

Hope for Justice

(Formerly Known as Abolition International, Inc.)

Financial Statements
As of March 31, 2015 and for the Three-Month Period then Ended, and
Independent Auditors' Report

HOPE FOR JUSTICE
(Formerly Known as Abolition International, Inc.)

As of March 31, 2015 and the Three-Month Period then Ended

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Independent Auditors' Report

To the Board of Trustees
Hope for Justice (formerly known as Abolition International, Inc.)
Nashville, Tennessee

We have audited the accompanying financial statements of Hope for Justice (formerly known as Abolition International, Inc.) (a nonprofit organization), which comprise the statement of financial position as of March 31, 2015, and the related statements of activities, functional expenses, and cash flows for the three-month period then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hope for Justice (formerly known as Abolition International, Inc.) as of March 31, 2015, and the changes in its net assets and its cash flows for the three-month period then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Barnes, Dennig & Co., Ltd." The signature is written in a cursive, flowing style.

August 21, 2015
Cincinnati, Ohio

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HOPE FOR JUSTICE
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Statement of Financial Position
March 31, 2015

Assets	
Cash	\$ 426,430
Other assets	<u>19,561</u>
Total assets	<u>\$ 445,991</u>
Liabilities and Net Assets	
Liabilities - Accrued expenses	<u>\$ 16,985</u>
Net Assets	
Unrestricted	360,911
Temporarily restricted	<u>68,095</u>
Total net assets	<u>429,006</u>
Total liabilities and net assets	<u>\$ 445,991</u>

See accompanying notes to financial statements

HOPE FOR JUSTICE
(Formerly Known as Abolition International, Inc.)

Statement of Activities
Three-Month Period Ended March 31, 2015

Unrestricted revenues and other support	
Contributions	\$ 390,283
Other income	<u>1,400</u>
Total unrestricted revenues and other support	<u>391,683</u>
Expenses	
Program	199,538
Management and general	53,017
Fundraising	<u>120,537</u>
Total expenses	<u>373,092</u>
Change in unrestricted net assets	18,591
Temporarily restricted contributions	<u>68,095</u>
Change in net assets	86,686
Net assets, beginning of period	<u>342,320</u>
Net assets, end of period	<u><u>\$ 429,006</u></u>

See accompanying notes to financial statements

HOPE FOR JUSTICE
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Statement of Functional Expenses
Three-Month Period Ended March 31, 2015

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 227,948	\$ 60,783	\$ 59,880	\$ 348,611
Professional services	193,292	7,763	7,756	208,811
Special events	14,761	-	121,623	136,384
Grants	91,545	-	-	91,545
Other	20,951	20,763	12,417	54,131
Travel	16,336	2,718	9,112	28,166
Victim and artist tour support	2,882	-	24,000	26,882
Payroll taxes	17,028	4,640	4,976	26,644
Advertising and promotion	7,806	6,248	9,513	23,567
Occupancy	5,741	5,742	7,655	19,138
Conferences and meetings	16,413	-	15	16,428
Office expenses	1,080	10,970	1,579	13,629
	<u>\$ 615,783</u>	<u>\$ 119,627</u>	<u>\$ 258,526</u>	<u>\$ 993,936</u>

See accompanying notes to financial statements

HOPE FOR JUSTICE
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Statement of Cash Flows
Three-Month Period Ended March 31, 2015

Cash flows from operating activities	
Change in net assets	\$ 86,686
Adjustments to reconcile change in net assets to net cash from operating activities:	
Other assets	1,149
Accrued expenses	<u>16,985</u>
Net cash provided by operating activities	104,820
Cash, beginning of period	<u>321,610</u>
Cash, end of period	<u><u>\$ 426,430</u></u>

See accompanying notes to financial statements

HOPE FOR JUSTICE
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Notes to Financial Statements

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Hope for Justice (formerly known as Abolition International, Inc.)(Organization) was established to support short-term and long-term rehabilitative centers in the United States and abroad. These centers are designed to specifically aid human trafficking victims and will provide shelter, education, counseling and case management services.

The Organization changed its fiscal year end from December 31 to March 31 to better match their operating cycle. These financial statements include results from operations for the period January 1, 2015 through March 31, 2015.

Reporting Entity

The Organization is affiliated with a non-profit organization located in the United Kingdom, which is also named Hope for Justice. These separate legal entities share a similar mission and purpose, as described in the preceding paragraph. Additionally, three of the five board members of the Organization are also members of its affiliated organization.

These financial statements include only the functions and activities of the Organization. They do not include the financial activities of its affiliated organization.

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets which have no donor-imposed restriction; temporarily restricted net assets which have donor-imposed restrictions that will expire in the future; and permanently restricted net assets which have donor-imposed restriction which do not expire. There were no permanently restricted net assets at March 31, 2015.

Cash

Hope for Justice maintains cash in bank deposit accounts which may, at times, exceed federally insured limits. Hope for Justice has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk.

Contributions

Hope for Justice records gifts of cash and other assets at their fair value as of the date of contribution. Such donations are recorded as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted and then released from restriction.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

HOPE FOR JUSTICE
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Notes to Financial Statements
(Continued)

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses have been classified based upon the actual direct expenditures and cost allocations based upon estimates of time spent by Hope for Justice personnel.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Event Evaluation

In preparing the financial statements, Hope for Justice evaluates events subsequent to the statement of financial position date through August 21, 2015, which is the date the financial statements were available to be issued.

NOTE 2 LEASE COMMITMENTS

Effective July 15, 2014, the Organization began leasing office space under a non-cancellable operating lease expiring July 15, 2017. Rent expense for this facility was \$7,500 during the three-month period ended March 31, 2015. Future minimum lease payments are as follows:

2016	\$30,000
2017	\$30,000
2018	\$8,750

The Organization also has non-cancelable lease agreements with respect to two Cambodian facilities, which expire at various dates through August 2015. Future minimum lease payment is \$4,500 for 2016. Rent expense for these facilities was \$5,250 during the three-month period ended March 31, 2015.