

LIGHT UP HOPE, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2024

LIGHT UP HOPE

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Light Up Hope, Inc.

We have audited the accompanying financial statements of Light Up Hope, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 Light Up Hope, Inc. as of December 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Light Up Hope, Inc. 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 of 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 Light Up Hope, Inc.'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 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 Light Up Hope, Inc.'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 Light Up Hope, Inc.'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.

Report on Summarized Comparative Information

We have previously audited Light Up Hope's December 31, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 22, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

MIDDLEMIST CROUCH & CO., CPAs, P.C.

Middlemist Crouch & Co CPAs PC

Boulder, Colorado

August 22, 2025

FINANCIAL STATEMENTS

LIGHT UP HOPE, INC.
Statement of Financial Position
December 31, 2024

(with summarized financial information for the year ended December 31, 2023)

ASSETS		
	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	\$ 824,262	\$ 414,861
Total Current Assets	824,262	414,861
TOTAL ASSETS	\$ 824,262	\$ 414,861
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 9,500	\$ -
Payroll liabilities	12,460	5,685
Total Current Liabilities	21,960	5,685
NET ASSETS		
Without donor restriction	139,340	143,276
With donor restriction	662,962	265,900
Total Net Assets	802,302	409,176
TOTAL LIABILITIES AND NET ASSETS	\$ 824,262	\$ 414,861

See accompanying notes to financial statements

LIGHT UP HOPE, INC.
Statement of Activities and Changes in Net Assets
For the year ended December 31, 2024
(with summarized financial information for the year ended December 31, 2023)

	2024			2023
	Without Donor Restriction	With Donor Restriction	Total	Total
SUPPORT AND REVENUE				
Contributions	\$ 23,416	\$ -	\$ 23,416	\$ 34,670
Grant revenue	40,000	3,158,490	3,198,490	2,395,092
Interest income	1,189	-	1,189	160
Net assets released from restriction	2,761,428	(2,761,428)	-	-
Total support and revenue	<u>2,826,033</u>	<u>397,062</u>	<u>3,223,095</u>	<u>2,429,922</u>
EXPENSES				
Program services	2,605,601	-	2,605,601	2,197,554
Management and general	184,905	-	184,905	85,542
Fundraising	39,463	-	39,463	32,962
Total expenses	<u>2,829,969</u>	<u>-</u>	<u>2,829,969</u>	<u>2,316,058</u>
CHANGE IN NET ASSETS	(3,936)	397,062	393,126	113,864
NET ASSETS--BEGINNING OF YEAR	<u>143,276</u>	<u>265,900</u>	<u>409,176</u>	<u>295,312</u>
NET ASSETS--END OF YEAR	<u>\$ 139,340</u>	<u>\$ 662,962</u>	<u>\$ 802,302</u>	<u>\$ 409,176</u>

See accompanying notes to financial statements

LIGHT UP HOPE, INC.
Statement of Functional Expenses
For the year ended December 31, 2024
(with summarized financial information for the year ended December 31, 2023)

	Program Services	Management and General	Fundraising	2024 Total Expenses	2023 Total Expenses
Salaries and wages	\$ 185,879	\$ 79,663	\$ 21,894	\$ 287,436	\$ 162,000
Payroll taxes	18,274	7,831	2,569	28,674	23,350
Advertising and promotion	-	-	15,000	15,000	32,962
Office expense	-	10,703	-	10,703	9,625
Contract services	-	42,255	-	42,255	35,780
Professional fees	-	16,734	-	16,734	-
Rent	-	2,600	-	2,600	2,000
Travel	23,518	12,592	-	36,110	20,368
Grants	2,377,930	-	-	2,377,930	2,022,133
Other expense	-	12,527	-	12,527	7,840
Total expenses	<u>\$ 2,605,601</u>	<u>\$ 184,905</u>	<u>\$ 39,463</u>	<u>\$ 2,829,969</u>	<u>\$ 2,316,058</u>

See accompanying notes to financial statements

LIGHT UP HOPE, INC.
Statement of Cash Flows
For the year ended December 31, 2024
(with summarized financial information for the year ended December 31, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 393,126	\$ 113,864
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in assets and liabilities		
Accounts payable	9,500	
Payroll liabilities	6,775	(10,020)
Net cash provided (used) by operating activities	409,401	103,844
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash (used) by investing activities	-	-
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash (used) by financing activities	-	-
 NET INCREASE (DECREASE) IN CASH	409,401	103,844
 CASH-BEGINNING OF YEAR	414,861	311,017
 CASH-END OF YEAR	\$ 824,262	\$ 414,861

See accompanying notes to financial statements

NOTE 1- ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Light Up Hope, Inc. (LUH) is a Colorado nonprofit organized under Section 501(c)(3) of the Internal Revenue Code. LUH was formed in 2017 to offer solutions and financial support for the continuum of emotional, spiritual, physical and educational care for orphans and impoverished persons in the Nation of Kenya.

WOVEN

This program is designed to provide access to higher education for students from low-income and underrepresented communities, as well as to provide the life skills and mental health counseling needed to succeed as they transition into the job market.

Feeding Program:

Students in our School Feeding Program receive a life altering change through the provision of school meals every day at school. This initiative gives the children in our program an opportunity to both learn, and be nourished, in a way they have never experienced in their lives.

High School Program:

Our high school sponsorship is comprised of high performing girls from the most under resourced backgrounds and additional special circumstance sponsorships for students who have a special need for sponsorship but are not high performing and/or are not female.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, LUH considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents

Net Assets

LUH reports 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.

Net Assets without Donor Restrictions – these net assets generally result from revenues generated by receiving donations that have no donor restrictions and investment income from operating investments, less expenses incurred in providing program related services and performing administrative functions.

Net Assets with Donor Restrictions – these net assets result from donations that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

LIGHT UP HOPE, INC.
Notes to Financial Statements
December 31, 2024

NOTE 1- ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Contributions

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (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 in the statement of activities as net assets released from restrictions.

Income Taxes

LUH is exempt from Federal Income Taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization files Form 990 in the U.S. federal jurisdiction. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2021.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Expenses that can be identified with a specific program or support services are allocated directly according to their natural expenditure classification. Other expenses that are common to several programs or support services are allocated based on estimates made by management.

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.

NOTE 2- FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, contributions receivable, accounts payable, accrued expenses, notes payable and other liabilities approximate fair value due to the short-term nature of the items, and are considered to fall within Level 1 of the fair value hierarchy.

NOTE 3- ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2024, LUH had the following restricted net assets:

Purpose restrictions:	
High School program	\$ 65,925
Feeding program	306,958
WOVEN program	81,285
SOC Admin	78,134
SOC restricted	<u>130,660</u>
Total	<u>\$ 662,962</u>

LIGHT UP HOPE, INC.
Notes to Financial Statements
December 31, 2024

NOTE 4- LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The following table reflects LUH's financial assets (cash and cash equivalents, contributions receivable and investments) as of December 31, 2024, reduced by amounts not available for general expenditures within one year:

Total financial assets	\$ 824,262
Less donor restricted funds	<u>(662,962)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 161,300</u>

NOTE 5 -SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 22, 2025, which is the date which the financial statements were available to be issued.