

MINISTRY OF HOPE, INC.  
FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023

Spencer Robinson, Jr. CPA, P.C.  
Certified Public Accountant  
Black Mountain, North Carolina

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**MINISTRY OF HOPE, INC.**

**BLACK MOUNTAIN, NORTH CAROLINA**

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**DIRECTORS OF THE ORGANIZATION**

Karen Bennett  
Carmel A. Courtright  
Elizabeth Daley, RN  
William L. Grayson  
Rex V. Hoffman  
Patricia A. Johnson, PhD, MFT  
Donna M. Kaminski, DO  
Van Kornegay  
Marilyn Manning, DMin  
Mary Reagan, RN  
Scott M. Rodehaver, PE  
James M. Skidmore, Jr. CPA  
Glenn Taylor  
Janet S. Wells  
Helen L. Zimba

**OFFICERS OF THE ORGANIZATION**

Board Chair and President - Rex V. Hoffman  
Board Vice Chair - Janet S. Wells  
Secretary - Patricia A. Johnson, PhD, MFT  
Treasurer - William L. Grayson  
Assistant Treasurer - James M. Skidmore, Jr. CPA

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**MINISTRY OF HOPE, INC.**

**BLACK MOUNTAIN, NORTH CAROLINA**

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**SPENCER ROBINSON, JR. CPA, P.C.  
CERTIFIED PUBLIC ACCOUNTANT**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Ministry of Hope, Inc.

**Opinion**

We have audited the accompanying financial statements of Ministry of Hope, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2023 and 2022, and the related statements of activities 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 Ministry of Hope, Inc. 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. 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 Ministry of Hope, Inc. 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 Ministry of 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.

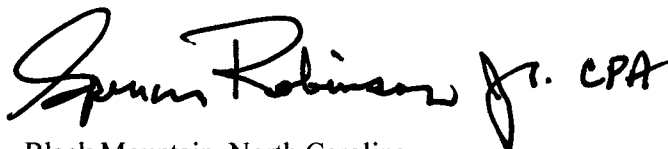
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 Ministry 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 Ministry of 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.

### **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules of contributions, program expenses (Malawi), and supporting services are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Spencer Robinson Jr. CPA". The signature is written in a cursive, flowing style.

Black Mountain, North Carolina  
April 22, 2024

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**MINISTRY OF HOPE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023 AND 2022**

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<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
<b>CURRENT ASSETS:</b>		
Cash:		
Unrestricted	\$ 66,430	\$ 76,539
Restricted	51,449	76,476
Total Cash	<u>117,879</u>	<u>153,015</u>
Accounts Receivable - NC Sales Tax	<u>234</u>	<u>195</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 118,113</u></u>	<u><u>\$ 153,210</u></u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>  		
<b>CURRENT LIABILITIES:</b>		
Accounts Payable	<u>\$ -</u>	<u>\$ -</u>
<b>NET ASSETS:</b>		
Without Donor Restrictions	66,664	76,734
With Donor Restrictions	51,449	76,476
Total Net Assets	<u>118,113</u>	<u>153,210</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 118,113</u></u>	<u><u>\$ 153,210</u></u>

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

MINISTRY OF HOPE, INC. STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022		2023			2022		
		WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>CONTRIBUTIONS AND OTHER REVENUES:</b>							
Contributions	\$ 163,776	\$ 292,763	\$ 456,539	\$ 188,029	\$ 316,505	\$ 504,534	
Contributed Accounting Services	7,525	-	7,525	4,000	-	4,000	
Interest	7	-	7	10	-	10	
Other	-	-	-	35	-	35	
Net Assets Released from Restriction	317,790	(317,790)	-	298,630	(298,630)	-	
<b>TOTAL CONTRIBUTIONS AND OTHER REVENUES</b>	<b>489,098</b>	<b>(25,027)</b>	<b>464,071</b>	<b>490,704</b>	<b>17,875</b>	<b>508,579</b>	
<b>EXPENSES:</b>							
Program Expenses (Malawi)	464,142	-	464,142	493,950	-	493,950	
Supporting Services	35,026	-	35,026	32,115	-	32,115	
<b>TOTAL EXPENSES</b>	<b>499,168</b>	<b>-</b>	<b>499,168</b>	<b>526,065</b>	<b>-</b>	<b>526,065</b>	
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(10,070)</b>	<b>(25,027)</b>	<b>(35,097)</b>	<b>(35,361)</b>	<b>17,875</b>	<b>(17,486)</b>	
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>76,734</b>	<b>76,476</b>	<b>153,210</b>	<b>112,095</b>	<b>58,601</b>	<b>170,696</b>	
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 66,664</b>	<b>\$ 51,449</b>	<b>\$ 118,113</b>	<b>\$ 76,734</b>	<b>\$ 76,476</b>	<b>\$ 153,210</b>	

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

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**MINISTRY OF HOPE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (Decrease) in Net Assets	<u>\$ (35,097)</u>	<u>\$ (17,486)</u>
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by (Used for) Operating Activities:		
(Increase) Decrease in Accounts Receivable	<u>(39)</u>	<u>(20)</u>
Total Adjustments	<u>(39)</u>	<u>(20)</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>(35,136)</b>	<b>(17,506)</b>
<b>CASH, BEGINNING OF YEAR</b>	<u>153,015</u>	<u>170,521</u>
<b>CASH, END OF YEAR</b>	<u><u>\$ 117,879</u></u>	<u><u>\$ 153,015</u></u>

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



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**MINISTRY OF HOPE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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**NOTE 1: NATURE OF ACTIVITIES & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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**ORGANIZATION**

Ministry of Hope, Inc. (the Organization) was incorporated under the Oregon Nonprofit Corporation Act on June 18, 2002 and was subsequently reorganized as a North Carolina nonprofit corporation on December 18, 2003.

**MISSION**

The Organization seeks to glorify God by reaching out to the orphans, widows, and the destitute with the gospel of Jesus Christ, providing hope as it ministers to their basic needs. The Board of Directors consists of members drawn from across the United States of America who are dedicated to supporting this mission.

In furtherance of the Organization's mission, Ministry of Hope Trust (Malawi) (the Trust) was established in 1999 by Malawians as a local, community-based response for meeting the physical and spiritual needs of the growing number of children orphaned by the Aids epidemic. The Trust's operations are overseen by a Board of Directors. The Trust sponsors community centers, discipleship and education programs, crisis nurseries, and international volunteer efforts through a Christ-centered, community-based approach in Malawi. The Organization provides a significant portion of the Trust's funding for its programs, administrative activities, and capital projects.

**TAX STATUS**

The Organization has been classified as a publically-supported charitable organization under the Internal Revenue Code Section 501(c)(3).

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**MINISTRY OF HOPE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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**NOTE 1: NATURE OF ACTIVITIES & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

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**USE OF 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 in the financial statements. Accordingly, actual results could differ from these estimates.

**NET ASSETS AND RECOGNITION OF DONOR RESTRICTIONS**

The Organization reports, in compliance with FASB Accounting Standards Codification No. 958, 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. The two classes of net assets are defined as follows:

**Net Assets Without Donor Restrictions:** Net assets not subject to donor-imposed restrictions. (Such net assets represent resources whose use is not limited or restricted by donors. They generally arise as a result of exchange transactions, unrestricted contributions, or restricted contributions whose restrictions have expired.)

**Net Assets With Donor Restrictions:** Net assets with donor-imposed restrictions. (Such net assets represent resources whose use is limited by donors for the purpose and/or time in which they may be expended. Eventually, net assets with donor restrictions are reclassified to net assets without donor restrictions as their time and purpose requirements are met.)

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**MINISTRY OF HOPE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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**NOTE 1: NATURE OF ACTIVITIES & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

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**DONATED SERVICES AND MATERIALS**

A number of volunteers have donated and continue to donate a significant amount of time to the Organization's operations and program services. Contributed services that create or enhance nonfinancial assets or require specialized skills and are provided by individuals possessing those skills are recorded in the financial statements at their estimated fair value.

Donated materials and equipment are reflected as contributions in the financial statements at their estimated fair value at the date of receipt.

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**NOTE 2: RESTRICTIONS ON NET ASSETS**

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Net assets with donor restrictions are available for the following purposes at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Education & Scholarship Programs	\$ 23,721	\$ 36,878
Mobile Medical Clinic	14,323	23,060
Feeding Programs	5,300	-
Selengo Community Center	4,161	2,611
Lilongwe Crisis Nursery	2,372	4,768
Hezekiah Crisis Nursery	1,328	1,328
Other	244	1,931
Malawi Visions Program	-	5,900
Total Net Assets with Donor Restrictions	<u>\$ 51,449</u>	<u>\$ 76,476</u>

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**MINISTRY OF HOPE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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**NOTE 3: CONCENTRATION OF CREDIT RISK**

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The Organization maintains its cash balances at institutions that are insured by the Federal Deposit Insurance Corporation up to a maximum of \$250,000 for each account. From time-to-time the Organization's cash balances may exceed the insured limit.

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**NOTE 4: DATE OF MANAGEMENT'S REVIEW**

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In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 22, 2024, the date that the financial statements were available to be issued.

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**NOTE 5: SUPPORTING SERVICES EXPENSE**

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Supporting services expense consist of the following expenses for the year ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Administrative Expenses:		
Audit Fees & Expenses	\$ 9,704	\$ 9,508
Administrative Office Expense	5,750	5,800
Insurance	1,139	1,117
Other	182	1,410
Total Administrative Expenses	<u>16,775</u>	<u>17,835</u>
Fundraising & Development Expenses:		
Newsletters	4,597	4,017
Software	2,511	2,539
Printing & Stationery	1,311	1,083
Postage & Shipping	1,167	1,315
Other	1,140	1,326
Total Fundraising & Development Expenses	<u>10,726</u>	<u>10,280</u>
Contributed Accounting Services Expense	<u>7,525</u>	<u>4,000</u>
Total Supporting Services Expense	<u>\$ 35,026</u>	<u>\$ 32,115</u>

**SUPPLEMENTARY  
INFORMATION**

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**MINISTRY OF HOPE, INC.**  
**SCHEDULES OF CONTRIBUTIONS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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	<u>2023</u>	<u>2022</u>
<b>CONTRIBUTIONS WITHOUT DONOR RESTRICTIONS:</b>		
Individuals	\$ 96,353	\$ 102,183
Churches	57,336	69,296
Foundations	10,087	15,500
Businesses	-	1,050
<b>TOTAL CONTRIBUTIONS WITHOUT DONOR RESTRICTIONS</b>	<u>163,776</u>	<u>188,029</u>
<b>CONTRIBUTIONS WITH DONOR RESTRICTIONS:</b>		
Famine Relief	94,773	86,370
Education & Scholarships	76,844	91,116
Malawi Visions Program	76,000	70,900
Community Centers	17,950	10,335
Mobile Medical Clinic	15,333	27,560
Lilongwe Crisis Nursery	6,447	13,674
Spiritual Development and Special Projects	5,416	5,500
Nursery Fire Recovery	-	11,050
<b>TOTAL CONTRIBUTIONS WITH DONOR RESTRICTIONS</b>	<u>292,763</u>	<u>316,505</u>
<b>TOTAL CONTRIBUTIONS</b>	<u>\$ 456,539</u>	<u>\$ 504,534</u>

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**MINISTRY OF HOPE, INC.**  
**SCHEDULES OF PROGRAM EXPENSES (MALAWI)**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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	<u>2023</u>	<u>2022</u>
<b>COMMUNITY CENTERS &amp; CRISIS NURSERY OPERATIONS</b>	\$ 160,025	\$ 224,590
<b>FAMINE RELIEF PROJECT</b>	96,500	96,700
<b>EDUCATION &amp; SCHOLARSHIP PROGRAMS</b>	89,900	68,645
<b>MALAWI VISIONS PROGRAM</b>	81,900	69,280
<b>MOBILE MEDICAL CLINIC</b>	24,100	23,100
<b>OTHER PROJECTS</b>	<u>11,717</u>	<u>11,635</u>
<b>TOTAL PROGRAM EXPENSES (MALAWI)</b>	<u>\$ 464,142</u>	<u>\$ 493,950</u>

See Independent Auditor's Report.

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**MINISTRY OF HOPE, INC.**  
**SCHEDULES OF SUPPORTING SERVICES**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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	<u>2023</u>	<u>2022</u>
<b>SUPPORTING SERVICES (USA):</b>		
Administrative Expenses	\$ 16,775	\$ 17,835
Fundraising and Development Expenses	10,726	10,280
Contributed Accounting Services Expense	<u>7,525</u>	<u>4,000</u>
<b>TOTAL SUPPORTING SERVICES (USA)</b>	<u>\$ 35,026</u>	<u>\$ 32,115</u>