



FINANCIAL STATEMENTS

DECEMBER 31, 2023

	<u>Page</u>
Independent Reviewer's Report	3 - 4
Financial Statements	
Statement of Financial Position	5
Statement of Activities - Current Year	6
Statement of Activities - Prior Year	7
Statement of Functional Expenses - Current Year	7
Statement of Functional Expenses - Prior Year	9
Statement of Cash Flows - Indirect Method	10
Notes to Financial Statements	11 - 14



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of SowHope
Rockford, MI

We have reviewed the accompanying financial statements of SowHope (a nonprofit organization), which comprise the statement of financial position as of December 31, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of SowHope and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Other Matter

The financial statements of SowHope for the prior period ended December 31, 2022 were audited by us and an unmodified opinion was issued on those statements dated March 31, 2023. There have been no auditing procedures performed subsequent to the the date of our previous report.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Morgan & Associates CPAs + Advisors

Morgan & Associates CPAs

Grand Rapids, MI

April 10, 2024

SowHope
Statement of Financial Position
As of December 31, 2023

	2023	2022
Assets		
Current		
Cash and cash equivalents	\$ 264,883	\$ 648,005
Investments	210,000	-
Prepaid expenses	1,982	3,580
Total current assets	476,865	651,585
Total assets	476,865	651,585
Liabilities and net assets		
Current		
Accounts payable and accrued expenses	27,047	14,456
Total current liabilities	27,047	14,456
Total liabilities	27,047	14,456
Net assets		
Without donor restrictions		
Undesignated	449,818	637,129
Total net assets	449,818	637,129
Total liabilities and net assets	\$ 476,865	\$ 651,585

See accompanying independent accountant's report and notes to the financial statements

SowHope
Statement of Activities
December 31, 2023

	Without restrictions
Support and revenue	
Contributions	\$ 468,440
Grant income	322
Investment income	3,795
Gifts in kind	6,939
Total support and revenue	479,496
Expenses	
Program	602,370
Management and general	37,644
Fundraising	26,793
Total expenses	666,807
Change in net assets	(187,311)
Net assets at beginning of period	637,129
Net assets at ending of period	\$ 449,818

See accompanying independent accountant's report and notes to the financial statements

SowHope
Statement of Activities
December 31, 2022

Without restrictions

Support and revenue

Contributions	\$ 565,166
Investment income	1,732
Gifts in kind	7,061

Total support and revenue

573,959

Expenses

Program	526,456
Management and general	34,054
Fundraising	33,103

Total expenses

593,613

Change in net assets

(19,654)

Net assets at beginning of period

656,783

Net assets at ending of period

\$ 637,129

See accompanying independent accountant's report and notes to the financial statements

SowHope
Statement of Functional Expenses
December 31, 2023

	Program	Management and General	Fundraising	Grand Total
Event expense	\$ -	\$ -	\$ 16,345	\$ 16,345
Advertising expense	4,067	1,017	-	5,084
Bank charges	224	56	-	280
Collection fees	3,707	927	-	4,633
Technology	1,522	380	-	1,903
Grants	410,000	-	-	410,000
Equipment	651	163	-	814
Telephone	1,051	263	-	1,313
Office expenses	4,979	1,245	-	6,223
Payroll / Taxes	119,411	19,404	10,448	149,264
Postage and delivery	1,503	376	-	1,878
Printing	170	42	-	212
Travel / Mileage	33,134	8,283	-	41,418
Occupancy	4,855	1,214	-	6,069
Professional fees	16,976	4,244	-	21,220
Staff development	120	30	-	150
Total Expense	\$ 602,370	\$ 37,644	\$ 26,793	\$ 666,807

See accompanying independent accountant's report and notes to the financial statements

SowHope
Statement of Functional Expenses
December 31, 2022

	Program	Management and General	Fundraising	Grand Total
Event expense	\$ -	\$ -	\$ 23,045	\$ 23,045
Advertising expense	10,694	2,674	-	13,368
Collection fees	4,188	1,047	-	5,236
Technology	1,373	343	-	1,716
Grants	350,000	-	-	350,000
Equipment	4,571	1,143	-	5,714
Telephone	2,238	559	-	2,797
Office expenses	5,638	1,409	-	7,047
Payroll / Taxes	114,950	18,679	10,058	143,688
Postage and delivery	1,018	254	-	1,272
Printing	5	1	-	6
Travel / Mileage	17,180	4,295	-	21,475
Occupancy	4,855	1,214	-	6,069
Professional fees	9,536	2,384	-	11,920
Staff development	210	52	-	262
Total Expense	\$ 526,456	\$ 34,054	\$ 33,103	\$ 593,613

See accompanying independent accountant's report and notes to the financial statements

SowHope
Statement of Cash Flows - Indirect Method
December 31, 2023

<hr/>			
Cash flows from operating activities			
Change in net assets	\$	(187,311)	\$ (19,654)
Change in:			
Prepaid expenses		1,598	(2,387)
Accounts payable and accrued expenses		12,591	9,040
Net cash provided by operating activities		<u>(173,122)</u>	<u>(13,001)</u>
		-	
Cash flows from investing activities		-	
Short term investments		(210,000)	-
Net cash used in investing activities		<u>(210,000)</u>	<u>-</u>
Cash flows from financing activities			
Payments from loans payable		-	(17,868)
Net cash provided from financing activities		<u>-</u>	<u>(17,868)</u>
Change in cash		(383,122)	(30,869)
Cash, beginning of year		648,005	678,874
Cash, end of year	\$	<u>264,883</u>	\$ <u>648,005</u>

See accompanying independent accountant's report and notes to the financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

SowHope’s mission is “to inspire women around the world by promoting wellness, education, and economic opportunities.”

BASIS OF ACCOUNTING

The financial statements of the SowHope have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

BASIS OF PRESENTATION

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets. Expirations of temporarily restricted net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

CASH AND CASH EQUIVALENTS

For purposes of the financial statements, cash equivalents include all highly liquid investments with initial maturities of three months or less. Restricted cash is set aside for debt service as required by the debt instrument.

GIFTS IN KIND

During the year ended December 31, 2023, SowHope received various donated items and services that are reflected in the statement of activities at their estimated fair value under gifts in kind.

Gifts in kind activity is as follows:

	December 31, 2023
Donated items/services	6,939
	\$ 6,939

EQUIPMENT

Property and equipment are carried at cost, or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets.

INCOME TAX STATUS

The organization is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for a charitable contribution deduction under Section 170 (b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). Management believes tax years 2020 through 2023, following administrative practice of taxing authorities, remain open and subject to review. Management believes that its income tax positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on its financial condition, results of operations or cash flows. Accordingly, for all open tax years, the Organization has not recorded any reserves or related accruals for uncertain income tax positions on December 31, 2023 or 2022.

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. Accordingly, actual results could differ from those estimates.

EXPENSE ALLOCATIONS

All costs are allocated among the various programs and support services. Expenses that can be identified with a specific program or support service are directly allocated according to their natural expense classification. Certain expenses such as administration, accounting and occupancy are allocated and charged to various programs.

Expense	Method of allocation
Salaries and wages	Time and effort
Payroll taxes	Time and effort
Occupancy	Square footage

REVENUE RECOGNITION

Unconditional promises to give are recognized as revenue in the period the promise was made. Contributions, grants, and bequests are recognized as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Conditional grants and contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures or deliverables, as defined in each contract, are met. Funds received but not yet earned are shown as Deferred Revenue. Expenditures under contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made.

Accounting Standard Update ASU No. 2014-09 - Revenue from Contracts with Customers (Topic 606), has been implemented in the financial statements and the disclosures. Revenue received from conditional contributions or grants with contractual agreements will be recorded as revenue only when the performance obligation is satisfied. Performance obligations that have not been satisfied will be recorded as a liability until the performance obligation is met. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

FAIR VALUE MEASUREMENT OF ASSETS

The organization adopted the Financial Accounting Standards Board's (FASB) standards which provides a framework for measuring fair value under generally accepted accounting principles. The standard defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The standard for *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement is determined based on the assumptions – referred to as inputs – which market participants would use in pricing the investment, as follows:

Level 1 inputs – observable quoted price in an active market for an identical investment;

Level 2 inputs – input that is observable for the investment, either directly or indirectly, other than quoted prices included in level 1;

Level 3 inputs – unobservable inputs for the investment, used only when observable inputs are not available.

The organization invests in publicly traded securities which are exposed to various risks such as interest rate, market, and credit risks. Due to the level of the risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of financial position.

LIQUIDITY AND AVAILABILITY

The Organization has \$476,865 of financial assets available within one year of the balance sheet date consisting of cash of \$264,883, None of the cash is subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a goal to maintain financial assets, which consist of cash on hand to meet 60 days of normal operating expenses, which are on average, approximately \$56,255. If the Organization has excess, they will attempt to purchase short-term treasury instruments.

Financial assets at year end		2023
Cash and cash equivalents	\$	264,883
Short term investments		210,000
Prepaid expenses		1,982
	\$	476,865

NOTE 2 – COMMITMENTS AND CONTINGENCIES

The organization maintains cash balances at a financial institution located in Western Michigan and a sweep account through an independent bank. The total of the accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000.

The organization has two credit cards, the balances and limits as of December 31, 2023 and 2022, are as follows.

	2023	2022
Maximum credit limit		
Card 1	\$ 22,700	\$ 22,700
Card 2	\$ 22,000	\$ 22,000
Balance as of December 31st		
Card 1	\$ 19,152	\$ 9,764
Card 2	\$ -	\$ -

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS

The organization has no assets which are donor restricted.

NOTE 4 – GOVERNING BOARD DESIGNATIONS

SowHope’s governing board has no designated funds as of December 31, 2023 and 2022.

NOTE 5 – ADVERTISING

The organization uses advertising to promote its programs among various audiences. The production costs of advertising are expensed as incurred. During the year ended December 31, 2023 and 2022, advertising costs totaled \$5,084 and \$13,368.

NOTE 6 – SUBSEQUENT EVENTS

Subsequent events were evaluated through April 10, 2024 which is the date of the financial statements were available to be issued.