

Hope for Justice, Inc., and Subsidiary

**Financial Statements
March 31, 2024 and 2023, and
Independent Auditors' Report**

HOPE FOR JUSTICE, INC. AND SUBSIDIARY
March 31, 2024 and 2023

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Independent Auditors' Report

To the Board of Directors
Hope for Justice, Inc. and Subsidiary.
Nashville, Tennessee

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Hope for Justice, Inc. (a nonprofit organization) and Subsidiary (the Organization), which comprise the consolidated statement of financial position as of March 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of March 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The consolidated financial statements of the Organization as of March 31, 2023 were audited by other auditors whose report dated January 19, 2024 expressed an unmodified opinion on those 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, 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.

**Independent Auditors' Report
Continued**

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.



February 6, 2025
Indianapolis, Indiana

HOPE FOR JUSTICE, INC., AND SUBSIDIARY

Consolidated Statements of Financial Position March 31, 2024 and 2023

	2024	2023
Assets		
Cash	\$ 103,490	\$ 137,165
Grants and reimbursement contracts receivable, net	42,662	27,185
Accounts receivable, related-parties	61,953	212,393
Unconditional promises to give, net of discounts	300,000	1,207,729
Other assets	32,926	50,717
Right of use assets - operating leases	57,657	-
Property and equipment, net	3,519	25,609
Total assets	<u>\$ 602,207</u>	<u>\$ 1,660,798</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 8,727	\$ 36,735
Accrued payroll and related expenses	128,659	99,889
Contract liabilities	90,370	-
Accounts payable, related-parties	289,787	271,944
Lease liabilities - operating leases	61,856	-
Total liabilities	<u>579,399</u>	<u>408,568</u>
Net Assets		
Without donor restrictions	(598,877)	(204,240)
With donor restrictions	<u>621,685</u>	<u>1,456,470</u>
Total net assets	<u>22,808</u>	<u>1,252,230</u>
Total liabilities and net assets	<u>\$ 602,207</u>	<u>\$ 1,660,798</u>

See accompanying notes to consolidated financial statements

HOPE FOR JUSTICE INC., AND SUBSIDIARY

Consolidated Statements of Activities Years Ended March 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Grants and Other Contributions	\$ 2,482,215	\$ 115,000	\$ 2,597,215	\$ 3,946,849	\$ 1,507,729	\$ 5,454,578
Technical service fees	103,747	-	103,747	92,165	-	92,165
Net gain on disposal of fixed assets	314	-	314	-	-	-
Net assets released from restriction	949,785	(949,785)	-	201,259	(201,259)	-
	<u>3,536,061</u>	<u>(834,785)</u>	<u>2,701,276</u>	<u>4,240,273</u>	<u>1,306,470</u>	<u>5,546,743</u>
Expenses						
Program services	2,618,970	-	2,618,970	1,864,417	-	1,864,417
Management and general	534,219	-	534,219	1,951,076	-	1,951,076
Fundraising	777,509	-	777,509	1,593,481	-	1,593,481
	<u>3,930,698</u>	<u>-</u>	<u>3,930,698</u>	<u>5,408,974</u>	<u>-</u>	<u>5,408,974</u>
Change in net assets	<u>(394,637)</u>	<u>(834,785)</u>	<u>(1,229,422)</u>	<u>(1,168,701)</u>	<u>1,306,470</u>	<u>137,769</u>
Net assets - beginning of year	<u>(204,240)</u>	<u>1,456,470</u>	<u>1,252,230</u>	<u>964,461</u>	<u>150,000</u>	<u>1,114,461</u>
Net assets - end of year	<u><u>\$ (598,877)</u></u>	<u><u>\$ 621,685</u></u>	<u><u>\$ 22,808</u></u>	<u><u>\$ (204,240)</u></u>	<u><u>\$ 1,456,470</u></u>	<u><u>\$ 1,252,230</u></u>

See accompanying notes to consolidated financial statements

HOPE FOR JUSTICE INC., AND SUBSIDIARY

Consolidated Statements of Functional Expenses Years Ended March 31, 2024 and 2023

2024				
	Program	Administrative and General	Fundraising	Total
Personnel	\$ 1,412,902	\$ 286,035	\$ 430,491	\$ 2,129,428
Employee benefits	31,048	5,301	33,314	69,663
Total salaries and related	1,443,950	291,336	463,805	2,199,091
Professional services	707,122	211,161	212,155	1,130,438
Event supplies and rentals	90,146	-	47,920	138,066
Victim support	128,237	-	-	128,237
Occupancy	81,062	2,314	717	84,093
Travel	65,991	3,519	12,965	82,475
Other	36,523	5,597	18,859	60,979
Office supplies	12,721	9,391	7,234	29,346
Conferences and training	28,007	-	-	28,007
Telephone	8,908	3,564	3,732	16,204
Depreciation	6,945	1,154	2,755	10,854
Repairs and maintenance	6,600	987	2,256	9,843
Advertising and promotion	2,758	-	5,111	7,869
Service charges	-	5,196	-	5,196
Total expenses	<u>\$ 2,618,970</u>	<u>\$ 534,219</u>	<u>\$ 777,509</u>	<u>\$ 3,930,698</u>
2023				
	Program	Administrative and General	Fundraising	Total
Personnel	\$ 864,864	\$ 676,953	\$ 821,846	\$ 2,363,663
Employee benefits	60,246	47,156	57,248	164,650
Total salaries and related	925,110	724,109	879,094	2,528,313
Professional services	101,119	1,063,428	113,700	1,278,247
Event supplies and rentals	-	-	475,011	475,011
Victim support	602,803	-	-	602,803
Occupancy	69,683	47,431	-	117,114
Travel	72,223	7,881	59,678	139,782
Other	1,052	26,840	26,523	54,415
Office supplies	10,239	12,473	26,514	49,226
Conferences and training	45,444	6,541	1,278	53,263
Telephone	4,897	3,833	4,654	13,384
Depreciation	5,308	4,154	5,044	14,506
Repairs and maintenance	26,539	1,697	1,752	29,988
Advertising and promotion	-	-	233	233
Service charges	-	52,689	-	52,689
Total expenses	<u>\$ 1,864,417</u>	<u>\$ 1,951,076</u>	<u>\$ 1,593,481</u>	<u>\$ 5,408,974</u>

See accompanying notes to consolidated financial statements

HOPE FOR JUSTICE INC., AND SUBSIDIARY

Consolidated Statements of Cash Flows Years Ended March 31, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Change in net assets	\$ (1,229,422)	\$ 137,769
Adjustments to reconcile net assets to net cash used in operations		
Depreciation	10,854	14,506
Change in discount	(27,271)	27,271
Net gain on disposal of fixed assets	(314)	-
Non-cash lease expense	4,199	-
Changes in:		
Grants and reimbursement contracts receivable, net	(15,477)	(7,620)
Accounts receivable, related-parties	150,440	(212,393)
Unconditional promises to give	935,000	(1,235,000)
Other assets	17,791	(12,445)
Accounts payable	(28,008)	23,985
Accrued payroll and related expenses	28,770	98,806
Contract liabilities	90,370	(7,330)
Accounts payable, related-parties	17,843	160,091
Net cash used in operating activities	<u>(45,225)</u>	<u>(1,012,360)</u>
Cash flows from investing activities		
Proceeds from sale of fixed assets	11,550	-
Purchase of fixed assets	-	(11,593)
Net cash provided by (used in) investing activities	<u>11,550</u>	<u>(11,593)</u>
Net change in cash	(33,675)	(1,023,953)
Cash and cash equivalents - beginning of year	<u>137,165</u>	<u>1,161,118</u>
Cash and cash equivalent - end of year	<u>\$ 103,490</u>	<u>\$ 137,165</u>

See accompanying notes to consolidated financial statements

HOPE FOR JUSTICE, INC. AND SUBSIDIARY

Notes to Financial Statements

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Hope for Justice, Inc. (HFJ) and Subsidiary (collectively, the Organization) was established to support short-term and long-term rehabilitative centers in the United States and Cambodia. HFJ ceased operations in Cambodia during the year ended March 31, 2024. These centers are designed to specifically aid human trafficking victims and will provide shelter, education, counseling and case management services. HFJ is primarily supported by contributions.

Slave Free Alliance (SFA) was established to support organizations in working towards slave-free operations and supply chains.

Principles of Consolidation

The accompanying consolidated financial statements include HFJ and SFA. HFJ and SFA are legally separate entities. SFA is a for-profit corporation wholly owned by HFJ. All material intra-entity transactions have been eliminated.

Consolidated Financial Statement Presentation

The consolidated 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 two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net asset with donor restrictions, which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Cash and Cash Equivalents

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. The Organization maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for expected credit losses. The Organization recognizes an allowance for losses on accounts receivable in an amount equal to the current expected credit losses. The estimation of the allowance is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and reasonable and supportable expectation of future conditions, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible. The Organization assesses collectability by pooling receivables where similar characteristics exist and evaluates receivables individually when specific customer balances no longer share those risk characteristics and are considered at risk or uncollectible. The expense associated with the allowance for expected credit losses is recognized in operating expense.

HOPE FOR JUSTICE, INC. AND SUBSIDIARY

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are valued at cost, if purchased or at an estimated fair value at the date received, if donated. Depreciation is computed on a straight-line basis over estimated useful lives of the respective assets. Major improvements are capitalized, while maintenance and repairs are expensed as incurred. In accordance with GAAP, the Organization assesses the recoverability of the carrying amount of property and equipment if certain events or changes occur, such as a significant decrease in market value of the assets or a significant change in operating conditions. Based on its most recent analysis, the Organization believes no impairments existed at March 31, 2024 and 2023.

Leases

The Organization leases office space. The Organization determines if an arrangement is a lease at inception.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Organization uses rates implicit in the lease, if readily available. For leases that do not provide an implicit rate, a risk-free rate based on information available at commencement date is used in determining the present value of lease payments. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that it will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization accounts for lease and non-lease components as a single lease component. There may be variability in future lease payments as the amount of the non-lease component is typically revised from one period to the next. These variable lease payments are recognized in operating expenses in the period in which the obligation for those payments was incurred.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if they have obtained substantially all of the rights to the underlying asset through exclusivity, if they can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The Organization has elected to apply the short-term lease exception to all classes of underlying assets.

HOPE FOR JUSTICE, INC. AND SUBSIDIARY

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor 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 statement of activities as net assets released from restrictions. Gifts originally having donor stipulations which are satisfied in the period the gift is received are reported as revenue and net assets with donor restrictions 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 Agency reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized and reported as contribution revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenues when the conditions are substantially met and the gift becomes unconditional.

Government Fees and Grants

Revenues of the Organization include cost reimbursable grants. The grants are conditional on the Organization incurring allowable expenses in performance of the grants. Grant revenue is recognized as support to the extent that the related expenses are incurred. Grant funds received in excess of expenses incurred result in the recognition of a refundable advance (liability) recorded on the statements of financial position. Allowable expenses incurred in excess of grant funds received results in recognition of grants receivable (asset) recorded in accounts receivable on the statement of financial position.

Revenue Recognition

The Organization identifies a contract with a customer for revenue recognition when there is approval and commitment from both parties, the rights of the parties and payment terms are identified, the contract has commercial substance and the collectability of consideration is probable. The Organization evaluates each contract to determine the number of distinct performance obligations in the contract, which requires the use of judgment. To determine the proper revenue recognition method, the Organization evaluates whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as single or more than one performance obligation.

HOPE FOR JUSTICE, INC. AND SUBSIDIARY

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

Revenue from contracts with customers is recognized from fees billed to customers, which include membership fees, sponsorship fees, and training/other service fees. Membership/sponsorship contracts consist of performance obligations to provide benefits on an as-needed and continual basis over a 12 to 24 month period. Revenue is recognized over-time as the customer simultaneously receives and consumes the benefits provided. The transaction price is stated in the contracts and known at the time of contract inception. Payment is due before gaining access to benefits.

Other revenues of the Organization are recognized upon completion of the related services or programs.

Contract assets include unbilled receivables resulting from revenue recognized on performance obligations satisfied over time in excess of the amounts billed to the customer. Contract liabilities and customer deposits represent the Organization's obligation to perform services when, consideration has already been received from the customer and are included in contract liabilities on the consolidated statements of financial position. Contract liabilities at April 1, 2022 approximated \$7,330.

Functional Expense

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Expenses have been classified based upon the actual direct expenditures and cost allocations. The most significant allocations are salaries and related expenses, which were allocated based upon estimates of time spent by organizational personnel.

Income Taxes

HFJ is exempt from income taxes under the provisions of the Internal Revenue Code Section 501(c)(3) and a similar provision of Indiana law. However, income from certain activities not directly related to HFJ's tax-exempt purpose is subject to taxation as unrelated business income.

SFA is taxed as a corporation for federal and state income tax purposes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

HOPE FOR JUSTICE, INC. AND SUBSIDIARY

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Effect of Recently Adopted Accounting Guidance

During 2024, the Organization adopted Accounting Standards Update (ASU) 2016-12, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The ASU replaces the incurred loss impairment methodology with a current expected credit losses model for all financial assets measured at amortized cost. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the ASU include accounts receivable. There was no material impact on the financial statements as a result of this change in accounting principle.

Subsequent Events

Subsequent events have been evaluated through February 6, 2025, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of March 31, comprise of the following:

	2024	2023
Cash	\$ 103,490	\$ 137,165
Grants and reimbursement contracts receivable, net	42,662	27,185
Accounts receivable, related-parties	61,953	212,393
Unconditional promises to give	300,000	1,207,729
Total financial assets available	508,105	1,584,472
Less: donor-restricted net assets	(621,685)	(1,456,470)
Net financial assets available	<u>\$ (113,580)</u>	<u>\$ 128,002</u>

For the purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities issued to programs as well as the general expenses that support the programs. The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments.

HOPE FOR JUSTICE, INC. AND SUBSIDIARY

Notes to Financial Statements (Continued)

NOTE 3 UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give as of March 31 consisted of the following:

	2024	2023
Due within one year	\$ 300,000	\$ 935,000
Due in one to five years	-	300,000
	300,000	1,235,000
Less discount to net present value	-	(27,271)
	<u>\$ 300,000</u>	<u>\$ 1,207,729</u>

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment at March 31 consisted of the following:

	2024	2023
Computers and office equipment	\$ 33,085	\$ 75,747
Vehicles	-	59,499
Furniture and fixtures	-	24,436
	33,085	159,682
Less accumulated depreciation	(29,566)	(134,073)
	<u>\$ 3,519</u>	<u>\$ 25,609</u>

NOTE 5 CONDITIONAL CONTRIBUTIONS

The Organization has numerous grants for which the agencies' promises to give are conditioned upon the Organization incurring certain qualifying expenses under the grant programs. At March 31, 2024 and 2023, the Organization had remaining available award balances on conditional grants and contracts of \$479,195 and \$249,885, of which none have been received in advance of utilization, all respectively. These award balances are recognized as revenue as the conditions are met, generally as qualifying expenses are incurred.

HOPE FOR JUSTICE, INC. AND SUBSIDIARY

Notes to Financial Statements (Continued)

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at March 31 are available for the following purposes or periods:

	2024	2023
Restricted due to purpose		
North Carolina programming	\$ 621,685	\$ 821,470
Restricted as to purpose or timing:		
Subsequent year operations	-	635,000
	<u>\$ 621,685</u>	<u>\$ 1,456,470</u>

NOTE 7 LEASES

HFJ leased space for program use in the United States and Cambodia under non-cancellable operating leases expiring at various times through March 1, 2027. The Cambodia leases were terminated in June 2023 when HFJ ceased its Cambodia operations.

The component of lease expense were as follows:

	2024	2023
Operating lease expense	\$ 27,899	\$ -
Short-term lease expense	46,017	87,460
Variable lease expense	49	-
	<u>\$ 73,965</u>	<u>\$ 87,460</u>

Other information related to the leases were as follows:

	2024	2023
Operating cash flows:		
Operating leases	\$ 23,700	\$ -
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	\$ 82,881	\$ -
Weighted average remaining lease term:		
Operating leases	2.17 Years	N/A
Weighted average discount rate:		
Operating leases	3.92%	N/A

HOPE FOR JUSTICE, INC. AND SUBSIDIARY

Notes to Financial Statements (Continued)

NOTE 7 LEASES (CONTINUED)

Future lease payments under leases as of March 31, 2024 were as follows:

2025	\$	29,293
2026		30,175
2027		<u>5,179</u>
Total lease payments	\$	64,647
Less interest		<u>(2,791)</u>
Present value of lease liability	\$	<u><u>61,856</u></u>

NOTE 8 RELATED-PARTY TRANSACTIONS

HFJ is affiliated with non-profit organizations named Hope For Justice UK, Retrak, Hope for Justice Australia, Lily Pad Haven, and Break The Cycle. These separate legal entities share a similar mission and purpose. Additionally, certain board members of HFJ are also board members of its affiliated organizations.

Hope For Justice UK provides managerial and business services for HFJ which totaled \$941,126 and \$904,822 for the years ended March 31, 2024 and 2023, respectively. HFJ also awarded a \$75,000 grant to Hope For Justice UK during the year ended March 31, 2023. Amounts due from Hope for Justice UK at March 31, 2024 and 2023 are \$61,953 and \$212,393, respectively.

HFJ receives contributions for Retrak through US-based giving platforms. During the years ended March 31, 2024 and 2023, amounts due to Retrak at March 31, 2024 and 2023 are \$254,676 and \$265,561, respectively.

HFJ is affiliated with a non-profit organization named Slave Free Alliance Limited. This separate legal entity shares a similar mission and purpose.

HFJ received advances from Slave Free Alliance Limited. During the years ended March 31, 2024 and 2023, amounts due to Slave Free Alliance Limited at March 31, 2024 and 2023 are \$34,834 and \$-0-, respectively.

NOTE 9 MANAGEMENT'S CONSIDERATION OF NET OPERATING LOSS AND WORKING CAPITAL DEFICIT

During 2024 and 2023, the Organization experienced large negative cash flow from operations, which raised concerns that management may not be able to meet its ongoing obligations. To alleviate these concerns, management of the Organization is in the process of implementing a financial solvency plan which includes adjusting cost structures and restructuring the philanthropy team. The Organization will rely on surpluses from other affiliated entities noted above. The outstanding payables to affiliated entities will not be called within the next 12-month period.