

COMPASSIONATE HOPE FOUNDATION

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2023 AND 2022

COMPASSIONATE HOPE FOUNDATION

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December 31, 2023 and 2022

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Independent Auditor's Report

To the Board of Directors
Compassionate Hope Foundation
Antioch, Tennessee

Opinion

We have audited the accompanying financial statements of Compassionate Hope Foundation (the Organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and 2022, and the changes in its net assets and 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. 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 available to be issued.

(Auditor's report continued on next page)

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 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 audits.



Puryear & Noonan, CPAs
Nashville, Tennessee
May 28, 2024

Compassionate Hope Foundation
Statements of Financial Position
December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Assets</u>			
Current Assets			
Cash	\$ 124,837	\$ 1,037,879	\$ 1,162,716
Investments	<u>-</u>	<u>970,372</u>	<u>970,372</u>
Total Current Assets	124,837	2,008,251	2,133,088
Property and equipment, net	<u>5,566</u>	<u>-</u>	<u>5,566</u>
Total Assets	<u>\$ 130,403</u>	<u>\$ 2,008,251</u>	<u>\$ 2,138,654</u>
<u>Liabilities and Net Assets</u>			
Current Liabilities			
Accounts payable	\$ <u>4,554</u>	\$ <u>-</u>	\$ <u>4,554</u>
Total Current Liabilities	<u>4,554</u>	<u>-</u>	<u>4,554</u>
Net Assets			
Without donor restrictions	125,849	-	125,849
With donor restrictions	<u>-</u>	<u>2,008,251</u>	<u>2,008,251</u>
Total Net Assets	<u>125,849</u>	<u>2,008,251</u>	<u>2,134,100</u>
Total Liabilities and Net Assets	<u>\$ 130,403</u>	<u>\$ 2,008,251</u>	<u>\$ 2,138,654</u>

See independent auditor's report and accompanying notes to financial statements.

Compassionate Hope Foundation
Statements of Financial Position (Continued)
December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Assets</u>			
Current Assets			
Cash	\$ 101,151	\$ 896,997	\$ 998,148
Investments	-	1,111,483	1,111,483
Accounts receivable	10,856	-	10,856
Prepaid expenses	<u>6,296</u>	<u>-</u>	<u>6,296</u>
Total Current Assets	118,303	2,008,480	2,126,783
Property and equipment, net	<u>8,190</u>	<u>-</u>	<u>8,190</u>
Total Assets	<u>\$ 126,493</u>	<u>\$ 2,008,480</u>	<u>\$ 2,134,973</u>
<u>Liabilities and Net Assets</u>			
Current Liabilities			
Accounts payable	\$ <u>6,000</u>	\$ <u>-</u>	\$ <u>6,000</u>
Total Current Liabilities	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Net Assets			
Without donor restrictions	120,493	-	120,493
With donor restrictions	<u>-</u>	<u>2,008,480</u>	<u>2,008,480</u>
Total Net Assets	<u>120,493</u>	<u>2,008,480</u>	<u>2,128,973</u>
Total Liabilities and Net Assets	<u>\$ 126,493</u>	<u>\$ 2,008,480</u>	<u>\$ 2,134,973</u>

See independent auditor's report and accompanying notes to financial statements.

Compassionate Hope Foundation
Statements of Activities and Changes in Net Assets
For the Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Revenue			
Contributions	\$ 362,529	\$ 3,336,029	\$ 3,698,558
Other income	21,215	-	21,215
Investment gain	-	48,012	48,012
Transfers	(124,830)	124,830	-
Net assets released from restrictions	<u>3,509,100</u>	<u>(3,509,100)</u>	<u>-</u>
Total Public Support and Revenue	<u>3,768,014</u>	<u>(229)</u>	<u>3,767,785</u>
Expenses			
Program Services			
Missions	3,551,487	-	3,551,487
Supporting Services			
Management and general	198,523	-	198,523
Fundraising	<u>12,648</u>	<u>-</u>	<u>12,648</u>
Total Expenses	<u>3,762,658</u>	<u>-</u>	<u>3,762,658</u>
Change in Net Assets	5,356	(229)	5,127
Net Assets - Beginning of Year	<u>120,493</u>	<u>2,008,480</u>	<u>2,128,973</u>
Net Assets - End of Year	<u>\$ 125,849</u>	<u>\$ 2,008,251</u>	<u>\$ 2,134,100</u>

See independent auditor's report and accompanying notes to financial statements.

Compassionate Hope Foundation
Statements of Activities and Changes in Net Assets (Continued)
For the Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Revenues			
Contributions	\$ 382,653	\$ 3,000,036	\$ 3,382,689
Other income	263	-	263
Investment loss	-	(2,332)	(2,332)
Transfers	(74,293)	74,293	-
Net assets released from restrictions	<u>2,428,171</u>	<u>(2,428,171)</u>	<u>-</u>
Total Public Support and Revenue	<u>2,736,794</u>	<u>643,826</u>	<u>3,380,620</u>
Expenses			
Program Services			
Missions	2,486,707	-	2,486,707
Supporting Services			
Management and general	196,675	-	196,675
Fundraising	<u>10,758</u>	<u>-</u>	<u>10,758</u>
Total Expenses	<u>2,694,140</u>	<u>-</u>	<u>2,694,140</u>
Change in Net Assets	42,654	643,826	686,480
Net Assets - Beginning of Year	<u>77,839</u>	<u>1,364,654</u>	<u>1,442,493</u>
Net Assets - End of Year	<u>\$ 120,493</u>	<u>\$ 2,008,480</u>	<u>\$ 2,128,973</u>

See independent auditor's report and accompanying notes to financial statements.

Compassionate Hope Foundation
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 5,127	\$ 686,480
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used for) Operating Activities		
Depreciation	2,624	2,279
Unrealized (gain) loss on investments	(8,324)	3,923
Net realized gain on investments	(18,254)	(226)
(Increase) Decrease in Operating Assets		
Pledges receivable	-	30,000
Accounts receivable	10,856	(8,895)
Prepaid expenses	6,296	(786)
Increase (Decrease) in Operating Liabilities		
Accounts payable	(1,446)	(15,887)
Accrued expenses and liabilities	-	(130)
Net Cash Provided by (Used for) Operating Activities	<u>(3,121)</u>	<u>696,758</u>
Cash Flows from Investing Activities		
Purchases of property and equipment	-	(1,884)
(Purchases) sales of investments, net	<u>167,689</u>	<u>(1,021,126)</u>
Net Cash Provided by (Used for) Investing Activities	<u>167,689</u>	<u>(1,023,010)</u>
Increase (Decrease) in Cash	164,568	(326,252)
Cash - Beginning of Year	<u>998,148</u>	<u>1,324,400</u>
Cash - End of Year	<u>\$ 1,162,716</u>	<u>\$ 998,148</u>

See independent auditor's report and accompanying notes to financial statements.

**Compassionate Hope Foundation
Statements of Functional Expenses
For the Year Ended December 31, 2023**

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Advertising and promotion	\$ -	\$ 74,902	\$ -	\$ 74,902
Contributions to others	2,731,810	-	-	2,731,810
Depreciation	-	2,624	-	2,624
Professional services	-	23,960	-	23,960
Staff support	818,427	-	-	818,427
Other	1,250	97,037	-	98,287
Fundraising	<u>-</u>	<u>-</u>	<u>12,648</u>	<u>12,648</u>
Total Expenses	<u>\$ 3,551,487</u>	<u>\$ 198,523</u>	<u>\$ 12,648</u>	<u>\$ 3,762,658</u>
Percent of Total Expenses	<u>95%</u>	<u>5%</u>	<u>- %</u>	<u>100%</u>

See independent auditor's report and accompanying notes to financial statements.

Compassionate Hope Foundation
Statements of Functional Expenses (Continued)
For the Year Ended December 31, 2022

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Advertising and promotion	\$ -	\$ 60,757	\$ -	\$ 60,757
Contributions to others	1,620,734	-	-	1,620,734
Depreciation	-	2,279	-	2,279
Professional services	-	15,179	-	15,179
Staff support	850,903	-	-	850,903
Other	15,070	118,460	-	133,530
Fundraising	-	-	10,758	10,758
Total Expenses	\$ 2,486,707	\$ 196,675	\$ 10,758	\$ 2,694,140
Percent of Total Expenses	<u>92%</u>	<u>8%</u>	<u>- %</u>	<u>100%</u>

See independent auditor's report and accompanying notes to financial statements.

Compassionate Hope Foundation
Notes to Financial Statements
December 31, 2023 and 2022

Note 1 - Summary of Significant Accounting Policies

Organization and Purpose

Compassionate Hope Foundation (the Organization) is a Tennessee nonprofit organization located in Antioch, Tennessee. The Organization provides Christian aid and supports overseas missions operating primarily in Laos, the Philippines, and Thailand.

Basis of Accounting

The accompanying financial statements of the Organization are prepared using the accrual basis of accounting, under which revenues are recognized when earned rather than when collected and expenses are recognized when incurred rather than when disbursed.

Financial Statement Presentation

The accompanying financial statements of the Organization report its financial information according to the following net asset classifications:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. Net assets without donor restrictions may be designated for specific purposes by discretion of the Board of Directors (the Board).

Net Assets With Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities and Changes in Net Assets.

Measure of Operations

The Statements of Activities and Changes in Net Assets report changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from donor-restricted contributions, net assets released for capital expenditure, and other activities considered to be of a more unusual or non-recurring nature. There were no non-operating activities for the years ended December 31, 2023 and 2022.

Program and Supporting Services - Functional Expenses

The following program and supporting services are included in the accompanying financial statements on the Statements of Functional Expenses.

Program Services - include activities carried out to fulfill the Organization's mission of providing

Christian aid and support to victims and potential victims of human trafficking and religious persecution in Southeast Asia.

Supporting Services - Management and General - relates to the overall direction of the Organization. These expenses are not identifiable with a particular program, event or fundraising, but are indispensable to the conduct of those activities and are essential to the Organization. Specific activities include organizational oversight, business management, accounting, budgeting, financing, and other administrative activities.

Supporting Services - Fundraising - includes cost of activities directed toward appeals for financial support and the cost of solicitations and creation and distribution of fundraising materials.

Classification of Expenses

Expenses are classified functionally as a measure of service efforts and accomplishments. Direct expenses, incurred for a single function, are allocated entirely to that function. Joint expenses, applicable to more than one function, are allocated on the basis of objectively summarized information or management estimates.

Use of Estimates

Management of the Organization has made a number of estimates and assumptions relating to the reporting of assets and liabilities and disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Actual results could differ from these estimates.

Cash Equivalents

For the purpose of the Statements of Financial Position and the Statements of Cash Flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2023 or 2022.

Fair Value Measurements

The Organization follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820-10, *Fair Value Measurements*, with respect to its financial assets and liabilities. Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP established a fair value hierarchy that prioritized investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are as follows:

Level 1 – Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 – Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;

- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 – Unobservable inputs that cannot be corroborated by observable market data.

U.S. GAAP requires disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash, investments, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

Investment Valuation

Investments in money funds, mutual funds, and marketable equity securities with readily determinable fair values are measured on a recurring basis at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the Statements of Activities and Changes in Net Assets.

Promises to Give

Promises to give are unconditional promises to give that are recognized as contributions when the promise is received. Promises to give that are expected to be collected in less than one year are reported at net realizable value and included in current assets. For multi-year promises to give, the amounts promised in subsequent years are discounted and included in other assets. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed. There were no outstanding promises to give as of December 31, 2023 or 2022.

Property and Equipment

Property and equipment are stated at cost or, if donated, at their estimated market value at the date of gift, less accumulated depreciation. Depreciation is provided over the assets' estimated useful lives using the straight-line method. Property and equipment are depreciated over five to seven years.

Expenditures for maintenance and repairs and items less than \$1,500 are expensed when incurred. Expenditures for renewals or betterments are capitalized. When property is retired or sold, the cost and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in other income on the Statements of Activities and Changes in Net Assets.

In accordance with FASB ASC 360-10, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Organization reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends, and prospects, as well as the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment, there was no impairment at December 31, 2023 or 2022.

Right-of-Use Assets and Liabilities

Right-of-Use (ROU) assets represent the right to use the underlying assets for the lease term and the lease liabilities represent the obligation to make lease payments arising from the leases. ROU assets and liabilities with terms greater than twelve months are recognized at commencement date based on the present value of future lease payments over the lease term, which includes only payments that are fixed and determinable at the time of commencement. When readily determinable, the Organization uses the interest rate implicit in a lease to determine the present value of future lease payments. For leases where the implicit rate is not readily determinable, the Organization's incremental borrowing rate is used. The Organization calculates its incremental borrowing rate on a periodic basis using a third-party financial model that estimates the rate of interest the Organization would have to pay to borrow an amount equal to the total lease payments on a collateralized basis over a term similar to the lease. The Organization applies its incremental borrowing rate using a portfolio approach. The ROU assets also includes any lease payments made prior to commencement and is recorded net of any lease incentives received. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise such options. The Organization had no ROU assets or liabilities as of December 31, 2023 or 2022.

Revenue Recognition

Revenues are recognized when control of the promised goods or services is transferred to the customer in an amount that reflects consideration the Organization expects to be entitled to in exchange for transferring those goods or services.

Revenue is recognized based on the following five step model:

- Identification of the contract with a customer.
- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price.
- Recognition of revenue when, or as, the Organization satisfies a performance obligation.

The Organization's revenues primarily consist of contributions from individuals, foundations, and businesses.

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

Income Taxes

The Organization is exempt from income taxes under the provisions of Internal Revenue Code Section (IRCS) 501(c)(3), and, accordingly, no provision for income taxes is included in the financial statements.

Compassionate Hope Foundation
Notes to Financial Statements (Continued)

The Organization follows FASB 740-10, *Accounting for Uncertainty in Income Taxes*, as it relates to uncertain tax positions. For all tax positions taken by the Organization, management believes it is clear that the likelihood is greater than 50% that the full amount of the tax position taken will be ultimately realized. Therefore, management believes that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns for the three most recent years filed, or expected to be taken in the Organization's tax return. The Organization identifies its major tax jurisdictions as the U.S. Federal and the State of Tennessee. However, the Organization is not currently under audit nor has the Organization been contacted by either of these jurisdictions. As of December 31, 2023 and 2022, the Organization has accrued no interest and no penalties related to uncertain tax positions.

Advertising and Promotion Costs

Advertising and promotion costs are expensed as incurred and costs of \$74,902 and \$60,757 were expensed during 2023 and 2022, respectively.

Reclassifications

Certain reclassifications have been made to the 2022 financial statements in order for them to conform to the 2023 presentation. These reclassifications have no effect on net assets or changes in net assets as previously reported.

Events Occurring After Reporting Date

The Organization has evaluated events and transactions that occurred between January 1, 2024 and May 28, 2024, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

Note 2 - Availability and Liquidity

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statements of Financial Position date, are as follows:

	<u>2023</u>	<u>2022</u>
Cash	\$ 1,162,716	\$ 998,148
Accounts receivable	-	10,856
Investments	<u>970,372</u>	<u>1,111,483</u>
Total financial assets available to be used within one year	2,133,088	2,120,487
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with purpose restrictions	<u>(2,008,251)</u>	<u>(2,008,480)</u>
Financial assets available to meet general expenditures over the next twelve months	\$ <u>124,837</u>	\$ <u>112,007</u>

Compassionate Hope Foundation
Notes to Financial Statements (Continued)

The Organization's goal is generally to maintain financial assets equal to 3 months of normal operating expenditures, which are, on average, approximately \$23,000 per month. 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. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

Note 3 - Investments

Investments are stated at fair value (Level 1) and are summarized at December 31, 2023 and 2022 as follows:

	<u>2023</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Carry Value</u>
Equities and options	\$ 23,466	\$ 27,190	\$ 27,190
Fixed income	400,000	404,600	404,600
Mutual funds	525,159	525,159	525,159
Money market	<u>13,423</u>	<u>13,423</u>	<u>13,423</u>
Total financial assets	<u>\$ 962,048</u>	<u>\$ 970,372</u>	<u>\$ 970,372</u>

	<u>2022</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Carry Value</u>
Equities and options	\$ 18,527	\$ 24,764	\$ 24,764
Fixed income	400,000	389,840	389,840
Mutual funds	592,726	592,726	592,726
Money market	<u>104,153</u>	<u>104,153</u>	<u>104,153</u>
Total financial assets	<u>\$ 1,115,406</u>	<u>\$ 1,111,483</u>	<u>\$ 1,111,483</u>

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with various investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported on the financial statements.

At December 31, 2023 and 2022, the amounts invested, market value, and yields are summarized as follows:

	<u>2023</u>	<u>2022</u>
Market value	\$ 970,372	\$ 1,111,483
Carrying value - cost	<u>(962,048)</u>	<u>(1,115,406)</u>
Unrealized gain (loss)	<u>\$ 8,324</u>	<u>\$ (3,923)</u>

Compassionate Hope Foundation
Notes to Financial Statements (Continued)

Investment income	\$ 26,051	\$ 3,875
Net unrealized gain (loss) on investments	8,324	(3,923)
Net realized gain on sale of investments	18,254	226
Investment expenses	<u>(4,617)</u>	<u>(2,510)</u>
Investment loss, net	<u>\$ 48,012</u>	<u>\$ (2,332)</u>

Note 4 - Property and Equipment

Property and equipment at December 31, 2023 and 2022, consists of the following:

	<u>2023</u>	<u>2022</u>
Computer equipment	\$ 13,118	\$ 13,118
Accumulated depreciation	<u>(7,552)</u>	<u>(4,928)</u>
	<u>\$ 5,566</u>	<u>\$ 8,190</u>

Depreciation expense related to property and equipment totaled \$2,624 and \$2,279 for the years ended December 31, 2023 and 2022, respectively.

Note 5 - Net Assets With Donor Restrictions

Net assets with donor restrictions as of December 31, 2023 and 2022 are available for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purposes:		
Book donations and sales	\$ 9,596	\$ 10,265
Compassionate Hope Tebow Village of Hope	126,568	-
Funding for Endowment	50,601	-
India childcare	-	6,210
International Cooperating Ministeries	-	28,301
Laos	57,512	128,389
Philippines and other	1,018,513	1,121,530
Staff support	222,011	9,809
Thailand	<u>523,450</u>	<u>703,976</u>
Total	<u>\$ 2,008,251</u>	<u>\$ 2,008,480</u>

Compassionate Hope Foundation
Notes to Financial Statements (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restriction specified by donors at December 31, 2023 and 2022 as follows:

	<u>2023</u>	<u>2022</u>
Book donations and sales	\$ 2,681	\$ 31,120
Compassionate Hope Tebow Village of Hope	846,376	-
India childcare	6,210	-
International Cooperating Ministeries	28,301	126,200
Laos	262,719	188,950
Other missions trips	29,519	-
Philippines and other	462,791	438,500
Staff support	818,426	856,173
Thailand	<u>1,052,077</u>	<u>761,428</u>
Total purpose restrictions	3,509,100	2,402,371
Time restrictions - promises to give	<u>-</u>	<u>25,800</u>
Total	<u>\$ 3,509,100</u>	<u>\$ 2,428,171</u>

Note 6 - Foreign Operations

Substantially all contributions to others for the years ended December 31, 2023 and 2022 made by the Organization were made to various causes located in Laos, the Philippines, and Thailand in support of the Organization's mission.

Note 7 - Credit Risk and Other Concentrations

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization maintains cash accounts at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to statutory limits. The standard FDIC insurance amount is limited to \$250,000 per depositor, per insured bank. Therefore, amounts in excess of this \$250,000 held by the Organization during the years ended December 31, 2023 and 2022 were uninsured and uncollateralized.

Investments are subject to market risk, the risk inherent in a fluctuating market. The broker/dealer that is the custodian of the Organization's securities is covered by the Securities Investor Protection Corporation (SIPC), which provides limited protection to investors. SIPC coverage is limited to specified investor-owned securities (notes, bonds, mutual funds, investment company securities, and registered securities) held by an insolvent SIPC member at the time a supervising trustee is appointed. The SIPC also protects against unauthorized trading in the Organization's security account. SIPC coverage is limited to \$500,000 per customer, including \$250,000 for cash that is on deposit as the result of a security transaction. The SIPC protection does not insure against market risk.

During 2023 and 2022, one donor contributed more than 10% of total revenue and other support.