BRIGHT HOPE INTERNATIONAL

Financial Statements
With Independent Auditor's Report

June 30, 2025 and 2024

BRIGHT HOPE INTERNATIONAL

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CAPINCROUSE
A DIVISION OF Carr, Riggs & Ingram

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bright Hope International
Hoffman Estates, Illinois

Opinion

We have audited the accompanying financial statements of Bright Hope International, which comprise the statements of financial position as of June 30, 2025 and 2024, 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 Bright Hope International as of June 30, 2025 and 2024, 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 Bright 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 these 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 Bright 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.

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Board of Directors
Bright Hope International
Hoffman Estates, Illinois

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 Bright 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 Bright 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.

Capin Crouse LLC

Naperville, Illinois
November 3, 2025

BRIGHT HOPE INTERNATIONAL

Statements of Financial Position

	June 30, 2025	June 30, 2024
ASSETS:		
Cash and cash equivalents	$ 756,750	$ 856,915
Grant receivable	-	46,910
Contributions receivable	120,000	-
Other assets	198,576	253,526
Operating lease right-of-use asset	34,830	56,872
Property and equipment, net	2,408	4,730
Total Assets	$ 1,112,564	$ 1,218,953
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	$ 74,322	$ 176,710
Performance obligation liabilities	25,000	66,567
Operating lease liability	36,471	58,595
Total liabilities	135,793	301,872
Net assets:		
Without donor restrictions	609,504	820,696
With donor restrictions	367,267	96,385
Total net assets	976,771	917,081
Total Liabilities and Net Assets	$ 1,112,564	$ 1,218,953

See notes to financial statements

BRIGHT HOPE INTERNATIONAL

Statements of Activities

	Years Ended June 30,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	$ 1,239,881	$ 1,497,570	$ 2,737,451	$ 1,505,489	$ 513,779	$ 2,019,268
Contributions of non-financial assets	-	265,114	265,114	-	446,568	446,568
Mission trip income	199,420	-	199,420	109,691	-	109,691
Investment income	16,676	-	16,676	19,977	-	19,977
Other income	20,000	-	20,000	215	-	215
Total Support and Revenue	1,475,977	1,762,684	3,238,661	1,635,372	960,347	2,595,719
RECLASSIFICATIONS:						
Net assets released from donor restrictions	1,491,802	(1,491,802)	-	1,275,092	(1,275,092)	-
EXPENSES:						
Program services	2,490,033	-	2,490,033	2,316,472	-	2,316,472
Management and general	410,804	-	410,804	365,957	-	365,957
Fundraising	278,134	-	278,134	223,293	-	223,293
Total Expenses	3,178,971	-	3,178,971	2,905,722	-	2,905,722
Change in Net Assets	(211,192)	270,882	59,690	4,742	(314,745)	(310,003)
Net Assets, Beginning of Year	820,696	96,385	917,081	815,954	411,130	1,227,084
Net Assets, End of Year	$ 609,504	$ 367,267	$ 976,771	$ 820,696	$ 96,385	$ 917,081

See notes to financial statements

BRIGHT HOPE INTERNATIONAL

Statements of Functional Expenses

	Years Ended June 30,							
	2025				2024			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Grants to partner organizations	$1,319,611	$ -	$ -	$1,319,611	$1,140,673	$ -	$ -	$1,140,673
Salaries and benefits	439,264	157,226	92,853	689,343	380,367	197,875	81,916	660,158
Pharmaceutical supplies	265,114	-	-	265,114	446,568	-	-	446,568
Professional fees	5,600	147,769	14,394	167,763	15,778	78,421	300	94,499
Depreciation	581	1,393	348	2,322	580	1,394	348	2,322
Bank fees	6,332	5,899	22,594	34,825	10,981	16,022	15,476	42,479
Other	36,471	31,049	12,639	80,159	7,570	22,081	4,489	34,140
Marketing	6,951	16,669	5,335	28,955	79,201	-	79,201	158,402
Printing and reproduction	103,739	-	103,739	207,478	1,091	3,664	19,830	24,585
Utilities	959	2,303	576	3,838	863	2,071	518	3,452
Insurance	932	2,236	559	3,727	2,736	6,567	1,642	10,945
Telephone and internet	8,929	3,196	1,889	14,014	7,963	4,143	1,715	13,821
Travel	263,056	6,549	2,656	272,261	206,728	4,344	3,246	214,318
Information technology	9,905	21,425	4,639	35,969	11,730	18,694	7,422	37,846
Postage and delivery	-	3,526	12,698	16,224	-	2,085	6,307	8,392
Equipment purchases and rentals	4,548	6,245	2,850	13,643	394	8,117	-	8,511
Education and seminars supplies	18,041	5,319	365	23,725	3,249	479	883	4,611
Total Expenses	$2,490,033	$ 410,804	$ 278,134	$3,178,971	$2,316,472	$ 365,957	$ 223,293	$2,905,722

See notes to financial statements

BRIGHT HOPE INTERNATIONAL

Statements of Cash Flows

	Years Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 59,690	$ (310,003)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	2,322	2,322
Non-cash effect of change in accounting principle	-	728
Non-cash lease expense	(82)	-
Changes in:		
Grant receivable	46,910	54,674
Contributions receivable	(120,000)	
Other assets	54,950	(55,448)
Accounts payable and accrued expenses	(102,388)	100,701
Performance obligation liabilities	(41,567)	66,567
Net Cash Used by Operating Activities	(100,165)	(140,459)
Net Change in Cash and Cash Equivalents	(100,165)	(140,459)
Cash and Cash Equivalents, Beginning of Year	856,915	997,374
Cash and Cash Equivalents, End of Year	$ 756,750	$ 856,915

See notes to financial statements

BRIGHT HOPE INTERNATIONAL

Notes to Financial Statements

June 30, 2025 and 2024

1. NATURE OF ORGANIZATION:

Bright Hope International (BHI) is incorporated under the laws of the State of Illinois to operate as a charitable religious organization within the meaning of Section 501(c)(3) of the Internal Revenue Code (the Code). It is exempt from federal and state income taxes and contributions are deductible within the limitations prescribed by the Code. The organization has been classified as a public organization that is not a private foundation under section 509(a) of the Code. BHI's primary source of support and revenue is from contributions from individuals, churches, and other organizations.

BHI is committed to bringing hope to those living on less than $2 a day. BHI works in communities primarily located in South America and Africa.

BHI's ministry of community transformation is accomplished through partnership with local, in-country churches that have an established group of Christ followers.

BHI works to bring hope and create sustainable change to communities living in poverty around the world. In order to accomplish this, BHI uses a three-tier approach:

HOPE FOR TODAY

Hope for Today refers to projects that meet the basic needs of the community. These projects include feeding programs, clean water initiatives, care for orphans and vulnerable children, medical assistance, and crisis and disaster response.

HOPE FOR TOMORROW

Hope for Tomorrow refers to projects that move people toward self-reliance and sustainability. This includes projects focused on church training, microenterprise, job creation programs, educational support, and human trafficking rescue and rehabilitation.

HOPE FOR ETERNITY

Hope for Eternity projects provide the community with opportunities for spiritual growth and a deeper relationship with Jesus Christ. These projects include pastor and leadership training, evangelism and discipleship, and Bible distribution.

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

USE OF ESTIMATES

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to valuation of contributions of non-financial assets and allocation of functional expenses.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less. At June, 2025 and 2024, BHI cash balances exceeded federally insured limits by $178,512 and $0, respectively. There was no restricted cash at June 30, 2025 or 2024.

GRANT RECEIVABLE

Grant receivable consists of a tax credit claimed through the Employee Retention Credit (ERC) program offered through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Laws and regulations concerning government programs, including the ERC, established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act are complex and subject to varying interpretation. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge BHI's claim to the ERC, so management is taking a conservative approach with its cash management to ensure funds would be available should there be a challenge.

BHI claimed a tax credit of $101,584, through the Employee Retention Credit program offered through the CARES Act. The credit is claimed in relation to qualified wages owed for the years ended June 30, 2020 and 2021. The full amount of the credit was recognized as grant revenue for the year ended June 30, 2023. As of June 30, 2025, $0 of the credit is still outstanding.

CONTRIBUTIONS RECEIVABLE

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts would be included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed. As of June 30, 2025, all contributions receivable are due within one year and expected to be collectible within one year.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

OTHER ASSETS

Other assets consist mainly of prepaid expenses. Prepaid expenses represent expenditures for which BHI had not yet received services.

PROPERTY AND EQUIPMENT

Property and equipment in excess of $3,000 are capitalized at cost or, if donated, at fair market value on the date of donation. Repairs and maintenance expenses that neither materially add to the value of the property nor prolong its life are charged to expense as incurred. The carrying values of property and equipment are reviewed for impairment whenever events or 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. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2025 or 2024.

Depreciation is provided over the estimated useful lives of the assets on a straight-line basis. Generally, useful lives are as follows:

Equipment	3 - 10 years
Furniture	10 years

LEASES

BHI leases office space. BHI determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, BHI uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that BHI will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

CONTRIBUTIONS OF NON-FINANCIAL ASSETS

BHI receives donations of medical and pharmaceutical supplies restricted for use in the ministry programs. Such gifts are recorded at their fair market value at the date of donation based on market prices in the country of use. For both of the years ended June 30, 2025 and 2024, 100% of donated medical and pharmaceutical supplies were contributed by one donor. BHI received contributions of non-financial assets totaling $265,114 and $446,568 during the years ended June 30, 2025 and 2024, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE

Contributions are reported when cash is received, unconditional promises are made or ownership of donated assets are transferred. Contributions of assets other than cash are reported at their estimated fair value. Gifts of property and equipment are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of cash and other assets received with donor stipulations during the year that have not yet been expended are reported as support with 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 on the statements of activities as net assets released from restrictions. For the years ended June 30, 2025 and 2024, the top four and two donors contributed approximately 24% and 22%, respectively, of total cash contributions. Other income is recognized when earned over time. Fees for missions trips received in advance are deferred and recognized as revenue when the performance obligation is met, at a point in time after the related trip is completed. There were no contract assets as of June 30, 2025, June 30, 2024, or July 1, 2023. Performance obligation liabilities related to fees for mission trips at June 30, 2025, June 30, 2024, and July 1, 2023, were $25,000, $66,567, and $-0-, respectively.

EXPENSES AND FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are reported when incurred. The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and occupancy-related costs, which are allocated on a square footage basis, as well as salaries and benefits, travel, and certain office-related expenses, which are allocated on the basis of estimates of time and effort. There were no advertising costs or joint costs for either year ended June 30, 2025 or 2024.

NET ASSETS

The financial statements report amounts by class of net assets as follows:

Net assets without donor restrictions are currently available for use at the discretion of the management and the Board as well as resources invested in property and equipment. There were no board designations of net assets without donor restrictions at June 30, 2025 or 2024.

Net assets with donor restrictions are those stipulated by donors for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled. Reclassifications to without donor restrictions are made when the restrictions have been fulfilled.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

VOLUNTEER SERVICES

Contributed services are recorded as contributions at their estimated fair values at the date of donation if the services (1) enhance or create non-financial assets or (2) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. BHI receives a significant amount of donated services from unpaid volunteers who assist in special programs. These contributed services are not reported as they do not meet the necessary accounting criteria.

3. OPERATING LEASE - RIGHT OF USE ASSET AND LIABILITY:

BHI leases office space under a noncancellable lease expiring in 2027. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term on the inception date of the lease. The lease requires monthly payments of $2,093.

	June 30, 2025	June 30, 2024
Operating lease right-of-use asset	$ 34,830	$ 56,872
Operating lease liability	$ 36,471	$ 58,595
Operating lease costs	$ 24,016	$ 24,016
Weighted-average discount rate	4.06%	4.06%
Weighted-average remaining lease term	1.45 years	2.37 years

Future minimum lease payments required under operating leases that have an initial or remaining non-cancellable lease term in excess of one year are as follows:

Year ending June 30,	
2026	$ 24,907
2027	12,758
	37,665
Less imputed interest	(1,194)
	$ 36,471

4. PROPERTY AND EQUIPMENT:

Property and equipment are summarized by major classification as follows:

	June 30, 2025	June 30, 2024
Equipment	$ 17,865	$ 17,865
Furniture	6,060	6,061
	23,925	23,926
Less accumulated depreciation	(21,517)	(19,196)
	$ 2,408	$ 4,730

5. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following:

	June 30, 2025	June 30, 2024
International missions support	$ 367,267	$ 96,385

6. EMPLOYEE BENEFIT PLAN:

BHI participates in a retirement plan under section 403(b) of the Internal Revenue Code salary reduction plan. Under the plan, eligible employees may elect to defer a percentage or dollar amount of their salary, subject to the Internal Revenue Service limits. BHI did not make employer contributions to the plan for the years ended June 30, 2025 and 2024.

7. RELATED PARTY TRANSACTIONS:

BHI receives support from another nonprofit whose president is a family member of the BHI president. This support totaled $40,100 and $40,000 for the years ended June 30, 2025 and 2024. Approximately $108,000 and $113,000 of contribution revenue was received from BHI Board members for the years ended June 30, 2025 and 2024, respectively.

8. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following table reflects BHI's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year because of contractual or donor-imposed restrictions.

	June 30, 2025	June 30, 2024
Total assets at year end	$ 1,112,564	$ 1,218,953
Less non-financial assets:		
Other assets	(198,576)	(253,526)
Operating lease right-of-use asset	(34,830)	(56,872)
Property and equipment, net	(2,408)	(4,730)
Financial assets, at year end	876,750	903,825
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed purpose restrictions	(367,267)	(96,385)
Financial assets available to meet cash needs for general expenditures within one year	$ 509,483	$ 807,440

BHI structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Funds restricted by donors that are part of BHI's ongoing operations are considered to be financial assets available to meet cash needs for general expenditures. As part of BHI's liquidity management, it has established guidelines for making decisions related to managing short term cash reserves in a prudent manner.

9. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through November 3, 2025, which represents the date the financial statements were available to be issued.