

HOPE HORIZON EAST PALO ALTO
(Formerly Bayshore Christian Ministries)
(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS

**For the Years Ended
September 30, 2023 and 2022**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Hope Horizon East Palo Alto
(Formerly Bayshore Christian Ministries)
East Palo Alto, CA 94303

Opinion

We have audited the accompanying financial statements of the Hope Horizon East Palo Alto (*Formerly Bayshore Christian Ministries*) (HOPE) (a California nonprofit public benefit corporation) which comprise the statements of financial position as of September 30, 2023 and 2022 and 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 financial statements referred to above present fairly, in all material respects, the financial position of the Hope Horizon East Palo Alto as of September 30, 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 audit 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 HOPE 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 or events, considered in the aggregate, that raise substantial doubt about HOPE'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, including omissions, 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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 HOPE'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 HOPE'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.

Bunker & Company LLP

September 20, 2024
Bunker & Company LLP
San Rafael, CA

HOPE HORIZON EAST PALO ALTO
Formerly Bayshore Christian Ministries
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF FINANCIAL POSITION
As of September 30, 2023 and 2022

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents (Note 2)	\$ 500,390	\$ 369,605
Pledges receivable, net of allowance for doubtful accounts of \$6,927 in 2023 and 2022 (Note 2 and 3)	45,492	257,466
Prepaid expenses and deposits	18,633	27,330
Total current assets	<u>564,515</u>	<u>654,401</u>
Fixed assets, net of accumulated depreciation of \$ 1,217,216 in 2023 and \$1,165,852 in 2022 (Note 4)		
Permanently restricted cash	<u>75,000</u>	<u>75,000</u>
Total assets	<u><u>\$ 1,655,515</u></u>	<u><u>\$ 1,796,766</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 30,613	\$ 62,507
Accrued liabilities	95,197	79,337
Deferred revenue	500	500
Loan payable - current portion (Note 5)	14,552	14,787
Total current liabilities	<u>140,862</u>	<u>157,131</u>
Non current liabilities		
Loan payable (Note 5)	<u>273,190</u>	<u>286,418</u>
Total liabilities	<u>414,052</u>	<u>443,549</u>
Net assets		
Net assets without donor restrictions (Note 6)	1,064,019	1,012,949
Net assets with donor restrictions (Note 6)	<u>177,444</u>	<u>340,268</u>
Total net assets	<u>1,241,463</u>	<u>1,353,217</u>
Total liabilities and net assets	<u><u>\$ 1,655,515</u></u>	<u><u>\$ 1,796,766</u></u>

The accompanying notes are an integral part of these financial statements.

HOPE HORIZON EAST PALO ALTO
Formerly Bayshore Christian Ministries
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF ACTIVITIES
For the year ended September 30, 2023

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
SUPPORT, REVENUE AND TRANSFERS			
Contributions	\$ 825,422	\$ 52,444	\$ 877,866
Program fee revenue	13,048	-	13,048
Grants	221,308	50,000	271,308
Capital gains and interest income	16,107	-	16,107
Facility use fees	123,656	-	123,656
In-kind contributions	73,265	-	73,265
Total support and revenue	<u>1,272,806</u>	<u>102,444</u>	<u>1,375,250</u>
Net assets released from restrictions	265,268	(265,268)	-
Total support, revenue and transfers	<u>1,538,074</u>	<u>(162,824)</u>	<u>1,375,250</u>
EXPENSES			
Program expenses			
Academics	258,206	-	258,206
Bible Club	87,323	-	87,323
Robotics	243,388	-	243,388
Education and outreach	85,702	-	85,702
Kidsmart	243,709	-	243,709
Summer programs	76,085	-	76,085
Total program expenses	<u>994,413</u>	<u>-</u>	<u>994,413</u>
General and administrative	385,248	-	385,248
Fundraising	107,343	-	107,343
Total expenses	<u>1,487,004</u>	<u>-</u>	<u>1,487,004</u>
Change in net assets	51,070	(162,824)	(111,754)
Net assets, beginning of year	<u>1,012,949</u>	<u>340,268</u>	<u>1,353,217</u>
Net assets, end of year	<u>\$ 1,064,019</u>	<u>\$ 177,444</u>	<u>\$1,241,463</u>

The accompanying notes are an integral part of these financial statements.

HOPE HORIZON EAST PALO ALTO
Formerly Bayshore Christian Ministries
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF ACTIVITIES
For the year ended September 30, 2022

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
SUPPORT, REVENUE AND TRANSFERS			
Contributions	\$ 838,405	\$ 50,780	\$ 889,185
Program fee revenue	-	11,387	11,387
Grants	85,000	101,000	186,000
Capital gains and interest income	2,281	-	2,281
Facility use fees	163,171	-	163,171
In-kind contributions	3,602	151,236	154,838
Total support and revenue	<u>1,092,459</u>	<u>314,403</u>	<u>1,406,862</u>
Net assets released from restrictions	361,825	(361,825)	-
Total support, revenue and transfers	<u>1,454,284</u>	<u>(47,422)</u>	<u>1,406,862</u>
EXPENSES			
Program expenses			
Bible Club	159,809	-	159,809
Create Academy & Studios	511,093	-	511,093
Education and outreach	48,792	-	48,792
Kidsmart	345,697	-	345,697
Leaders in Training	80,942	-	80,942
Streetworkz	153,101	-	153,101
Total program expenses	<u>1,299,434</u>	<u>-</u>	<u>1,299,434</u>
General and administrative	146,809	-	146,809
Fundraising	172,386	-	172,386
Total expenses	<u>1,618,629</u>	<u>-</u>	<u>1,618,629</u>
Change in net assets	(164,345)	(47,422)	(211,767)
Net assets, beginning of year	<u>1,177,294</u>	<u>387,690</u>	<u>1,564,984</u>
Net assets, end of year	<u>\$ 1,012,949</u>	<u>\$ 340,268</u>	<u>\$1,353,217</u>

The accompanying notes are an integral part of these financial statements.

HOPE HORIZON EAST PALO ALTO
Formerly Bayshore Christian Ministries
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF CASH FLOWS
For the years ended September 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	<u>\$ (111,754)</u>	<u>\$ (211,767)</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	51,364	51,096
Changes in assets and liabilities:		
Pledges receivable	211,974	44,474
Prepaid expenses and deposits	8,697	(17,423)
Accounts payable and accrued liabilities	(16,032)	3,825
Total adjustments	<u>256,003</u>	<u>81,972</u>
Net cash provided (used) by operating activities	<u>144,249</u>	<u>(129,795)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in property and equipment	<u>-</u>	<u>(5,501)</u>
Net cash (used) by investing activities	<u>-</u>	<u>(5,501)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Commercial Loan payable (Note 5)	<u>(13,464)</u>	<u>(12,954)</u>
Net cash (used) by financing activities	<u>(13,464)</u>	<u>(12,954)</u>
Net increase in cash and cash equivalents	130,785	(148,250)
Cash and cash equivalents, beginning of year	<u>369,605</u>	<u>517,855</u>
Cash and cash equivalents, end of year	<u>\$ 500,390</u>	<u>\$ 369,605</u>
Supplementary information		
Cash paid for interest	<u>\$ 16,180</u>	<u>\$ 17,265</u>

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HOPE HORIZON EAST PALO ALTO
Formerly Bayshore Christian Ministries
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STATEMENT OF FUNCTIONAL EXPENSES
For the year ended September 30, 2023

	Program	Management and General	Fundraising	Total
Personnel	\$ 476,795	\$ 241,448	\$ 33,765	\$ 752,008
Payroll taxes and insurance	58,253	23,364	3,583	85,200
Employee benefits	54,867	23,501	285	78,653
Professional and outside services	141,209	46,801	10,826	198,836
Equipment rental and maintenance	13,965	840	811	15,616
Food, meals and entertainment	5,090	5,669	35,131	45,890
Insurance	13,037	1,630	1,630	16,297
Interest	14,724	647	809	16,180
Licenses, fees and taxes	6,277	3,409	9,920	19,606
Occupancy and admission fees	36,435	7,108	347	43,890
Postage, printing and publications	254	25	556	835
Stipends and awards	1,234	8,271	252	9,757
Supplies	61,137	2,962	4,640	68,739
Telephone, fax and internet	6,274	11,618	343	18,235
Travel, transportation and lodging	25,035	2,210	217	27,462
Utilities	32,828	3,804	1,804	38,436
Total operating expenses	<u>947,414</u>	<u>383,307</u>	<u>104,919</u>	<u>1,435,640</u>
Depreciation	46,999	1,941	2,424	51,364
Total expenses	<u>\$ 994,413</u>	<u>\$ 385,248</u>	<u>\$ 107,343</u>	<u>\$ 1,487,004</u>
	67%	26%	7%	100%

The accompanying notes are an integral part of these financial statements.

HOPE HORIZON EAST PALO ALTO
Formerly Bayshore Christian Ministries
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STATEMENT OF FUNCTIONAL EXPENSES
For the year ended September 30, 2022

	Program	Management and General	Fundraising	Total
Personnel	\$ 670,160	\$ 42,916	\$ 112,740	\$ 825,816
Payroll taxes and insurance	61,611	6,602	9,375	77,588
Employee benefits	63,839	4,241	14,894	82,974
Professional and outside services	173,811	46,027	3,105	222,943
Conferences and training	1,500	1,368	-	2,868
Equipment rental and maintenance	33,153	6,332	1,819	41,304
Food, meals and entertainment	11,014	4,914	2,278	18,206
Insurance	11,142	1,396	1,393	13,931
Interest	15,711	691	863	17,265
Licenses, fees and taxes	6,442	3,513	12,852	22,807
Occupancy and admission fees	46,582	7,148	3,558	57,288
Postage, printing and publications	4,640	1,221	1,161	7,022
Stipends and awards	1,969	9,907	24	11,900
Supplies	78,368	2,823	3,064	84,255
Telephone, fax and internet	12,718	2,072	699	15,489
Travel, transportation and lodging	25,720	2,191	254	28,165
Utilities	34,318	1,508	1,886	37,712
Total operating expenses	<u>1,252,698</u>	<u>144,870</u>	<u>169,965</u>	<u>1,567,533</u>
Depreciation	46,736	1,939	2,421	51,096
Total expenses	<u>\$ 1,299,434</u>	<u>\$ 146,809</u>	<u>\$ 172,386</u>	<u>\$ 1,618,629</u>
	80%	9%	11%	100%

The accompanying notes are an integral part of these financial statements.

HOPE HORIZON EAST PALO ALTO
(Formerly Bayshore Christian Ministries)
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended September 30, 2023 and 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Hope Horizon East Palo Alto, *(Formerly Bayshore Christian Ministries)* (HOPE) was founded in 1984 and incorporated in the State of California in 1987. The mission of HOPE is to equip East of Bayshore youth to grow spiritually, gain life skills and develop as leaders so that they have hope and a future. The organization targets its programs primarily to youth from age seven through eighteen years old and offers programs during after school hours, during the summer and year-round. HOPE is recognized by the Internal Revenue Service as a nonprofit, public benefit organization under the IRC section 501(c)(3).

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting – The financial statements of the Corporation are prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles, which reflects revenue when earned and expenses as incurred.

Cash and Cash Equivalents - Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of the acquisition date.

Basis of Presentation – The Corporation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - Net assets that are not subject to any donor-imposed restrictions.

Net assets with donor restrictions – Net assets that are restricted by a donor for use for a particular purpose or in a particular period. Some donor imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

For the years ended September 30, 2023 and 2022 there was \$75,000 in net assets with permanent donor restrictions.

HOPE HORIZON EAST PALO ALTO
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NOTES TO FINANCIAL STATEMENTS
For the years ended September 30, 2023 and 2022

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

UPMIFA - A standard was created which provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). California adopted UPMIFA on January 1, 2009, the provisions of which apply to endowment funds existing on or established after that date. A key component of the standard is a requirement to classify the portion of investment return from donor-restricted endowment funds that is not classified as net assets with permanent donor restrictions as net assets with temporary donor restrictions until appropriated for expenditure. The required disclosures are set forth in Note 6.

Fair Value Measurements – The Corporation carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received if selling an asset or paid if transferring a liability in an orderly transaction between market participants at the measurement date. Fair value measurement standards also require the Corporation to classify these financial instruments into a three-level hierarchy. The Corporation classifies its financial assets and liabilities according to the below three levels, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 – Quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities, without adjustment.

Level 2 – Quoted prices in markets that are not considered to be active for identical or similar assets or liabilities, quoted prices in active markets of similar assets or liabilities, and inputs other than quoted prices that are observable or can be corroborated by observable market data.

Level 3 – Inputs that are both significant to the fair value measurement and unobservable, including inputs that are not derived from market data or cannot be corroborated by market data.

HOPE's carrying amounts of its assets and liabilities approximate fair value under Level 1 for the years ended September 30, 2023 and 2022.

Contributions – Contributions consist of cash contributions as well as in-kind goods and services provided to the Corporation. Contributed services are recognized at their fair value if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. Donated securities are recorded at their fair value at the date of donation.

HOPE HORIZON EAST PALO ALTO
(Formerly Bayshore Christian Ministries)
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended September 30, 2023 and 2022

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Revenue Recognition – Revenue is recognized as earned as services are provided to the individuals and/or entities being served. All revenue received in advance of it being earned is deferred.

Accounts Receivable - Multi-year pledges are recorded at present value. Contributions receivable are reviewed for collectability, and reserves for uncollectible amounts are established as needed. It is the practice of the Corporation to expense uncollectibles only after exhausting all efforts to collect the amounts due. An allowance for doubtful accounts was established using an estimate based on prior year bad debt expense.

Property and Equipment - The Corporation records property and equipment at cost of acquisition, or, if donated, the fair market value at the date of donation. Depreciation is recognized using the straight-line method over the useful lives of the assets, which range from three to forty-two years. The Corporation capitalizes all property, equipment, and improvements with a cost in excess of \$2,500.

Functional Allocation of Expenses - The costs of providing the various programs, supporting services and other activities have been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates and analysis of personnel time spent on each program and activity.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual future results could differ from those estimates.

Income Taxes – Hope Horizon East Palo Alto is exempt from federal and state taxes under Section 501(c) (3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code, and is considered by the IRS to be a Corporation other than a private Foundation. In the opinion of management, there is no unrelated business income.

Advertising Costs – It is the policy of the Corporation to expense advertising costs as incurred. The Corporation incurred advertising costs of \$0 and \$5,636 in 2023 and 2022, respectively.

HOPE HORIZON EAST PALO ALTO
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(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended September 30, 2023 and 2022

NOTE 3 PLEDGES RECEIVABLE

At September 30, 2023 and 2022 pledges receivable consist of the following:

	2023	2022
Pledges receivable	\$ 52,419	\$ 264,393
Allowance for doubtful accounts	(6,927)	(6,927)
Total pledges receivable	\$ 45,492	\$ 257,466

NOTE 4 FIXED ASSETS

Land, building, improvements and vehicles at cost, consist of the following at September 30, 2023 and 2022:

	2023	2022
Land	\$ 225,000	\$ 225,000
Building and improvements	1,879,131	1,879,131
Furniture and equipment	92,586	92,586
Vehicles	36,500	36,500
Total fixed assets	2,233,217	2,233,217
Less Accumulated depreciation	(1,217,217)	(1,165,852)
Fixed assets, net	\$ 1,016,000	\$ 1,067,365

Depreciation expense was \$51,364 and \$51,096 for the years ended September 30, 2023 and 2022, respectively.

NOTE 5 LOAN PAYABLE

A commercial loan in the amount of \$360,000 was established at California Bank & Trust on April 20, 2018, secured by HOPE's property at 1001 Beech, East Palo Alto, CA. The interest rate is currently 5.38%, adjustable in 2028, to SOFR plus 2.5%, with current monthly payments of \$2,470, and a maturity date of April 20, 2038.

Principal maturities on the loan are as follows:

2024	\$ 14,552
2025	15,355
2026	16,203
2027	17,098
2028	18,043
Thereafter	206,491
	\$ 287,742

HOPE HORIZON EAST PALO ALTO
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NOTES TO FINANCIAL STATEMENTS
For the years ended September 30, 2023 and 2022

NOTE 6 NET ASSESTS

Net Assets with Donor Restrictions

HOPE receives contributions with donor stipulations that limit the use of the assets for specific purposes or for specific time periods.

The following consists of net assets with donor restrictions at September 30, 2023 and 2022:

	2023	2022
Time restricted	\$ 102,444	\$ 265,268
To be held in perpetuity	75,000	75,000
Total Net assets with donor restrictions	\$ 177,444	\$ 340,268

Funds which are held in perpetuity, have income generated which is used for program expenses of the scholarship awards program.

NOTE 7 IN-KIND CONTRIBUTIONS

Contributions of services are recognized if the services received: (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The fair values of contributed goods and services received and recorded as in-kind revenues in the financials are as follows:

	Hours	Value
2023		
In-kind volunteer hours	1,894	\$ 73,127
In-kind goods contributed		138
Total in-kind goods and services recorded		\$ 73,265
2022		
In-kind volunteer hours	7,862	\$ 147,491
In-kind goods contributed		7,347
Total in-kind goods and services recorded		\$ 154,838

For the year ended September 30, 2023 HOPE had many volunteers who had donated 8,089 hours; however, 6,195 of the donated hours are not reflected in the financial statements since the services did not require specialized skills.

HOPE HORIZON EAST PALO ALTO
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NOTES TO FINANCIAL STATEMENTS
For the years ended September 30, 2023 and 2022

NOTE 8 LIQUIDITY MANAGEMENT

As part of HOPE's liquidity management strategy, HOPE structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. HOPE's working capital and cash flows have cyclical variations during the year attributable to the cash receipts of contributions and grants, and tuition. HOPE has sufficient cash and cash equivalents to meet its current needs and investments which can be converted to cash for periods when cash is not available.

Current liquidity at September 30, 2023 and 2022 can be quantified as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 500,390	\$ 369,605
Permanently restricted cash	75,000	75,000
Accounts receivable	45,492	257,466
Less restricted net assets	<u>(177,444)</u>	<u>(340,268)</u>
Assets available for current needs	<u>\$ 443,438</u>	<u>\$ 361,803</u>

NOTE 9 401(k) RETIREMENT PLAN

During the year ended September 30, 2022, HOPE launched a 401(k) qualified deferred compensation retirement plan for employees. HOPE has the option to contribute to the plan on an annual basis if approved by the board of directors. All employees are 100% vested at enrollment. Retirement expenses paid by the Corporation for the years ended June 30, 2023 and 2022 were \$1,248 and \$2,271, respectively.

NOTE 10 CONCENTRATION OF CREDIT RISK

As of September 30, 2023, the Corporation's financial instruments consisted primarily of cash and cash equivalents. Cash balances may at times exceed the Federal Deposit Insurance Corporation (FDIC) limits on insurable amounts. The Corporation attempts to mitigate this risk by investing excess cash with major institutions.

NOTE 11 SUBSEQUENT EVENTS

Management has evaluated all subsequent events through the Auditor's Report date, the date the financial statements were available to be issued.