



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Accessible Hope International

Opinion

We have audited the accompanying financial statements of Accessible Hope International (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022, and 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 financial statements referred to above present fairly, in all material respects, the financial position of Accessible Hope International as of June 30, 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 audits in accordance with auditing standards generally accepted in the United States of America. 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 Accessible Hope International 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 Accessible Hope International's ability to continue as a going concern within one year after the date that the financial statements are 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 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 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 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 Accessible Hope International'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 Accessible Hope International'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.

A handwritten signature in black ink, appearing to read "Morrow, PC".

Manassas, VA
November 10, 2022

Accessible Hope International
Statement of Financial Position
At June 30, 2022

Assets

Current Assets	
Cash	\$ 223,372
Total Current Assets	<u>223,372</u>
Property and Equipment	
Real Property	147,411
Equipment	15,579
Accumulated Depreciation	<u>(31,625)</u>
Net Property and Equipment	<u>131,365</u>
Total Assets	<u><u>\$ 354,737</u></u>

Liabilities and Net Assets

Current Liabilities	
Accounts Payable and Accrued Expenses	\$ 5,790
Total Current Liabilities	<u>5,790</u>
Total Liabilities	5,790
Net Assets	
Without Donor Restrictions	272,206
With Donor Restrictions	76,741
Total Net Assets	<u>348,947</u>
Total Liabilities and Net Assets	<u><u>\$ 354,737</u></u>

Accessible Hope International
Statement of Activities
For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Contributions & Grants	\$ 332,816	\$ 194,430	\$ 527,246
Fundraising Sales	85,199	8,310	93,509
Rent	10,786	-	10,786
Net Assets Released from Restrictions	250,510	(250,510)	-
Other Income (Expense)	5,126	-	5,126
Total Revenues, Gains and Other Support	684,437	(47,770)	636,667
Expenses			
Program	446,053	-	446,053
Supporting Services			
General and Administrative	65,798	-	65,798
Fundraising	78,566	-	78,566
Total Expenses	590,417	-	590,417
Other Income (Expense)			
PPP Loan Forgiveness	38,952	-	38,952
Total Other Income (Expense)	38,952	-	38,952
Changes in Net Assets from Operations	132,972	(47,770)	85,202
Prior Period Adjustment	(35,721)	-	(35,721)
Net Assets, Beginning of Year	174,955	124,511	299,466
Net Assets, End of Year	\$ 272,206	\$ 76,741	\$ 348,947

Accessible Hope International
Statement of Functional Expenses
For the Year Ended June 30, 2022

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Functional Expenses				
Grants to Global Partners	\$ 73,425	\$ -	\$ -	\$ 73,425
Advertising and Promotions	4,213	-	-	4,213
Conferences, Conventions & Meetings	3,085	-	-	3,085
Depreciation	5,353	-	-	5,353
Dues and Fees	2,792	-	-	2,792
Other Fundraising Expenses	3,603	-	8,329	11,932
Insurance	-	1,445	-	1,445
Supplies & Materials	1,751	-	2,204	3,955
Miscellaneous	2,062	2,991	5,200	10,253
Office Expense	3,354	-	-	3,354
Payroll Taxes	16,591	3,063	3,669	23,323
Retirement Plan	6,183	1,077	881	8,141
Postage and Shipping	-	343	343	686
Professional Fees	12,672	15,813	8,724	37,209
Training & Development	13,876	-	-	13,876
Repairs & Maintenance	21,431	-	-	21,431
Salaries and Employee Benefits	238,686	41,066	49,216	328,968
Spiritual Formation	8,226	-	-	8,226
Telephone	234	-	-	234
Travel	28,516	-	-	28,516
Total Functional Expenses	<u>\$ 446,053</u>	<u>\$ 65,798</u>	<u>\$ 78,566</u>	<u>\$ 590,417</u>

Accessible Hope International
Statement of Cash Flows
For the Year Ended June 30, 2022

Cash flows from operating activities	
Changes in Net Assets	\$ 85,202
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and Amortization	5,353
(Increase) Decrease in other current assets	2,204
Increase (Decrease) in accounts payable	<u>(8,289)</u>
Total Adjustments	<u>(732)</u>
Net Cash Provided (Used) by Operating Activities	84,470
Cash Flows from Financing Activities	
Prior Period Adjustment	<u>(39,342)</u>
Net Cash Provided (Used) by Financing Activities	<u>(39,342)</u>
Net Increase (Decrease) in Cash and Equivalents	45,128
Cash and Equivalents, Beginning of Year	<u>178,244</u>
Cash and Equivalents, End of Year	<u><u>\$ 223,372</u></u>
Interest Paid, Included in Change in Net Assets	\$ -

Accessible Hope International
Notes to the Financial Statements
June 30, 2022

A. ORGANIZATION

Accessible Hope International (the “Organization”) is a non-profit organization organized in the State of Mississippi in 2009 for the purpose of facilitating Gospel-centered transformation for people with disabilities around the world by equipping the global Body of Christ to open wholistic doors of access.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The financial statements of the Organization have been prepared on the US GAAP financial framework of accounting. The accrual method is used for calculations, so revenue is recognized when earned and expenses are recognized when incurred.

Use of Estimates and Assumptions – Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Financial Statement Presentation – The Organization reports information regarding its financial position and activities according to two classes of net assets: with and without donor restrictions. As of June 30, 2022, the Organization had \$76,741 with donor restrictions.

Contributions – Grants and contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any restrictions. The Organization reports gifts of cash and other assets as donor restricted support if they are received with 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 restriction is accomplished, donor restricted assets are reclassified to without donor restricted net assets and are reported in the Statement of Activities as Net Assets Released from Restrictions.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Property and Equipment – The Organization capitalizes expenditures with a useful life of greater than one year that exceed \$1,000. Property and equipment is stated at cost and is depreciated using the straight-line method over an estimated useful life of three to five years for equipment and thirty-nine years for real property.

Functional Allocation of Expenses – The Organization’s expenses have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the areas benefited.

Income Taxes – The Internal Revenue Service has recognized the Organization as a Section 501(c)(3) organization exempt from income tax under Section 501(a) of the Internal Revenue Code and applicable income tax regulations of the State of Mississippi.

C. EMPLOYEE-OWNED RETIREMENT PLAN MATCHING CONTRIBUTIONS

The Organization contributes to retirement plans employees establish on their own. The Organization does not maintain its own plan. The employees can have plan contributions to their personal plans deducted post-tax from their wages. The Organization can match the employees’ amount up to 3%. For the year ended June 30, 2022 the organization contributed \$8,141.

Accessible Hope International
Notes to the Financial Statements
June 30, 2022

D. CONCENTRATIONS OF RISK

For the year ended June 30, 2022, the Organization received funds totaling 27.6% of all grants and contributions, from the top five donors.

E. LOANS PAYABLE

The Organization secured a Paycheck Protection Program (PPP) Loan on February 26, 2021. The loan amount was \$38,952. Interest accrues as a rate of 1% per year. Repayment terms are one lump payment on February 26, 2026. The Organization met the requirements of loan forgiveness under the PPP (Sections 1102 and 1106 of the Coronavirus Aid, Relief, and Economic Security Act (Cares Act)) and the loan was forgiven on September 13, 2021.

F. PRIOR PERIOD ADJUSTMENTS

The Organization made adjustments to prior years' accumulated depreciation and net asset accounts. The net amount of the adjustments taken against Net Assets for the year ended June 30, 2022, were \$35,721.

G. FINANCIAL ASSETS AVAILABLE FOR THE NEXT YEAR

The Organization has \$223,372 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash and cash equivalents of \$146,631. The remaining \$76,741 of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$98,403. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments, including sweep type bank instruments.

H. SUBSEQUENT EVENTS

The subsequent events were evaluated through November 10, 2022, which is the date the financial statements were available to be issued.