 2023

	Without donor restrictions	With donor restrictions	Total
Public Support and Other Revenues			
Contributions of cash and other financial assets	\$ 485,742	\$ -	\$ 485,742
Net assets released from restrictions	<u>22,146</u>	<u>(22,146)</u>	<u>-</u>
Total public support and other revenues	507,888	(22,146)	485,742
Expenses			
Program services	491,823	-	491,823
Management and general	53,956	-	53,956
Fundraising	<u>8,844</u>	<u>-</u>	<u>8,844</u>
Total expenses	554,623	-	554,623
Change in net assets	(46,735)	(22,146)	(68,881)
Net assets, beginning of year	<u>92,783</u>	<u>22,146</u>	<u>114,929</u>
Net assets, end of year	\$ 46,048	\$ -	\$ 46,048

Hope Restored, Inc.
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Statement of Activities
For the Year Ended December 31, 2022

	Without donor restrictions	With donor restrictions	Total
Public Support and Other Revenues			
Contributions of cash and other financial assets	\$ 559,595	\$ 22,146	\$ 581,741
Other income	25,608	-	25,608
Net assets released from restrictions	13,177	(13,177)	-
Total public support and other revenues	598,380	8,969	607,349
Expenses			
Program services	441,617	-	441,617
Management and general	59,512	-	59,512
Fundraising	17,546	-	17,546
Total expenses	518,675	-	518,675
Change in net assets	79,705	8,969	88,674
Net assets, beginning of year	13,078	13,177	26,255
Net assets, end of year	\$ 92,783	\$ 22,146	\$ 114,929

Hope Restored, Inc.
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Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program services	Management and general	Fundraising	Total
Haiti projects and assistance	\$ 428,079	\$ -	\$ -	\$ 428,079
Salaries and benefits	61,070	5,731	1,884	68,685
Advertising	-	-	6,621	6,621
Banking fees and charges	-	12,149	-	12,149
Insurance	-	1,557	-	1,557
Memberships and dues	-	4,700	-	4,700
Mission trips	1,884	-	-	1,884
Office expense	12	1,176	-	1,188
Printing	778	2,621	-	3,399
Professional fees	-	22,100	-	22,100
Travel	-	1,121	339	1,460
Other	-	2,801	-	2,801
	\$ 491,823	\$ 53,956	\$ 8,844	\$ 554,623

Hope Restored, Inc.
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Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program services	Management and general	Fundraising	Total
Haiti projects and assistance	\$ 372,102	\$ -	\$ -	\$ 372,102
Salaries and benefits	63,352	12,980	4,897	81,229
Advertising	-	-	5,739	5,739
Banking fees and charges	-	9,541	-	9,541
Equipment rental	-	1,509	-	1,509
Memberships and dues	-	8,596	-	8,596
Mission trips	3,136	-	-	3,136
Office expense	-	973	-	973
Printing	3,027	2,621	-	5,648
Professional fees	-	15,787	-	15,787
Travel	-	4,641	6,910	11,551
Other	-	2,864	-	2,864
	\$ 441,617	\$ 59,512	\$ 17,546	\$ 518,675

Hope Restored, Inc.
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Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash, beginning of year	\$ 124,737	\$ 44,156
Cash flows from operating activities		
Change in net assets	(68,881)	88,674
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Change in:		
Prepaid expenses	6,063	(6,063)
Accounts payable	(8,719)	(2,366)
Accrued expenses	1,269	336
Deferred revenues	(4,676)	-
Net change in cash	<u>(74,944)</u>	<u>80,581</u>
Cash, end of year	\$ 49,793	\$ 124,737

Hope Restored, Inc.
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Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 1. Organization and Nature of Activities

Hope Restored, Inc. dba Restore Haiti (the Organization) began as a grass-roots effort in 2005 and was incorporated in 2010 as a Tennessee not-for-profit corporation in order to provide financial and material support to Haitian children and adults in the areas of education and health and nutrition. The Organization also works to create and maintain the facilities where education, healthcare, and nutrition are provided. The Organization meets these needs by facilitating tuition assistance, feeding children a meal after school each day, and building homes for families in need. They also help to ensure that each student in the program has access to basic medical care, and that extenuating medical needs are addressed, when possible. This is accomplished through providing financial support as well as through volunteers traveling to the project site several times a year. The Organization is supported primarily through donor contributions.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP). Net assets, revenues and expenses, and 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:

Net assets without donor restrictions – Net assets that have not been restricted by donors, time, or law. Net assets with donor restrictions met in the current year are listed as net assets without donor restrictions.

Net assets with donor restrictions – Net assets that have been restricted by donors, time, or law.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash

Cash consists principally of cash on hand and on deposit at banks.

Revenue Recognition and Deferred Revenues

Contributions are recognized in the period when they are received. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction is satisfied in the reporting period in which the contribution is recognized. Mission trip revenues are recognized in the period when mission trips are taken. Amounts received for trips in future periods are recorded as deferred revenues until the trips are consummated.

Contributions of Nonfinancial Assets

Donated services are recognized if they create or enhance nonfinancial assets or if the donated service requires specialized skills, were performed by a donor who possess such skills, and would have been purchased by the Organization, if not donated. Such services are recognized at estimated fair value as support and expensed in the period the services were performed.

Hope Restored, Inc.
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Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 2. Summary of Significant Accounting Policies

Contributions of Nonfinancial Assets

A number of unpaid volunteers have made significant contributions of their time to assist the Organization in implementing various programs. The value of contributed time is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

Income Taxes

The Organization is a not-for-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization is subject to routine audits by taxing jurisdictions for the periods from 2020 to the present; however, there are currently no audits for any tax periods in progress.

Advertising

All advertising costs are expensed when incurred.

Leases

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization recognizes most leases on its statement of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases, as applicable, or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statements of activities and functional expenses.

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

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Notes to Financial Statements
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Note 2. Summary of Significant Accounting Policies

Leases

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred. The Organization has not elected to adopt the accounting policy to account for lease and non-lease components in its contracts as a single lease component for its real estate and equipment asset classes. The non-lease components typically represent additional services transferred to the Organization, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

The Organization has made an accounting policy election to use the risk-free rate as the discount rate if the rate implicit in the lease is not readily determinable. The risk-free rate is the rate of a zero coupon US Treasury instrument for the same period as the time of the lease term.

Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Program services – includes the direct cost of operating the Organization’s mission trips as well as Haitian assistance.

Management and general – includes the functions necessary to ensure an adequate working environment and costs not identifiable with a single program. Applicable costs include those associated with providing coordination and articulation of the Organization’s program strategy, business management, general recordkeeping, budgeting, and related purposes.

Fundraising – includes costs of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitations, creation, and distribution of fundraising materials.

Functional Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among mission services and supporting services benefited. Such allocations are determined by management on an equitable basis.

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

Note 2. Summary of Significant Accounting Policies

Functional Expenses

The expenses that are allocated include the following:

	Method of allocation
Haiti projects and assistance	Time and effort
Salaries and benefits	Time and effort
Printing	Time and effort
Travel	Time and effort

Note 3. Availability and Liquidity

The following represents the Organization's financial assets:

	2023	2022
Financial assets at year-end		
Cash	\$ 49,793	\$ 124,737
Donor restrictions – within the next year		
Net assets with donor restrictions	-	22,146
Net assets with donor restrictions to be met in less than one year	<u>-</u>	<u>(22,146)</u>
Total	-	-
Financial assets available to meet general expenditures over the next 12 months	\$ 49,793	\$ 124,737

The Organization's goal is to maintain financial assets to meet 90 days of operating expenses.

Note 4. Restriction on Net Assets

Net assets with donor restrictions as of December 31, 2022, consist of donated funds designated by donors for various projects. The main projects are located in the Morne Oge, Matador, and Carrefour communities of Haiti, and provide the services described in note 1.

Note 5. Foreign Operations

Foreign operations are subject to risks inherent in operating under different legal systems and various political and economic environments. Recently, Haiti has struggled with political unrest, gang violence, and inflation which has strengthened the Organization's resolve to continue serving the people of Haiti. As described in note 1, the Organization supports various projects in several communities in Haiti and organizes multiple trips to these communities for volunteers. The Organization does not hold any assets in Haiti.

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Note 6. Employee Retention Credit

Under the CARES Act, the Organization was eligible for a refundable Employee Retention Credit (ERC) subject to certain criteria. The Organization claimed an ERC of \$25,608 recognized as other income on the statement of activities for 2022.

Note 7. Subsequent Events

Management has evaluated subsequent events through November 11, 2024, the date on which the financial statements were available for issuance.