



Open Hearts for Orphans, Inc.

Financial Statements

December 31, 2024

Table of Contents

Independent Accountants' Review Report.....	1
Financial Statements:	
Statement of Financial Position.....	2
Statement of Activities and Changes in Net Assets.....	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements.....	6 – 8



Independent Accountants' Review Report

To the Board of Directors
Open Hearts for Orphans, Inc.
Delray Beach, Florida

We have reviewed the accompanying financial statements of Open Hearts for Orphans, Inc. (the "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 (collectively, the "financial statements"). A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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 ("U.S. GAAP"); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountants' 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 U.S. GAAP. We believe that the results of our procedures provide a reasonable basis for our conclusion.

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

Accountants' 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 U.S. GAAP.

Ricciardella CPA, PLLC

Ricciardella CPA, PLLC
Palm Beach Gardens, Florida
June 10, 2025

Open Hearts for Orphans, Inc.
Statement of Financial Position
December 31, 2024

ASSETS

Current assets:

Cash and cash equivalents	\$ 272,887
Other assets	<u>425</u>
Total current assets	<u>273,312</u>

Endowment, held in trust by others	4,977
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Total assets	<u>\$ 278,289</u>
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LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable and accrued expenses	<u>\$ 10,873</u>
Total liabilities	<u>10,873</u>

Net assets:

Without donor restrictions	227,334
With donor restrictions	<u>40,082</u>
Total net assets	<u>267,416</u>

Total liabilities and net assets	<u>\$ 278,289</u>
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See the accompanying notes to the financial statements
and independent accountants' review report

Open Hearts for Orphans, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	\$ 515,869	\$ 5,424	\$ 521,293
Grants	28,000	-	28,000
Special event, net	5,273	-	5,273
Miscellaneous	8,341	-	8,341
Interest income	5,931	-	5,931
Net investment loss	-	(22)	(22)
Total support and revenue	<u>563,414</u>	<u>5,402</u>	<u>568,816</u>
Expenses:			
Program services	451,945	-	451,945
Management and general	71,984	-	71,984
Fundraising	11,144	-	11,144
Total expenses	<u>535,073</u>	<u>-</u>	<u>535,073</u>
Change in net assets	28,341	5,402	33,743
Net assets, beginning of year	<u>198,993</u>	<u>34,680</u>	<u>233,673</u>
Net assets, end of year	<u>\$ 227,334</u>	<u>\$ 40,082</u>	<u>\$ 267,416</u>

See the accompanying notes to the financial statements
and independent accountants' review report

Open Hearts for Orphans, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Services				Support Services		Total
	Adoption Assistance & Awareness	Medical Intervention	Orphan Care - Basic Needs	Total Program Services	Management and General	Fundraising	
Salaries	\$ 33,866	\$ 12,944	\$ 12,661	\$ 59,471	\$ 21,355	\$ 4,996	\$ 85,822
Payroll taxes	2,442	933	913	4,288	1,540	360	6,188
Benefits	-	-	-	-	772	-	772
Total salaries and related expenses	36,308	13,877	13,574	63,759	23,667	5,356	92,782
Grant assistance	69,693	10,210	284,880	364,783	-	-	364,783
Program expenses	1,255	4,737	10,391	16,383	-	-	16,383
Bank fees and other	-	-	-	-	13,849	-	13,849
Professional fees	-	-	-	-	11,999	-	11,999
Travel	500	-	5,845	6,345	3,143	544	10,032
Computer supplies and expenses	-	-	-	-	6,173	-	6,173
Contract labor	-	-	-	-	5,013	300	5,313
Engagement and outreach	53	-	-	53	1,982	2,367	4,402
Advertising and marketing	95	-	-	95	1,548	1,002	2,645
Printing and copying	-	-	-	-	923	975	1,898
Books, subscriptions, and reference	15	-	-	15	1,322	242	1,579
Insurance	-	-	-	-	1,435	-	1,435
Postage and delivery	512	-	-	512	222	114	848
Telephone and internet	-	-	-	-	433	-	433
Registration fees	-	-	-	-	275	-	275
Conference and meetings	-	-	-	-	-	244	244
Total	<u>\$ 108,431</u>	<u>\$ 28,824</u>	<u>\$ 314,690</u>	<u>\$ 451,945</u>	<u>\$ 71,984</u>	<u>\$ 11,144</u>	<u>\$ 535,073</u>

See the accompanying notes to the financial statements
and independent accountants' review report

Open Hearts for Orphans, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2024

Cash flows from operating activities:	
Change in net assets	\$ 33,743
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Net investment loss	22
Changes in operating assets and liabilities:	
Other assets	1,448
Accounts payable and accrued expenses	9,337
Net cash provided by operating activities	<u>44,550</u>
Cash flows from investing activities	<u>-</u>
Cash flows from financing activities	<u>-</u>
Net increase in cash and cash equivalents	44,550
Cash and cash equivalents, beginning of year	<u>228,337</u>
Cash and cash equivalents, end of year	<u><u>\$ 272,887</u></u>

See the accompanying notes to the financial statements
and independent accountants' review report

Open Hearts for Orphans, Inc.
Notes to Financial Statements

Note 1 – Nature of Organization

Open Hearts for Orphans, Inc. (the “Organization”) was incorporated in the State of Florida on May 30, 2016 as a not-for-profit corporation. The purpose of the Organization is to provide resources for orphaned, abandoned, and at-risk children in the U.S. and abroad through medical intervention, meeting basic needs, and providing adoption assistance. The Organization’s support comes primarily from contributions from individual and corporate donors.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Organization’s financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the accompanying statement of activities and changes in net assets.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three (3) months or less to be cash equivalents.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among the program services, management and general, and fundraising services benefited.

Contributions

Contributions received are recorded as revenue without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Open Hearts for Orphans, Inc.
Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies, continued

Income Taxes

The Organization has been recognized by the Internal Revenue Service as an organization that is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Furthermore, it has been determined that the Organization is not a private foundation. No provision has been made for income taxes in the financial statements.

Donated Services and Materials

Contributed services are recognized if the services received create or enhance non-financial assets or require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed materials are recognized at estimated fair value on the date received. Management did not receive donated services or materials during the year ended December 31, 2024.

Investments

The Organization reports investments at fair value. Net investment loss consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses. Net investment loss is reported in the statement of activities and changes in net assets as a change in net assets without donor restriction unless the use of the income is limited by donor-imposed restrictions.

Advertising Costs

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2024 was \$2,645.

Date of Management's Review

Management has evaluated events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through June 10, 2025, which is the date the financial statements were available to be issued.

Note 3 – Liquidity and Availability of Resources

The Organization's financial assets available within one (1) year to meet cash needs for general expenditures, without donor or other restrictions limiting their use, consisted of the following as of December 31, 2024:

Financial assets:	
Cash and cash equivalents	\$ 272,887
Endowment, held in trust by others	<u>4,977</u>
Total financial assets	<u>277,864</u>
Less: financial assets not available for general expenditure:	
Restricted by donor:	
Endowment, held in trust by others	(4,977)
Program, heart medical	<u>(34,680)</u>
Total financial assets not available for general expenditure	<u>(39,657)</u>
Total financial assets available for general expenditure	<u>\$ 238,207</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Open Hearts for Orphans, Inc.
Notes to Financial Statements

Note 4 – Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31, 2024:

Net assets with donor restrictions:

Time restricted:

Endowment, held in trust by others	\$ 4,977
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Purpose restricted:

Program, heart medical	34,680
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Gift cards	425
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Total net assets with donor restrictions	<u>\$ 40,082</u>
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Note 5 – Concentration of Credit Risk

The Organization maintains its cash at financial institutions which are members of the Federal Deposit Insurance Corporation (the "FDIC"). The FDIC insures deposits up to \$250,000 per depositor per each financial institution. As of December 31, 2024, the Organization's cash deposits exceeded FDIC insured limits in the amount of \$3,237. The Organization has not experienced losses in such accounts and believes it is not exposed to any significant credit risk on its cash deposits.

Note 6 – Funds Held in Trust by Others

The Organization has a charitable endowment fund known as the Open Hearts for Orphans Fund (the "Fund") with the Community Foundation for Palm Beach and Martin Counties ("Community Foundation"). The earnings of the Fund have been restricted for the benefit of the Organization. Assets contributed to the Community Foundation for the benefit of the Organization are recorded as assets of the Organization. These "agency restricted funds" are pooled with the other assets of the Community Foundation for investment purposes. As of December 31, 2024, the balance of the Fund was \$4,977.